



SEC/ADMHL/SE/2018/054

July 25, 2018

The Secretary Listing Department, BSE Limited, 1 <sup>st</sup> Floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400001 Scrip Code: 540975	The Manager, Listing Department, The National Stock Exchange of India Ltd Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (East), Mumbai 400051 Scrip Symbol: ASTERDM
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Dear Sir/ Madam,

**RE: Notice of Annual General Meeting (AGM) and Annual Report for the Financial Year 2018-19**

Please find enclosed the Notice of the 10<sup>th</sup> AGM and the Annual Report for the Financial Year 2018-19. The same is available on the Company's website at: [http://www.nseprimeir.com/ir\\_download/PPN\\_AnnualReports/Aster\\_DM\\_Healthcare\\_AR\\_17-18.zip](http://www.nseprimeir.com/ir_download/PPN_AnnualReports/Aster_DM_Healthcare_AR_17-18.zip)

Do also note that, in order to comply with the Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Annual Report for the Financial Year 2018-19 will be filed with the Exchanges after it is adopted by the shareholders of the Company at the 10<sup>th</sup> AGM to be held on 16<sup>th</sup> of August 2018.

The schedule of event is as set out below:

Event	Date	Time
Cut-off date for e-voting	09 <sup>th</sup> August 2018	NA
Commencement of e-voting	13 <sup>th</sup> August 2018	09:00 A.M.
End of e-voting	15 <sup>th</sup> August 2018	05:00 P.M.
AGM	16 <sup>th</sup> August 2018	10:00 A.M.

This if for your information and records

Thank You

For Aster DM Healthcare Limited

**Thomas Joseph  
Compliance Officer.**

**Aster DM Healthcare Limited**  
CIN- U85110KL2008PLC021703  
IX/475L, Aster Medcity, Kuttisahib Road  
Near Kothad Bridge, South Chittoor PO  
Cheranalloor, Kochi- 682027, Kerala, India  
Tel: +91 484 6699999, Fax: +91 484 6699862  
Email: [cs@asterdmhealthcare.com](mailto:cs@asterdmhealthcare.com)

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# Aster DM Healthcare Limited

CIN: U85110KL2008PLC021703

Registered office: IX/475L, Aster Medcity, Kuttisahib Road, Near Kothad Bridge, South Chittoor P O, Cheranalloor, Kochi 682 027, Kerala  
W: [www.asterdmhealthcare.com](http://www.asterdmhealthcare.com) E: [cs@asterdmhealthcare.com](mailto:cs@asterdmhealthcare.com) T: 04846699228

## Notice

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Notice is hereby given that the 10th Annual General Meeting (AGM) of the members of Aster DM Healthcare Limited (the "Company") will be held on Thursday, the 16th day of August 2018 at 10:00 AM (IST) at the Knowledge Hub, Aster Medcity, Kochi, Kerala, India – 682 027 to transact the following business:

### A. Ordinary business

1. **To receive, consider and adopt:**
  - a. the Audited Financial Statements of the Company for the Financial year ended March 31, 2018 and along with the Auditors report and the Report of the Board of Directors thereon.
  - b. the Audited Consolidated Financial Statements of the Company for the Financial year ended March 31, 2018 and along with the Auditors report thereon.
2. To appoint a Director in the place of Mr. T J Wilson (DIN: 02135108) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. Shamsudheen Bin Mohideen Mammu Haji (DIN: 02007279) who retires by rotation and, being eligible, offers himself for re-appointment.

### B. Special Business

4. Approval of remuneration payable to the Cost Auditors for the Financial Year 2018-19

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution

**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) the shareholders be and are hereby approve and ratify the remuneration of Rs. 1,40,000 (Rupees One Lakh and Forty thousand) plus out of pocket expenses & taxes as applicable to BBS & Associates, Cost Accountants, Kochi (Firm Registration Number: 00273) who were appointed as Cost Auditors of the Company by the Board of Directors for the Financial Year 2018-19.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to the resolution.

For and on behalf of the Board of Directors  
For Aster DM Healthcare Limited

Sd/-

**Dr. Azad Moopen**

Chairman and Managing Director  
(DIN:00159403)

Dubai  
21st May 2018

Registered Office:  
IX/475L, Aster Medcity, Kuttisahib Road,  
Near Kothad Bridge, South Chittoor P O, Cheranalloor, Kochi, Kerala, India

## Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF A MAXIMUM OF 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY, PROVIDED THAT THE PERSON DOES NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company or upload it on e-voting portal, authorizing their representative to attend and vote on their behalf at the meeting.
3. The instrument appointing the proxy, duly completed, must be deposited at the Company's Registered Office not less than 48 hours before the commencement of the meeting (on or before August 14, 2018). A proxy form for the AGM is enclosed.
4. During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members / proxies/ authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.
7. Members are requested to address all correspondence, to the Registrar and Share Transfer Agents, Link Intime India Pvt Ltd, Unit: Aster DM Healthcare Limited, Coimbatore – 641028
8. We urge members to support our commitment to the environmental protection by choosing to receive their shareholding communication through email. You can do this by updating your email addresses with your depository participants.
9. In compliance with section 108 of the Act, read with corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) service facilitated by NSDL. The facility for voting will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice. The Board has appointed Mr. Sunil Shankar, Practicing Company Secretary, as the Scrutinizer to scrutinize the e-voting / ballot process / insta poll in a fair and transparent manner.
10. The e-voting period commences on August 13, 2018 (9.00 a.m. IST) and ends on August 15, 2018 (5.00 p.m. IST). During this period, members holding shares either in physical or dematerialized form, as on the cut-off date, i.e. August 09, 2018 may cast their vote electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution for which the vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. August 09, 2018. E-voting rights cannot be exercised by a proxy, though corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization.
11. The Annual Report 2017-18, the Notice of the 10th AGM, and instructions for e-voting, along with the attendance slip and proxy form, are being sent by electronic mode to members whose email addresses are registered with the Company / depository participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies are being sent by the permitted mode.
12. Members may also note that the Notice of the 10th AGM and the 10th Annual Report 2017-18 will be available on the Company's website, <http://www.asterdmhealthcare.com/investors/>.
13. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of the Notice.
14. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents.

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15. All documents referred to in Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.

16. The attendance registration procedure for the AGM is as follows:

Shareholders are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.

17. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning business under Item no. 4 is annexed hereto.

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

### Item No. 4

Members may note that Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 your Company is required to maintain cost records and appoint a cost auditor to have the cost records audited on annual basis. Your Board of Directors at their meeting held on 21st May 2018

had appointed M/s BBS and Associates, Cost Accountants (FRN 00273), practicing Cost Accountants, Kochi, as Cost Auditors to carry out cost audit for the financial year 2018-19.

In accordance with Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration so payable to the Cost Auditors is required to be ratified by the Shareholders of the Company.

The Board accordingly recommends the passing of the said resolution as contained in the Notice for approval by the Members as an ordinary resolution. The details of the remuneration proposed by the Board of Directors is as under:

Cost auditors are proposed to be paid Rs. 140,000 plus out of pocket expenses & taxes as applicable for the Financial Year 2018-19 and same has been recommended by the Board and the Audit Committee.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the proposed resolution.

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## Additional information on Director recommended for appointment/ reappointment as required under Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

### Re-appointment of Mr. T J Wilson

In terms of Section 152(6) of the Companies Act, 2013, Mr. T. J. Wilson, appointed as Non-Executive Director of the Company effective from 20th April 2009 and is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

Mr. T. J. Wilson is a Director of our Company and the Group Head – Governance and Corporate Affairs, GCC. He holds a bachelor's degree in Commerce from the University of Calicut, Kerala, India. He is also a member of the Institute of Chartered Accountants of India. In the past, he has worked with Koyenco Feeds Private Limited and Parle (Exports) Limited. He is responsible for overseeing the legal, secretarial and governance function, internal audit and large portfolio of new hospital projects.

Mr. T J Wilson is also a director on the Board of various other private limited and foreign subsidiary companies in Aster DM Group. He is also a member of the Audit and Risk Management Committee and Stakeholders' Relationship Committee of the Board of Directors of the Company

Mr. T. J. Wilson holds 27,37,210 Equity shares of the Company

Upon his re-appointment as a Non-Executive Director, Mr. T J Wilson shall continue to hold office as Non-Executive Director. Accordingly, Board recommends his re-appointment.

Except Mr. T J Wilson, none of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise in the proposed resolution.

### Re-appointment of Mr. Shamsudheen Bin Mohideen Mammu Haji

In terms of Section 152(6) of the Companies Act, 2013, Mr. Shamsudheen Bin Mohideen Mammu Haji, appointed as Non-Executive Director of the Company effective from 16th September 2015 and is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

He is an entrepreneur and chairman of Regency Group for Corporate Management in the UAE.

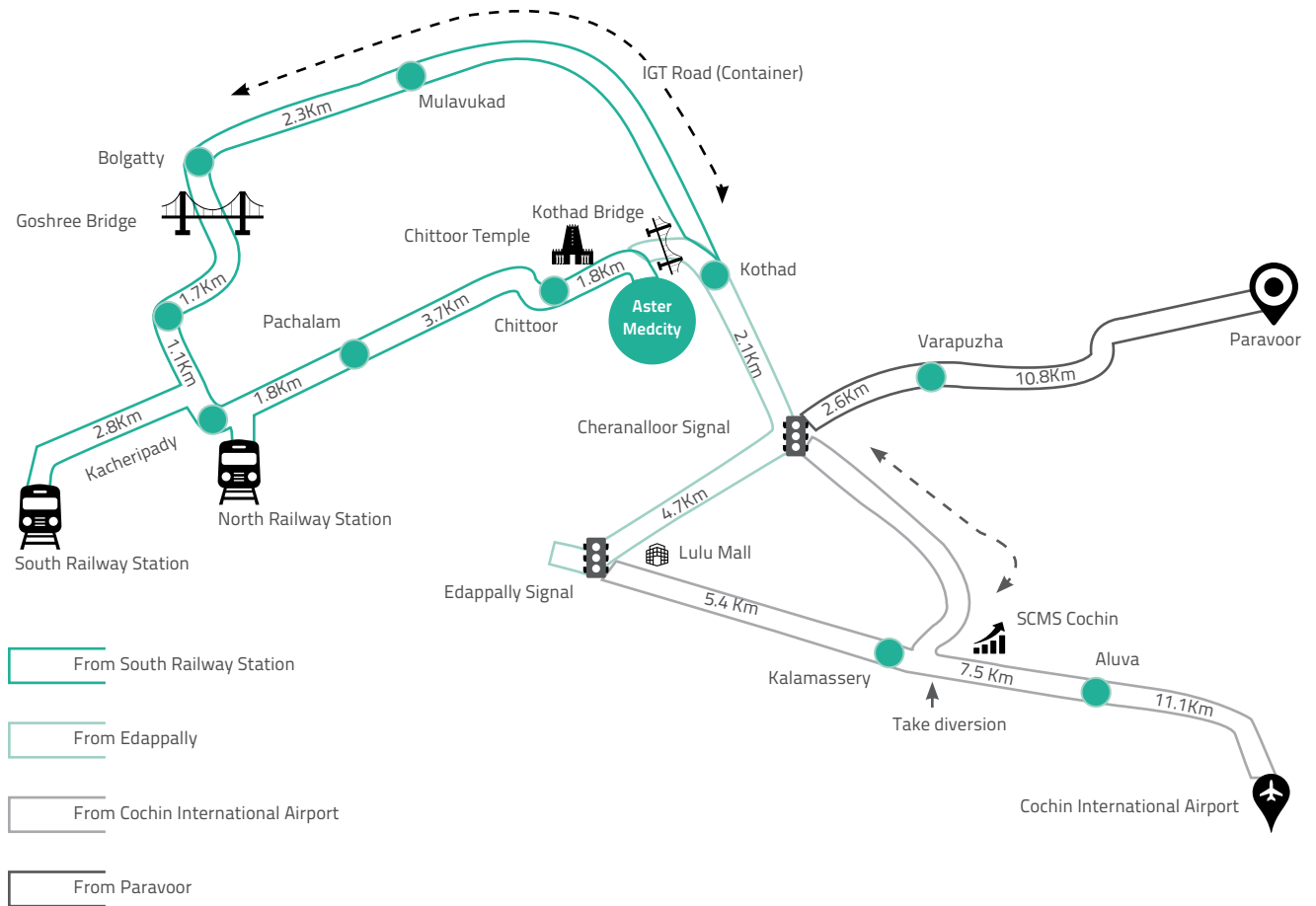
Mr. Shamsudheen Bin Mohideen Mammu Haji is also a director on the Board of various other private limited and foreign companies such as Wayanad Infrastructure Private Limited, Regency Group for Corporate Management and Regency Trading LLC.

Mr. Shamsudheen Bin Mohideen Mammu Haji holds 57,17,829 Equity shares of the Company

Upon his re-appointment as a Non-Executive Director, Mr. Shamsudheen Bin Mohideen Mammu Haji shall continue to hold office as Non-Executive Director. Accordingly, Board recommends his re-appointment.

Except Mr. Shamsudheen Bin Mohideen Mammu Haji, none of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise in the proposed resolution.

## Route Map to the venue:



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# Aster DM Healthcare Limited

CIN: U85110KL2008PLC021703

**Registered office:** IX/475L, Aster Medcity, Kuttisahib Road, Near Kothad Bridge, South Chittoor P O, Cheranallor, Kochi 682 027, Kerala  
**W:** [www.asterdmhealthcare.com](http://www.asterdmhealthcare.com) **E:** [cs@asterdmhealthcare.com](mailto:cs@asterdmhealthcare.com) **T:** 04846699228

## Form No. MGT-11 Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member:	
Registered Address:	
Email ID	
Folio No/ Client ID	
DP ID	

I/We, being the member (s) of \_\_\_\_\_ equity shares of the above named company, hereby appoint

1. \_\_\_\_\_ of \_\_\_\_\_ having email id: \_\_\_\_\_ or failing him
2. \_\_\_\_\_ of \_\_\_\_\_ having email id: \_\_\_\_\_ or failing him
3. \_\_\_\_\_ of \_\_\_\_\_ having email id: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the Thursday, 16th August 2018 at 10.00 a.m. at the Annexe Building of Aster Medcity, Kuttisahib Road, Near Kothad Bridge, South Chittoor P O, Cheranallor, Kochi 682 027, Kerala and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional)	
		For	Against
<b>Ordinary Business</b>			
1	a. Receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended March 31, 2018 and along with the Auditors report and the Report of the Board of Directors thereon.		
	b. Receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial year ended March 31, 2018 and along with the Auditors report thereon.		
2	Reappointment of Mr. T J Wilson (DIN: 02135108) who retires by rotation.		
3	Reappointment of Mr. Shamsudheen Bin Mohideen Haji (DIN: 02007279) who retires by rotation		
<b>Special Business</b>			
4	Ratification of remuneration payable to the Cost Auditors for the Financial Year 2018-19		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting
2. For the Resolutions, Explanatory Statement and notes, please refer to the Notice of 10th Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.

# Aster DM Healthcare Limited

CIN: U85110KL2008PLC021703

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W: [www.asterdmhealthcare.com](http://www.asterdmhealthcare.com) E: [cs@asterdmhealthcare.com](mailto:cs@asterdmhealthcare.com) T: 04846699228

## Attendance Slip

10th Annual General Meeting – 16th August 2018

Name and Address of the Shareholder:

Name(s) of the Joint Shareholder(s) if any:

Registered Folio No. / DP ID No. & Client ID:

Number of Shares held:

Name of the Proxy/Representative, if any:

I certify that I am a member / proxy / authorized representative for the member of the Company

I hereby record my presence at the 10th Annual General Meeting of the Company at the Knowledge Hub, Annexe Building - Aster Medcity, Cheranallor, Kochi – 682027, India at 10:00 AM IST

.....  
**Name of the member / proxy**  
**(in BLOCK letters)**

.....  
**Signature of the member / proxy**

Note: Please fill up the attendance slip and hand it over at the entrance of the meeting hall at the registration desk. Members are requested to bring their copies of Annual Report to AGM



# Instructions for Voting through electronic means

The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

Details on Step 1 is mentioned below:

## **How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) "**Physical User Reset Password?**" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

#### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to Mr. Sunil Menon at [sunilsmenon@gmail.com](mailto:sunilsmenon@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "**Forgot User Details/Password?**" or "**Physical User Reset Password?**" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

**Aster**

We'll Treat You Well



# Quality Healthcare made Accessible & Affordable

AN INSIGHT INTO OUR CARING MISSION WITH A GLOBAL VISION

## FORWARD-LOOKING STATEMENTS

Some information in this report may contain forward-looking statements which include statements regarding Company's expected financial position and results of operations, business plans and prospects etc. and are generally identified by forward-looking words such as "believe," "plan," "anticipate," "continue," "estimate," "expect," "may," "will" or other similar words. Forward-looking statements are dependent on assumptions or basis underlying such statements. We have chosen these assumptions or basis in good faith, and we believe that they are reasonable in all material respects. However, we caution that actual results, performances or achievements could differ materially from those expressed or implied in such forward-looking statements. We undertake no obligation to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

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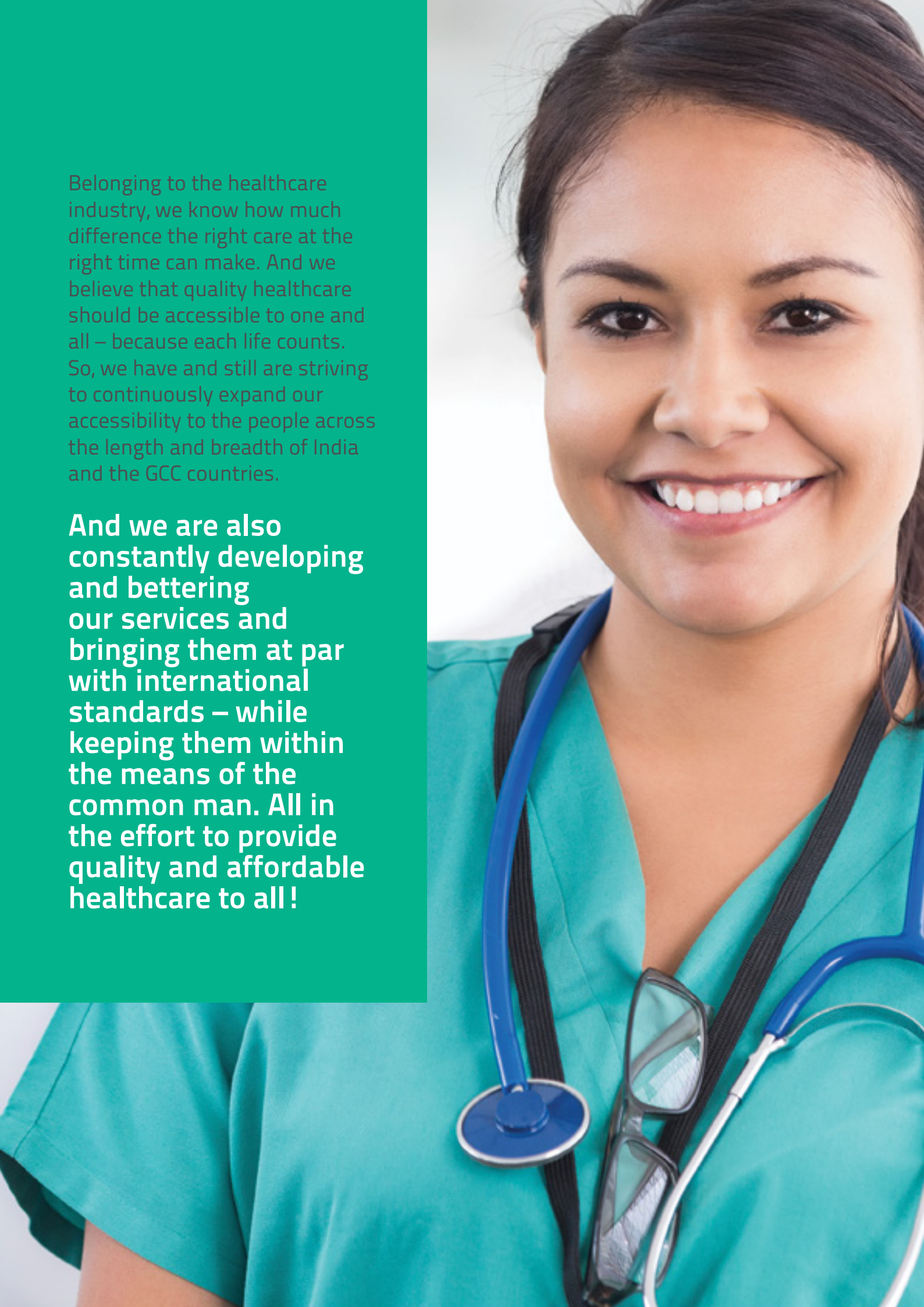
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Belonging to the healthcare industry, we know how much difference the right care at the right time can make. And we believe that quality healthcare should be accessible to one and all – because each life counts. So, we have and still are striving to continuously expand our accessibility to the people across the length and breadth of India and the GCC countries.

**And we are also constantly developing and bettering our services and bringing them at par with international standards – while keeping them within the means of the common man. All in the effort to provide quality and affordable healthcare to all!**



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## ASTER AT A GLANCE

Aster DM Healthcare is an integrated healthcare service organisation, that provides the complete circle of care to people through its world-class network of hospitals, clinics and pharmacies, providing primary to quaternary care to all segments of population. Aster DM Healthcare Limited is one of the largest private healthcare service providers in Asia with a total of 327 facilities spread across Gulf Cooperation Council (GCC) countries and India. All our efforts are directed towards making a positive difference in the lives of patients that we serve everyday.



We commenced our operations in 1987 as a single Doctor Clinic in Dubai, and over the last three decades have grown our presence in 9 countries across GCC and India. We have the largest number of Medical Centres or Polyclinics in GCC and chain of pharmacies in UAE. We conduct our business in various segments of the healthcare value-chain including hospitals, clinics and retail pharmacies under the aegis of our brands 'Aster', 'Medcare', and 'Access'.



**Hospitals**  
19

**9**  
GCC

**10**  
India



**Clinics**  
101

**94**  
GCC

**7**  
India



**Pharmacies**  
207

**207**  
GCC

One of the **Largest Private Healthcare** Service Providers operating in Asia (GCC & India)

**Present in 9 countries** (UAE, Saudi Arabia, Qatar, Oman, Bahrain, Kuwait, Jordan, Philippines and India)

**Largest Number of Medical Centres or Polyclinics** in GCC

**Largest Chain of Pharmacies** in the UAE



**Capacity Beds**  
4,762

**875**  
GCC

**3,887**  
India



**Patient Visits**  
~17 Mn

**~15 Mn**  
GCC

**~2 Mn**  
India



**Revenue (FY18)**  
₹6,760 Cr

**5,582 Cr**  
GCC

**1,178 Cr**  
India

**Human Resource**  
17,335



**1,430**  
Doctors



**5,935**  
Nurses



**9,970**  
Other

## CHAIRMAN'S MESSAGE

We have commissioned two new hospitals, increased the number of beds from 4,651 to 4,762.

REVENUE (IN ₹ CRORE)

**6,760**

Revenue excludes interest and investment income.

EBITDA (IN ₹ CRORE)

**651**

Dear Shareholders,

It gives me great pleasure to present in front of you the first annual report of Aster DM Healthcare Limited, after successful listing on Indian Stock Exchange on 28th February, 2018. Aster DM Healthcare is a 30-year old well integrated, comprehensive healthcare service organization with presence in 9 countries.

I consider it appropriate to share with all of you some basic facts about the company. Our presence in India dates back to 2001 with a large 300-bed hospital in Kerala. Proportion of our revenue from India has grown from 11% in FY15 to 17% in FY18. Even now we have 83% of revenues coming from the establishments outside India and hence we have the unique distinction of being one among the very few companies listed in the Indian stock market with operating units, income and profits arising outside India.

Before providing operational and strategic achievements about the company, I would like to share with you our financial performance for the FY18. I am extremely happy to announce that we have posted a revenue growth of 13% (constant currency growth of 18%) for the whole year and we have delivered a 189% (constant currency growth of 200%) growth in PAT (pre – non-controlling interest) during FY18. The revenues (excluding finance and investment income) for FY18 stood at ₹6,760 crore and EBITDA at ₹651 crore.

Apart from the successful listing and good financial performance, FY18 has been an eventful year for Aster DM Healthcare. We have commissioned two new hospitals, increased the number of beds from 4,651 to 4,762. We have 17,335 employees as on 31 March 2018. We take pride in the fact that we are a comprehensive service provider, ranging from Primary to Quaternary medical care in 9 countries, through our 101 Clinics, 19 Hospitals and 207 Pharmacies. We also have the unique distinction of serving the customers by





providing quality healthcare to all segments of the society regardless of their economic or social positioning. In line with this, we conceptualized the Company's three brands - Medicare for the high income, Aster for the middle-income and Access for low-income strata of the population. We have perfected these models in UAE over last 10 years and can roll it out in other geographies, as and when required. This gives us a unique strategic advantage to serve the full pyramid of human population.

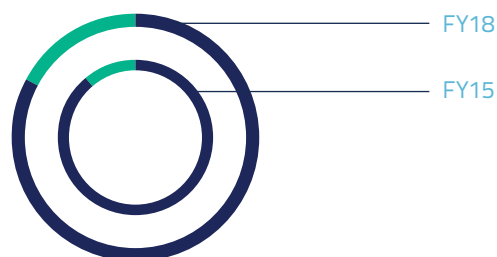
More important to us than the number of establishments, is our achievements in the area of clinical quality and patient care. We are proud that most of our hospitals in India are accredited by the NABH. In fact, way back in 2007, our MIMS hospital at Calicut became the first multi-specialty hospital in India to be accredited by the NABH. We have six hospitals, including one in India that are accredited by Joint Commission International (JCI). Our highly specialized doctors are providing excellence in patient care, and doing many procedures that have been attempted for the 'first' time in the country. Some examples include the paediatric dual liver and kidney transplant from a live donor, robotic trans-vaginal renal transplant, minimally invasive multilevel cervical disc decompression etc. Recognition by way of awards were plenty, some of the important ones during the year include the Asia Healthcare Excellence Award, FICCI Award for Healthcare Innovation, Asian Hospital Management Association Award, Dubai Quality Appreciation Award, International Patient Safety Award etc. In this digital age, one of the best barometers of performance for any institution is the Google Rating. I am proud to share that you will see us at the top of the list in Google Rating in most places where our establishments are present.

Our greatest strengths are the soundness of our vision, philosophy and values rooted in ethical approach which is important for any industry, more so in the healthcare sector. We envision a 'Caring Mission with Global Vision' with the philosophy that 'Profit should be the by-product and not the aim in health care'. Our six core values are Passion for the work we do, Respect for all stake holders, Integrity in our actions, Compassion to our patients, Excellence in what we do and Unity as a Team. We make it a reality through the team work of a seasoned and committed management and clinical team. We are proud that the retention of our senior management and top consultants have been over 90% in last 10 years. Focus on human capital, investments in state-of-the-art equipment and fostering an environment of innovation has helped us retain skilled talent reflected in our low attrition rate. The Company has 17,335 employees who we proudly call 'Asterians' including 1,430 doctors and 7,926 nursing and paramedical personnel, focused on delivering compassionate care through our brand promise to clientele: 'We'll Treat You Well.'

I would like to call to your attention an unique aspect of seasonality of operations in our business which impacts our financial performance. The seasonality is because of the decline in volumes across hospitals, pharmacies and segments during the summer months in the GCC countries from where we derive about 80% of our annual revenues. The H1 and H2 revenues in GCC are usually split 45%-55% but the EBITDA split can vary as much as 30% and 70% for H1 and H2. This is due to the high fixed cost and financial efficiencies kicking in with higher revenues in H2. This skews the picture significantly for the first and second half-yearly results.

While we have done very well in the last 10 years in business growth and financial performance, we are aware of the challenges and risks

## REVENUE MIX



Geography	FY18	FY15
GCC	83%	89%
India	17%	11%

in doing business in multiple geographies. One of the challenges for us with large portion of the revenues arising from GCC is the oil price to a certain extent. We have faced the impact of this in Saudi Arabia couple of years back with receivables going up and have restructured the business to insulate against this as much as possible in the last two years.

Another key challenge is getting good healthcare professionals for the ever-expanding need of our institutions. While this is a challenge for all healthcare companies, we are marginally in a better situation because of the access to the medical and paramedical graduates passing out of our own sister institutions in Kerala. There are challenges like increase in minimum wages of nursing and paramedical staff in some of the geographies like Kerala where we have significant presence, but we hope that we can manage this by market correction of tariff as we go forward.

Healthcare, as we all know is a sector with significant potential in geographies like India and GCC. At the macro level, the GDP spent on healthcare in India is very low and there is significant demand supply gap. Low affordability and insurance penetration are major reasons why healthcare hasn't taken off to the extent required. With the new National Health Protection Scheme announced by the Central Government covering half of the population in India, we expect improvement of capacity utilization in some of our Indian hospitals and scope for further expansion. Our strategy for India is to focus on large hospitals in Metros and Tier-I cities with an asset-light model. We also foresee significant potential in bringing patients to our hospitals in India for high end procedures due to our presence in GCC countries through medical value travel. We already have 15-20% of revenues of some of our large hospitals like Aster Medcity in Kochi, coming from foreign patients. We have a large part of our business in GCC with an asset-light model providing high ROCE. Further, our GCC operations is exposed to stable currencies pegged to US dollars, creating a natural hedge to currency fluctuations.

We look forward to a great year ahead with the trust and faith of our shareholders and patients. I would like to thank all our shareholders who have put their trust on us. I would also like to thank our employees for their dedication and hard work and look forward to another exciting year.

**Dr. Azad Moopen**  
*Founder, Chairman and Managing Director*

## Q&A WITH CFO

### HOW WOULD YOU SUMMARISE ASTER DM HEALTHCARE'S PERFORMANCE IN FY18?

Aster DM Healthcare has delivered strong financial performance with significant improvements in revenue, EBITDA and PAT. In FY18, revenues excluding finance and investment income grew 13% YoY to ₹6,760 crore, up from ₹5,963 crore in FY17. In constant dollar currency the growth will be at 18%. This was backed by healthy growth in all segments.

In FY18, EBITDA increased to ₹651 crore, up 79% YoY from ₹364 crore in FY17. PAT (pre non-controlling interest) increased to ₹282 crore, up by 189% YoY from ₹98 crore in FY17.

The above performance includes the initial losses of two new hospitals in GCC – Medcare Hospital in Sharjah, UAE and Aster Hospital, Doha, Qatar. The combined EBITDA loss for these two entities was ₹93 crore in FY18; however, these units have ramped up over the year resulting in a relatively low combined EBITDA loss of ₹9 crore in fourth quarter of the financial year FY18.

I am pleased to share the improvements in balance sheet. Our net debt-to-equity at 1.1 as on March 31st 2017, now stands at 0.6 as on March 31st 2018. Debt-to-EBITDA ratio have improved from 7.1 as on March 31st 2017 to 2.9 as on March 31st 2018. Our target debt-to-EBITDA ratio will be below 3.

### CAN YOU PLEASE ELABORATE ON THE PROFITABILITY PROFILE OF ESTABLISHED UNITS ACROSS THE BUSINESS SEGMENTS OF THE COMPANY?

Aster DM Healthcare's operations can be grouped into four business segments – GCC Hospitals, GCC Clinics, GCC Pharmacies and India Hospitals & Clinics and their revenue contributions are around 29%, 26%, 28% and 17% respectively in FY18.

One common thread across our GCC business segments is the asset light model and the resulting high return on capital employed (ROCE). ROCE of established units in our GCC hospitals and GCC clinics segments is around 27% - 29%, while in our GCC Pharmacies segment is around 39%. EBITDA margins of established units of more than three years vintage in our GCC Hospitals, GCC clinics and GCC Pharmacies segments are ~18%, ~15% and ~9% respectively.

In India we have focused on growth and brand establishment over the last few years. EBITDA margin of established hospitals of more than three years vintage in India is currently around ~13%. Going forward, the focus will be on cost efficiencies across all business segments to further enhance the profitability profile.

### WITH RETURNS OF GCC OPERATIONS BEING HIGHER THAN INDIA OPERATIONS, ARE WE LOOKING AT EXPANDING THE INDIA OPERATIONS?

In India, in the medium and long-term there is an expected increase in affordability of people and there is a huge demand/supply gap in healthcare. Further, insurance penetration is currently very limited in India and we expect the same to increase. If we have around 25% of



our operations from India, that will help us de-risk and also help us leverage the medical tourism from GCC region.

Profitability in India also depends a lot on the asset profile. Large hospitals in metros and tier-I cities are more efficient and profitable, as long as we can differentiate ourselves based on clinical and service quality as we have done in our flagship hospitals in Kochi and Bangalore. We are committed to follow this strategy going forward.

### COULD YOU EXPLAIN TO THE SHAREHOLDERS THE SEASONALITY OF OPERATIONS IN GCC?

Expats form a major proportion of the population in GCC countries barring Saudi Arabia. During summer season and school holidays, there is a population outflow from GCC region. Also, even some our doctors travel back to their home country during this period, which falls mostly in the first half of the financial year. This results in a decrease in revenue as compared to second half the financial year. This impact is especially pronounced in our primary care facilities like clinics and pharmacies. In the second half of the year, increase in revenue results in proportionately larger increase in profitability due to operating leverage.

### WHAT ARE THE EXPANSION PLANS OF THE COMPANY?

We have a planned capex outlay of ₹650 crore; ₹300 crore in India and ₹350 crore in GCC for FY19 and another ₹300 crore for FY20. The above capex includes our capex for capacity addition through new hospitals, clinics & pharmacies and also maintenance capex. We have over 1200 hospital beds in pipeline across GCC and India.

As a strategy we believe our future expansions should be based on asset light model. Another key consideration to guide our expansion plans is to balance profitability with growth. We believe a growing EBITDA profile, leaner balance sheet, improvement in utilization and margin expansion led by ramp up of recently set up units, sets the stage for us to deliver incremental free cash flows going forward.

**Sreenath Reddy**  
Chief Financial Officer

## MESSAGE FROM ASTER LEADERSHIP



Our Company's strengths lie in our differentiated model and the strategic direction that the company is taking in order to deliver sustainable performance that is underlined by growth. The most important aspect for us as a healthcare organization is the impact that we are able to make and the number of lives we are able to heal. In 2017-18, it gives me great pride to say, that we treated 15 million patients in GCC. The focus area for us has been to enhance our reach slowly and steadily; and have a brand that you can trust, that caters to day to day incidents such as broken bones and routine vaccinations to advanced complex medical care. In the last five years we have expanded our capacity significantly in GCC; from 145 operating units – 6 hospitals, 41 clinics & 98 pharmacies in FY13 to 310 operating facilities – 9 hospitals, 94 clinics and 207 pharmacies in FY18. This is a testament to our brand strength and execution capabilities. We have two planned hospitals in Dubai, another in Sharjah and expansion of existing facility in Riyadh with the combined capacity of 307 beds in the pipeline. A challenge faced by nations across the globe, in both developing and devolved countries is the need for healthcare to be effective, efficient and sustainable. Aster is committed to contribute meaningfully to be part of this solution.

### **Alisha Moopen**

*Chief Executive Officer –GCC Hospitals & Clinics*



In India, our diversified portfolio is predominantly tertiary and quaternary care. Currently, the India operations have 10 hospitals with 3887 beds, with flagship hospitals located at Kochi, Calicut and Bangalore. Aster MIMS Calicut, India's first NABH accredited multi-specialty hospital, is perceived to be the dominant tertiary care referral hospital for the north of Kerala. The flagship hospital in Kochi – Aster Medcity is a Joint Commission International (JCI) and NABH accredited hospital. Our new unit located in north Bangalore, Aster CMI Hospital, with a state-of-the-art Minimal Access and Robotic Surgery unit and a multi-organ transplant centre, is also a flagship unit that has made its presence felt in Karnataka. In India, we have three new hospitals coming up one in Kerala, one in Chennai and one in Bangalore. This will augment the India capacity by additional 923 beds. The impending announcement of the National Health Provision Scheme will provide a boost in terms of healthcare expenditure as a percentage to total GDP and vastly extend the coverage for our citizens. We have brought significant synergies in operational efficiencies across our network by the pooling of Human Resources, standardizing the supply chain and improving clinical outcomes with common benchmarking in-line with reputed international benchmarks. Additionally, our focus would be to adopt an Information Technology backbone that would improve the delivery of care and outreach of the clinical workforce to serve the needs of our community.

### **Dr. Harish Pillai**

*Chief Executive Officer – India*



Healthcare in UAE has evolved over the years and with the implementation of mandatory health insurance in Dubai in early 2017 there has been a significant growth in the daily patient footfalls at our Clinics, Diagnostic Centers & Pharmacies. To keep up with the growth & the rapidly changing dynamics of the healthcare industry, and to deliver a seamless end-to-end customer experience, we as a responsible healthcare provider have taken a strategic shift by bringing our key primary care businesses, i.e. Clinics, Diagnostic Centers & Pharmacies under one common umbrella of 'ASTER PRIMARY CARE'. This shift has enabled consolidation of key functions like Operations management, Business development, Supply chain, IT, Procurement, Human capital management etc. which will bring in more efficiency into the system and further will enhance the journey of our patients at every single touchpoint. This development will strengthen us as an organization and position us as the preferred partner in the healthcare business community & all regulatory authorities.

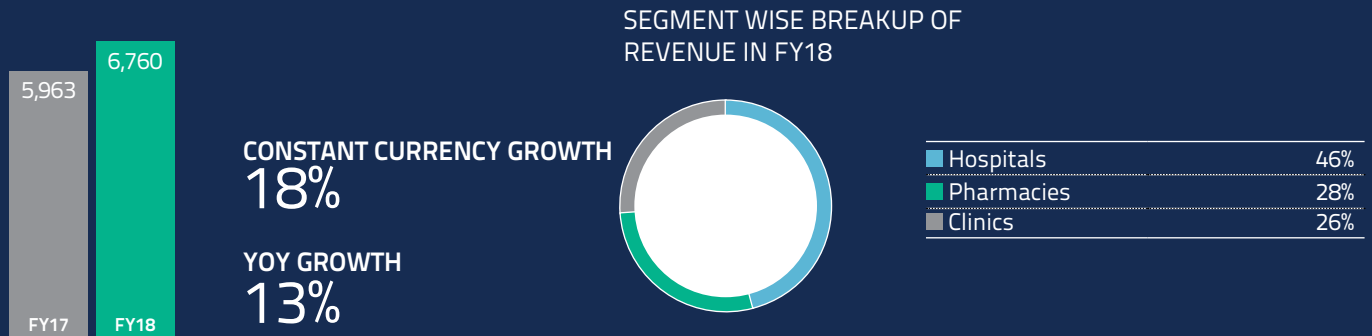
With a mission to provide affordable healthcare, we continue to expand our offerings beyond Dubai to other parts of UAE & GCC in line with the anticipated implementation of mandatory health insurance in these regions.

### **Jobilal M. Vavachan**

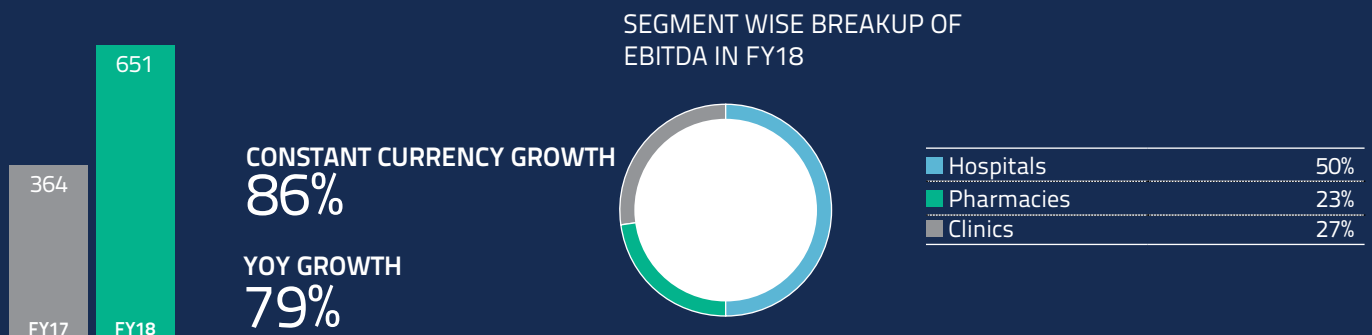
*Chief Executive Officer, Aster Pharmacies, Aster Clinics – UAE*

# FINANCIAL SUMMARY AND HIGHLIGHTS

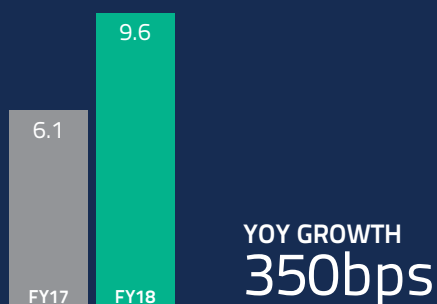
## Revenue (in ₹ crore)



## EBITDA (in ₹ crore)



## EBITDA Margin (in %)



## EPS-Basic (in ₹ per share)

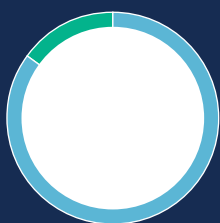


GEOGRAPHICAL WISE BREAKUP OF REVENUE IN FY18



GCC	83%
India	17%

GEOGRAPHICAL WISE BREAKUP OF EBITDA IN FY18



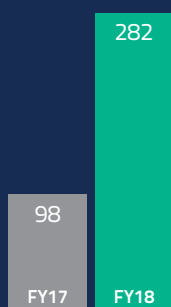
GCC	85%
India	15%

PAT Margin (in %)



YOY GROWTH  
260bps

PAT (Pre-NCI\*) (in ₹ crore)



**200%**  
Constant  
Currency growth

YOY GROWTH  
189%

\* NCI - Non Controlling Interest

# ASTER DM HEALTHCARE'S EDGE

## Aster DM Healthcare – A Healthcare Ecosystem

- Presence across hospitals, clinics & pharmacies and providing primary, secondary and tertiary/ quaternary care
- Strategic and sizeable network of clinics enable patient feeder structure
- **101 Clinics** in GCC and India



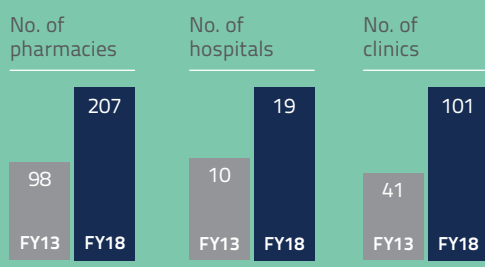
## Synergies in Operations due to Presence in GCC & India

- GCC operations contribute ~83% of revenue and Indian operations contributes ~17% of revenue
- GCC network leveraged to promote medical value tourism to India
- India network leveraged to source high quality medical professionals
- Low cost of debt in GCC (5% - 6%)
- Presence across hospitals, clinics & pharmacies and providing primary, secondary and tertiary/ quaternary care
- Strategic and sizeable network of clinics enable patient feeder structure



## Strong track record of performance since inception

- Built notable financial, operational, societal growth trajectory in GCC
- Rapid scale-up in hospitals, clinics and pharmacies across geographies



## Seasoned core management team

- Directors/officers with an average tenure of 18 years of healthcare experience
- Strong second line of management with managerial, healthcare and regulatory experience to provide stability



## Differentiated Asset-light Business Model in GCC

- Asset light model which is built around a leased asset as against the traditional system of owned asset
- Established units in GCC exhibit high average return on capital employed (ROCE) (25% - 30%, excluding corporate overheads for established units of more than 3 years)



## De-risked Business Model

- Diversified revenue sources from multi-geography and multi-economic segment operations
- Presence across all economic segments through our three brands – Medicare, Aster and Access
- GCC operations exposed to stable currencies pegged to US dollars, creating a natural hedge to currency fluctuations



## Benchmark healthcare practices

- Highest standards of patient care reflected in several industry recognitions and patient endorsements on rating platforms

## OUR VISION AND VALUES

### Our Vision



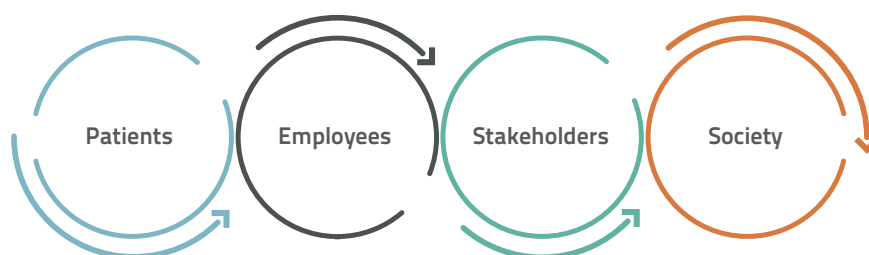
In pursuit of providing quality healthcare that is affordable and accessible for our people.

**'A caring mission with a global vision.'**

### Our Promise



**"We'll treat you well".** A promise that sums up what we do and why we exist. One that we strive to honour every day, every moment.



### Our Values



#### Excellence

To surpass current benchmarks constantly by continuously challenging our ability and skills to take the organization to greater heights.

#### Compassion

To move beyond boundaries with empathy and care.

#### Integrity

To do the right thing without any compromise and embrace a higher standard of conduct.

#### Respect

To treat people with utmost dignity, valuing their contributions and encourage a culture that allows each individual to utilize their full potential.

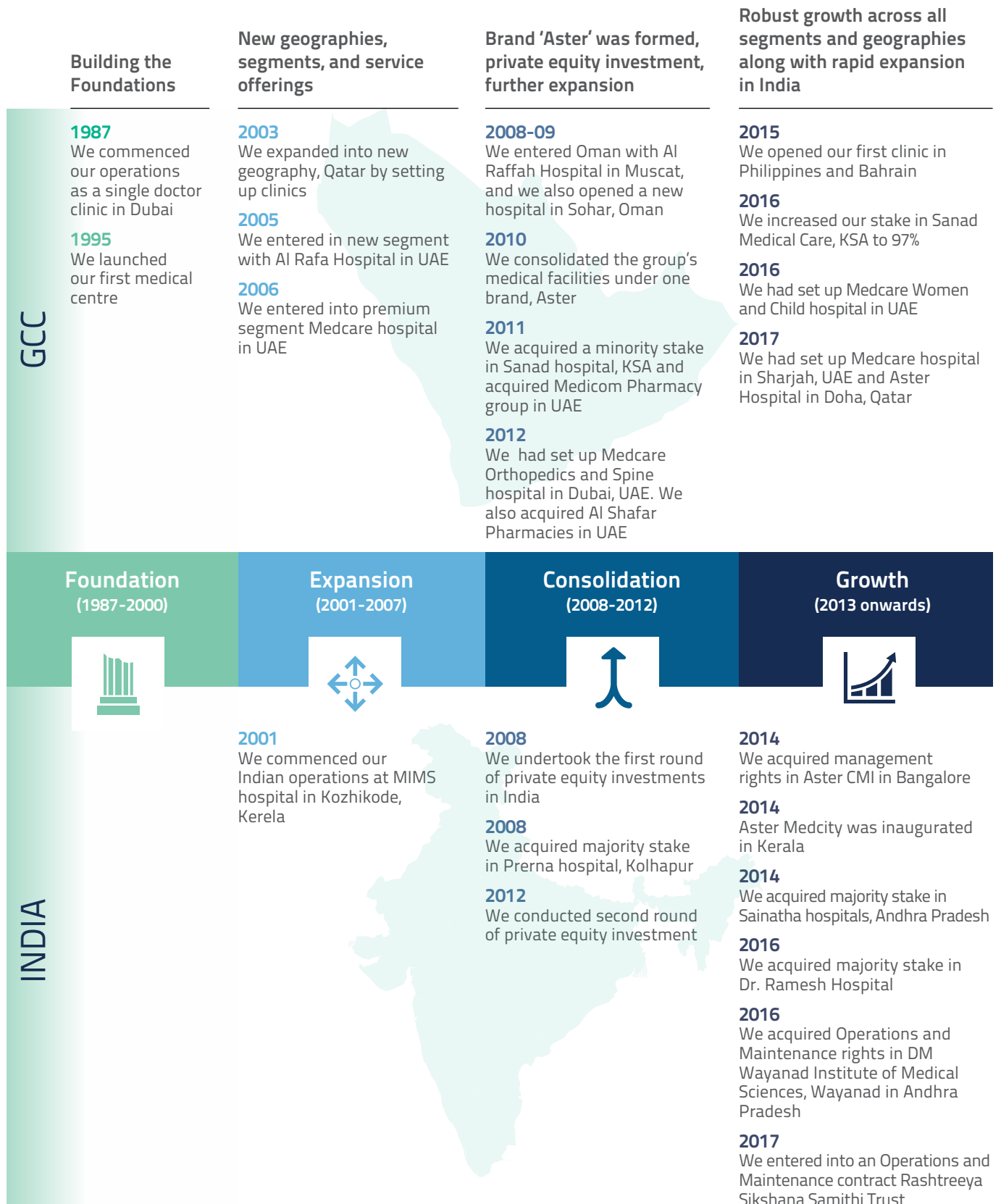
#### Passion

To go the extra mile voluntarily, with a sense of belongingness and purpose while creating value for all our stakeholders.

#### Unity

To harness the power of synergy and engage people for exponential performance and results.

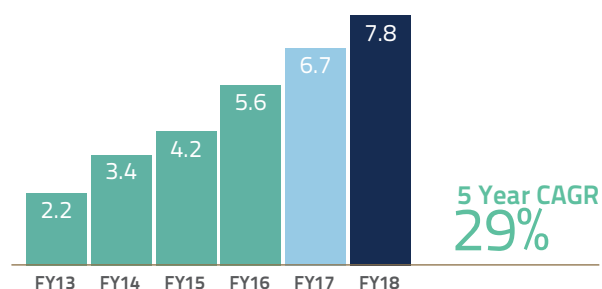
## OUR EVOLUTION AND GROWTH



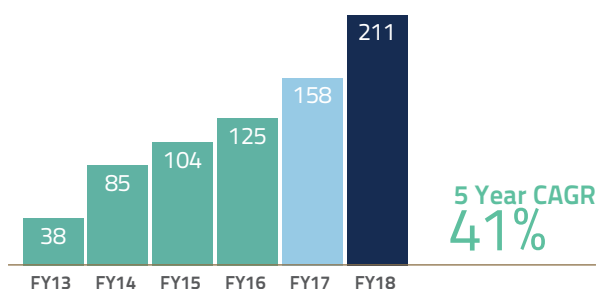


Over last 5 years we had a dual focus of capitalizing on the mandatory insurance introduction in GCC states, and creating a significant presence in Indian healthcare market. During this period, we experienced a robust growth and also created capacity for further growth which resulted in an extensive geographical footprint.

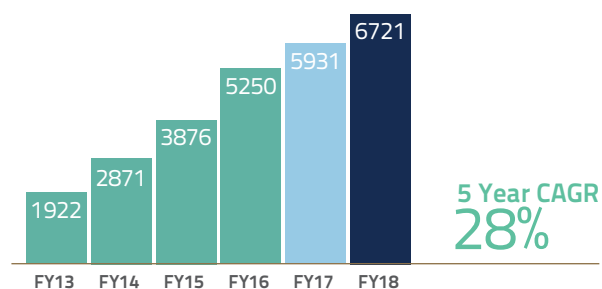
OUTPATIENT COUNT - CLINICS AND HOSPITALS (IN MILLIONS)



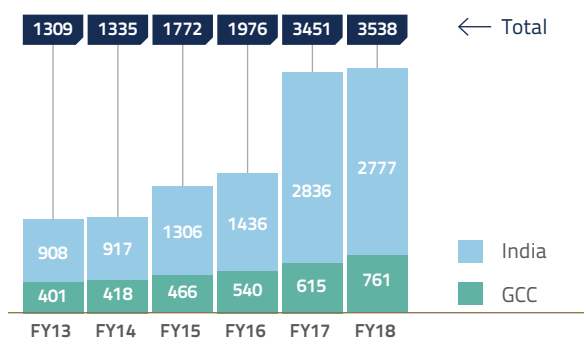
INPATIENT COUNT (IN '000)



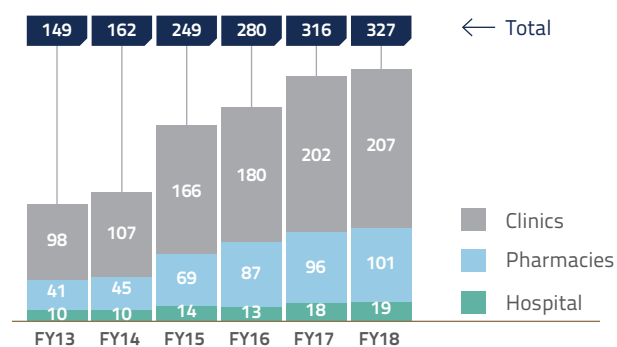
ASTER DM - OPERATIONAL REVENUE (IN ₹ CRORE)



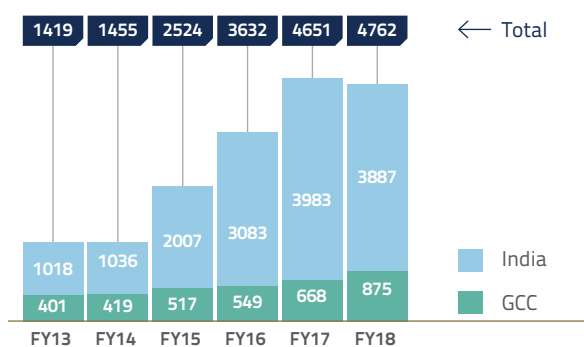
OPERATIONAL BEDS



NUMBER OF FACILITIES (IN UNITS)



INSTALLED BEDS





## OUR PRESENCE

**9**

Number of countries we are present

### GCC



**9**  
Hospitals



**94**  
Clinics



**207**  
Pharmacies

### Medcare



- Medcare Multispeciality hospital in Dubai, UAE
- Medcare orthopedics and spine hospital in Dubai, UAE
- Medcare Women and Children Hospital in Dubai, UAE
- Medcare hospital in Sharjah, UAE

### Aster



- Aster Hospital at Mankhool in Dubai, UAE
- Aster Hospital in Qatar
- Al Raffah Hospital in Muscat, Oman
- Al Raffah Hospital in Sohar, Oman
- Sanad Hospital in Riyadh, KSA

### Countries in which Aster DM Healthcare is present in:



UAE

C - 77  
P - 174



Qatar

C - 7  
P - 6



Kuwait

P - 9



Philippines

C - 2



Oman

C - 6  
P - 6



KSA



Jordan

P - 12



Bahrain

C - 2

C - Clinic    P - Pharmacy

## INDIA



# 10

Hospitals in India



# 7

Clinics in India

### States we are present in India:

- Kerala **C - 1**
- Karnataka **C - 5**
- Maharashtra
- Telangana
- Andhra Pradesh (A.P) **C - 1**

### Aster

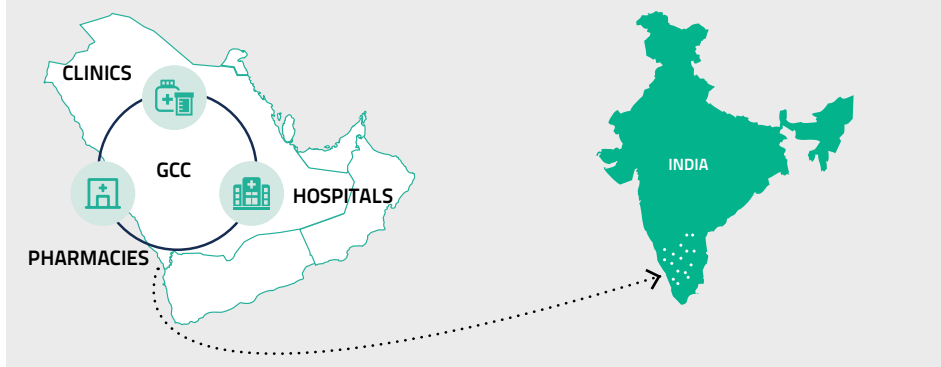
- Aster Medcity in Kochi, Kerala
- Aster MIMS in Calicut, Kerala
- Aster MIMS in Kottakal, Kerala
- Aster CMI in Bangalore, Karnataka
- Aster Aadhar in Kolhapur, Maharashtra
- Aster Prime at Ameerpet in Hyderabad, Telangana
- DM WIMS in Wayanad, Kerala
- Ramesh Hospital in Guntur, A.P
- Ramesh Hospital at M G Road, in Vijaywada, A.P
- Ramesh Hospital at Labbipet Vijayawada, A.P

C - Clinic    P - Pharmacy

## OUR BUSINESS MODEL

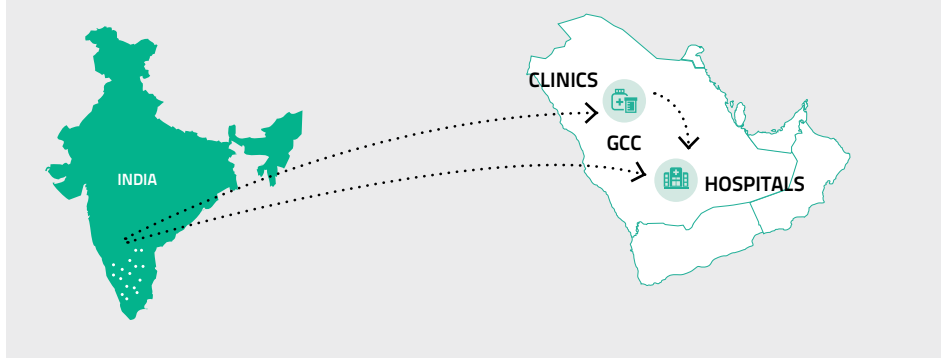
### A Healthcare Eco-System

#### Patient Life Cycle Management



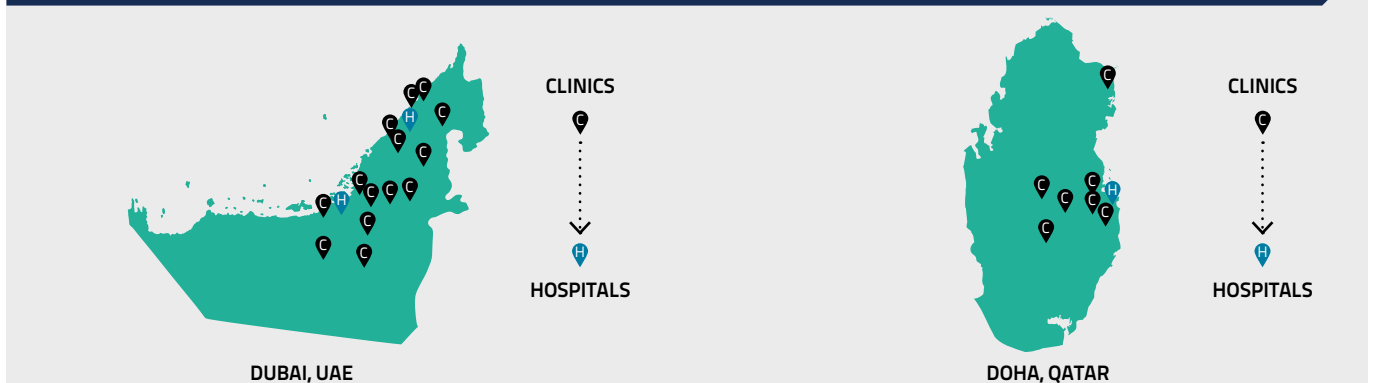
At Aster, over three decades, we have developed a healthcare ecosystem across GCC and India. In GCC, our primary care clinics are the initial touch-points in the patient's journey, while hospitals and pharmacies continue the care. For complex tertiary care, we transfer our patients to our hospitals located in India.

#### Resource Talent Management



On the other hand, our Indian operations act as a source of talent to our GCC operations. In GCC, our clinic doctors get the opportunity to hone their surgical skills in some of our best hospitals.

#### Clinics (Including Attached Pharmacies) Close to Hospitals in a Hub and Spoke model



## An Integrated Healthcare Provider

With an integrated business model we provide our patients with all the services starting from primary to secondary and tertiary or quaternary care.

### Primary Care

**4.9 Mn**

Clinic OPD visits

**9.2 Mn**

Pharmacy visits

**2.9 Mn**

Hospital OPD visits

### Secondary Care

**2,10,000+**

IP Discharges

**9,500+**

General Surgeries

**900+**

Joint Replacements

**700+**

Urology Cases

**9,750+**

Deliveries

**2,850+**

Gastro-intestinal Surgeries

### Tertiary and Quaternary Care

**1700+**

Cardiovascular Surgeries

**550+**

Bariatric Surgeries

**1200+**

Spine Surgeries

**200+**

Transplants\*

**1700+**

Neurosurgery

**2650+**

Plastic Surgeries

Note: \*Transplants includes kidney, heart, liver, pancreas, etc.

Above numbers are for the financial year FY18



## CLINICAL REVIEW

### Centres of Excellence

Centres of Excellence (CoE) is an entity that promotes collaboration, provides leadership, best practices, research support and training for a surgical (medical & surgical) specialty to drive clinical outcomes and business growth on a comprehensive continuum. At Aster DM Healthcare we maintain the highest standards of patient care, which is reflected in several industry recognitions

and patient endorsements on rating platforms. Our Centres of Excellence provides us with leadership in clinical practice, fulfilling stringent criteria from people, scope of work for research, clinical indicators to infrastructure and equipment. Our Centres of Excellence include Cardiac sciences, Integrated Liver Care, Oncology, Orthopaedic, Neurosciences, Bariatric, Women and Children, Nephrology, Urology, NICU, Gastroenterology.

**~17 MN**  
Out-patients

**~211,000**  
In-patients

## India

### Aster Medcity



#### Centre of Excellence

- Cardiac Sciences
- Neurosciences
- Orthopaedics & Rheumatology
- Nephrology & Urology
- Oncology
- Women's Health
- Child & Adolescent Health
- Gastroenterology & Integrated Liver Care
- Multi-Organ Transplant & Minimal Access Robotic Surgery

#### Specialities

- Internal Medicine
- General Surgery
- Interventional Radiology
- Pulmonology
- Physical Medicine and Rehabilitation
- Infectious Diseases & Infection Control
- Craniomaxillofacial Surgery
- Dental Sciences
- Dermatology
- ENT
- Anaesthesia & Critical Care
- Emergency
- Clinical Imaging
- Psychiatry
- Nuclear Medicine
- Podiatry
- Ophthalmology
- Aesthetics Plastic Surgery
- Endocrinology
- Pain & Palliative Medicine

## Aster CMI



### Specialities

- Multi Organ Transplant
- Urology and Nephrology
- Orthopaedics
- Women's Health
- Child and Adolescent Health
- Robotic Surgery
- Pulmonology
- Plastic, Reconstructive & Aesthetic Surgery
- Medical & Surgical Oncology
- Nuclear Medicine
- Vascular Surgery
- General Medicine
- ENT
- Critical Care & Anaesthesia
- Fertility
- Rheumatology
- Dermatology
- Endocrinology
- Ophthalmology
- Infectious Disease And Travel Medicine
- Dental Sciences
- Craniomaxillofacial Surgery
- Psychiatry

### Centre of Excellence

- Cardiac Sciences
- Neurosciences
- Integrated Liver Care (ILC)
- Gastroenterology
- Bariatric

## Aster MIMS



### Specialities

- Orthopaedics & Rheumatology
- Gastroenterology
- Anaesthesiology & Critical Care
- Plastic & Reconstructive Surgery
- Multi Organ Transplant
- Dental, Oral & Maxillo Facial Surgery
- Dermatology
- Endocrinology
- ENT And Head & Neck Surgery
- Family Medicine
- General Medicine
- General Surgery

### Centre of Excellence

- Cardiac Sciences
- Neurology
- Women and Child Health
- Integrated Liver Care (ILC)
- Neonatal Intensive Care Unit (NICU)
- Nephrology
- Oncology
- Urology

## Aster Prime



### Specialities

- Cardiac Sciences
- Gynaecology
- Neurology
- Nephrology
- Orthopaedics
- Pulmonology
- Urology
- Anaesthesiology & Critical Care
- Child And Adolescent Health
- Dental
- Dermatology
- Dietetics
- Endocrinology
- ENT
- Gastroenterology
- General & Laparoscopic Surgery
- General Medicine
- Plastic Surgery
- Podiatry
- Psychiatry

## Aster Aadhar



### Specialities

- Cardiac Sciences
- Anaesthesiology & Critical Care
- Cosmetology
- Dental
- Dermatology
- ENT
- Endocrinology
- Gastroenterology
- General Medicine
- General Surgery
- Interventional Radiology
- Neurosciences
- Nephrology
- Ophthalmology
- Orthopaedics
- Plastic Surgery
- Psychiatry
- Pulmonology
- Respiratory Medicine
- Oncology
- Urology

### Centre of Excellence

- Women and Child Health



## Aster Wayanad Speciality Hospital



### Specialties

- Cardiology
- Neurosurgery
- Urology
- Medical Gastro
- Surg. Gastro
- Paediatric Surgery
- Plastic Surgery
- Neurology
- Gen. Medicine
- Gen. Surgery
- Orthopaedics
- Obstetrics and Gynecology.
- Family Medicine

## Ramesh Hospitals



### Specialties

- Anaesthesiology & Critical Care
- Aesthetics & Plastic Surgery
- Bariatric Surgery
- Cardiac Sciences
- Dentistry
- Dermatology
- Endocrinology & Diabetes
- ENT
- General Medicine
- Multi Organ Transplantation
- Joint Replacement And Orthopaedics
- Laparoscopic Surgery & General Surgery
- Gastroenterology
- Urology And Nephrology
- Neuro Sciences
- Ophthalmology
- Pathology
- Psychiatry
- Pulmonology

## GCC

### Aster Al Raffah Hospital in Sohar, Oman



#### Centre of Excellence

Women and Child Care

#### Specialities

Department of Emergency Medicine, Gastroenterology, General Medicine, Obstetrics & Gynecology, Pediatrics & Neonatology, Dermatology, ENT, Orthopedics, General Surgery, Anesthesiology, Urology, Ophthalmology, Dentistry, Radiology, Internal Medicine, Cardiology

#### Centre of Excellence

Gastroenterology

#### Specialities

General Surgery, Gastroenterology, Pathology, Gynaecology & Obstetrics, Orthopaedics, Spine, Dentistry, Paediatrics, Anaesthesiology, Cardiology, ENT, Dietetics, General Medicine, Ophthalmology, Urology, Plastic Surgery, Dermatology, Internal Medicine, Bariatrics, Endocrinology, Radiology, Emergency Care, Neurosciences

### Aster Al Raffah Hospital in Muscat, Oman



#### Centre of Excellence

Neonatal Intensive Care Unit (NICU)

#### Specialities

Dermatology, Cardiology, Laparoscopic Gynaecology, Obstetrics & Gynaecology, Paediatrics & Neonatology, Critical Care Medicine, Nephrology, General & Laparoscopic Surgery, Dental Science, Endocrinology, Orthopedics, Ophthalmology, ENT, Radiology, Internal Medicine, Gastroenterology & Hepatology, Urology, Integrated Liver Care, Pulmonology, Dietetics, Family Medicine, Neurology, Rheumatology, Physiotherapy & Rehabilitation, Oncology

### Aster Hospital at Mankhool in Dubai, UAE



#### Centre of Excellence

Neonatal Intensive Care Unit (NICU)

#### Specialities

Dermatology, Cardiology, Laparoscopic Gynaecology, Obstetrics & Gynaecology, Paediatrics & Neonatology, Critical Care Medicine, Nephrology, General & Laparoscopic Surgery, Dental Science, Endocrinology, Orthopedics, Ophthalmology, ENT, Radiology, Internal Medicine, Gastroenterology & Hepatology, Urology, Integrated Liver Care, Pulmonology, Dietetics, Family Medicine, Neurology, Rheumatology, Physiotherapy & Rehabilitation, Oncology

**Centre of Excellence**

Cardiac Sciences, Neurology

**Specialities**

Bariatric Surgery, Gastroenterology, General Surgery, Spine Surgery, Orthopaedics, Obstetrics & Gynaecology, Laparoscopic Gynaecology, Urology, Dermatology, ENT, Internal Medicine, Ophthalmology, Pediatrics, Rheumatology, Dental, Physiotherapy

**Sanad Hospital in Saudi Arabia**



**Medcare Multispeciality Hospital in Dubai, UAE**



**Centre of Excellence**

Gastroenterology, Bariatric Surgery

**Specialities**

Anesthesiology, Audiology, Bariatric Surgery, Cardiology, Dentistry, Dermatology, Diet & Nutrition, ENT, Emergency, Endocrinology, Gastroenterology, General Surgery, Hematology, Internal Medicine, Neurology, Oral & Maxillofacial, Pulmonology, Radiology, Rhinoplasty, Urology

**Centre of Excellence**

Neonatal Intensive Care Unit (NICU)

**Specialities**

Pediatrics, Pediatric Surgery, Radiology, Emergency, Obstetrics & Gynaecology, Endocrinology, ENT Nutrition, General Surgery, Gastroenterology, Anesthesiology, Dentistry, Dermatology, Fetal Medicine Family Medicine, Internal Medicine, Plastic Surgery, Breast Surgery, Neonatology

**Medcare Women and Children Hospital in Dubai, UAE**





## Clinical Outcomes of Centre of Excellence

### CARDIAC

- Door to Balloon time
- ACE inhibitors after LVSD
- Aspirin on Arrival
- Post-operative stroke after cardiac surgery
- Surgical Re-exploration
- Length of Stay for CABG and CABG plus Valve
- Percent of patients aged 18 years and older undergoing isolated CABG who were discharged on anti-platelet medication and on beta blockers
- Infections following cardiac procedures for MRSA infection post cardiac procedures and SSI after cardiac surgeries
- Compliance to Pathway

### NEUROSCIENCES

- Average Length of Stay
- Percentage of cases with anticoagulant therapy /fibrinolytic therapy after stroke
- DVT Prophylaxis
- Percentage of readmission post neuro surgery of spines
- Percentage of re-explorations after Craniotomy and Shunt
- Percentage of SSI
- Compliance to Clinical Pathways
- Patient Education
- Time taken to perform a CT scan for a suspected case of acute stroke
- Average Door to CT & CT to Needle Puncture Time for Thrombolysis in Stroke cases

### ORTHOPEADIC

- Average length of stay for TKR, THR, and Arthroscopy
- Compliance to clinical pathways
- 30 days readmission for TKR patients, and total hip arthroplasty

- 30 days re-operation rate
- Revisions for TKR and THR
- Compliance with appropriate DVT Prophylaxis
- Oxford knee score assessed before operation, post operation, 3 months, 6 months, 12 months, for patients who underwent total knee replacement surgery
- In case of spinal surgery, average change between lumbar, discectomy, laminotomy pre operation and three months post operational status as measured with Oswestry Disability Index

### ONCOLOGY

- Documented plan for chemotherapy including dosages, route, time interval
- Compliance with chemotherapy medication administration
- Baseline Flow Cytometry
- Adherence to various safety precautions
- The percentage of people with breast cancer who had a pre-operative definitive diagnosis
- Staging documented within one month of first office visit
- Percentage of invasive carcinoma of the cervix diagnosed at stage 1 in a 12-month period

### GASTROENTEROLOGY

- Percentage of compliance to airway assessment, plan for sedation, ASA classification, Medication advised, Physician signature, date and time.
- Percentage of adverse events before or during the procedure
- Percentage of compliance to the documentation of the use of reversal agents

- Percentage of compliance to a complete procedure report given to the patient
- Percentage of compliance to time out is conducted and its documentation
- Percentage of compliance to documentary evidence to endoscopy procedure images

### WOMEN AND CHILD CARE

- Incidence of Maternal Death
- Incidence of still birth
- C-section rate
- Third and Fourth degree Obstetric Trauma
- Percentage of emergency c-section
- Birth Trauma for children
- Developed care of children monitoring in neonates
- Incidence of neonatal death (Neonatal Mortality Rate)
- Number of premature babies who received RSV immunoglobulin prophylaxis

## Care Continuum

At Aster DM Healthcare, our aim is to provide Continuum of Care to our patients.

### Objectives

- To establish a process in order to make it sure that our patients get continued care for specified conditions.
- To see that all the patients are diligently followed up after discharge from our hospital or clinic so that they do not face any complications due to disease, intervention, drug and devices.
- The transition of care after discharge for an out-patient should be

smooth and the follow up should be monitored for better outcomes.

### Scope

- Follow-up based on diagnosis for cases including Acute Myocardial Infarction, Stroke, COPD on Home Oxygen Therapy, Premature Babies, Diabetes Mellitus to prevent complications.
- Based on Procedure or having devices for medical case including CABG, Angioplasty with or without stent, Ureteric stents, Indwelling Catheter.
- Based on use of certain drugs including Warfarin, Amiodarone, Tamoxifen, Methotrexate, Cancer Chemotherapy, Lithium, Anti Diabetes drugs

### Aster Chronic Care

Aster Chronic Care@Home entered into a partnership with Novartis, to provide access to the diabetes management tool to patients from various sections of the society. Aster Chronic Care@Home is an advanced personalized technology introduced by Aster DM Healthcare to improve individual control over chronic conditions like diabetes and hypertension.

## Training and Academics

We provide an enabling environment to our doctors and paramedics for providing the best quality care to our patients through enhancing their learning opportunities. One of these is Core medical Training (CMT) which is a unique new partnership in GCC between the three UK Colleges of Physicians (London, Edinburgh and Glasgow) and Aster DM Healthcare hospitals in Dubai. Physician training of young graduate

doctors will be delivered as per the same standard as in the UK, undertaking the same curriculum and assessments. The program is conducted in Aster hospital and Medcare hospital.

Aster Medcity in Kerala has also signed an MOU with the Thomas Jefferson University, USA to provide its doctors with access to global knowledge, research and best practices. The

first collaboration to be initiated is a multi-organ transplant programme. While availability of good healthcare professionals to meet the growing needs of our institution remains a challenge, Aster DM Healthcare is in a margin to the same standard as in the UK, undertaking the same curriculum and assessments. The program is conducted in Aster hospital and Medcare hospital.



## Aster Medcity

Aster Medcity, Kochi, Kerala, is a 670-bed JCI and NABH accredited, multispeciality quaternary care facility with ten dedicated Centres of Excellence in Cardiac Sciences, Neurosciences, Orthopaedics & Rheumatology, Nephrology & Urology, Oncology, Women's Health, Child & Adolescent Health, Gastroenterology & Integrated Liver Care, Multi-Organ Transplant and Minimal Access Robotic Surgery.

What sets Aster Medcity apart is its exceptional team of 360+ doctors who take time out to listen to patients carefully, understand their medical problem holistically and recommend the best way forward. Multidisciplinary in approach, they provide optimal, evidence-based treatment to patients, with the help of an award-winning team of nurses, dieticians, rehabilitation therapists and qualified technicians.

One of India's most advanced healthcare destinations, Aster Medcity offers a comprehensive range of medical technology to facilitate accurate diagnosis and efficient treatment.

Established in 2014, Aster Medcity is the first hospital in India to win all relevant accreditations and certifications within one year of opening its doors to the world. This includes the NABH (National Accreditation Board for Hospitals & Healthcare Providers) accreditation, Green Operation Theatre Certification by Bureau Veritas, ISO 9001:2008 Certification for Quality Management ISO 22000:2005 (HACCP), Certification for Food Safety and the first-ever NABH Nursing Excellence Award.



**3<sup>rd</sup>**

Centre in India to successfully carry out the robotic Trans-vaginal renal transplant

**421**

Operational Beds

**FIRST**

- First hospital to undertake Paediatric dual liver and kidney transplant from a live donor in a 11 months old infant, under 10 kilograms weight
- First hospital to conduct CMT training programme outside Europe
- 3<sup>rd</sup> Centre in India to successfully carry out the robotic Trans-vaginal renal transplant

**ONE OF INDIA'S MOST ADVANCED MEDICAL DESTINATIONS**

## CASE STUDY

### When Sleeping Beauty is not just a fairytale

Youngest child in the world diagnosed with the ultra-rare sleeping disorder was treated at Aster Medcity. Liya a four year old girl, who was born after six years of marriage through in-vitro fertilization was diagnosed with Kleine-Levin Syndrome. It is a

rare sleeping disease that is seen in one to two people per million people. Liya was brought in an emergency state of unconsciousness during February 2017, where she was found to have low heart rate and breathing and in deep comatose. The disease was diagnosed through series of medical diagnosis, experience of doctors, and knowledge

about patient's medical history. The doctors were successful in saving Liya and saving her from this rare disease. Before coming to Aster Medcity Liya was taken to 3 different hospitals where the doctors were unable to diagnose the disease and treated her for epilepsy, and started anti conclusive medication.



## Aster CMI

The Aster CMI Hospital has contemporary state-of-the-art facilities accommodating over 500 beds and offer comprehensive primary care to quaternary care services through Centres of Excellence in Cardiac Sciences, Neurosciences, Gastroenterology Sciences, Surgery and Allied Specialties, Integrated Liver Care, Organ Transplant, Urology and Nephrology, Orthopaedics, Women's Health, and Child & Adolescent Health. Everything at Aster CMI is designed keeping in mind the comfort of our patients. The serene environment, spacious interiors and advanced facilities to create a positive ambience that is conducive to healing.

The Aster CMI OPD boasts of an awe inspiring 90,000 square feet of dedicated space with ample and sufficient waiting space for the patients and

companions. Dedicated registration, billing and nurse station for each department ensure a seamless flow and least waiting time. The Hospital has abundant Parking space and provides an option of Valet parking. Aster CMI Hospital has some of the renowned and accomplished doctors, who provide the best quality medical treatment to patients. These specialists, backed by the latest state-of-the-art technology & protocols, are capable of handling the most complex cases and achieve best clinical outcomes. This is done through a multidisciplinary approach, practicing evidence-based medicine with the help of ACLS/BLS/ATLS/PALS certified nurses, dieticians, rehabilitation therapists and qualified technicians. Aster CMI extends a quality healthcare experience to people, by designing accessible and seamless healthcare services around patient needs.

**233**

Operational Beds

**1<sup>ST</sup>**

Hospital to conduct Robotic Mini Gastric Bypass in Karnataka

**HIGHEST**

Number of kidney transplants in one year

**ONLY**

Centre in South India for biofeedback for defecatory disorder





## FIRST

- First EMR for dysplasia in Barrett's in India
- First laser lithotripsy for intrahepatic bile duct stone in India
- Only NBI training centre in India with first comprehensive NBI and advanced endoscopic imaging in India
- First to perform simultaneous liver and kidney transplant in the same patient without the use of blood/blood products in India
- First Cardiac robotic surgery in Karnataka
- First minimally invasive multilevel decompression for degenerative cervical myelopathy- a comparative study with open decompression
- First centre in Karnataka to do Plasmapheresis for OP poisoning
- First Faecal Microbiota transplant in Karnataka
- First Aster hospital to conduct heart, kidney, and liver transplant from a single donor simultaneously

## CASE STUDY

A young patient was admitted to Aster CMI after facing a fatal road accident. The patient had a severe head injury and was declared brain dead. Parents of the patient gave the consent for donation of his organs. He gave a new lease of life to a heart failure patient and 5 other persons who required kidney, liver and corneal

transplantation. The heart transplant surgery was conducted by Dr Mahadev. D. Dixit, Lead Consultant - Cardiac Surgery & Chief Of Cardiac Sciences and his team, Dr Anup Charles, Dr Bhaskar, Dr Shridhar, Chief anaesthetist Dr Raghu B, Dr Vidyashankar, Lead Nephrologist, and Cardiologist Dr Pradeep Kumar who contributed in the management of the

patient's smooth recovery. Surgery took about 6 hours and went on uneventful, the patient was shifted to transplant ICU with minimal life supports which were subsequently gradually weaned and separated successfully on the same day.



## Aster MIMS

### Kozhikode

Aster MIMS, Kozhikode is the NABH accredited multi-specialty hospital in India offering a comprehensive range of preventive, acute and outpatient services. The doctors at Aster MIMS, Kozhikode aim to reduce the discomfort of patients by installing a solution which is technologically best. Located in the heart of Kozhikode, the hospital is one of the best with state-of-the-art infrastructure and technology. With Level IV Trauma Care centre, Advanced interventional radiology, highly developed intensive care facilities, Robotic surgery facilities, Multi Organ Transplant Centre, at MIMS we aim to provide the best all round care to our patients.

### Kottakkal

Aster MIMS Hospital in Kottakkal is a First NABH and NAEM accredited multi-specialty hospital in Malappuram District Kerala, that offers a wide range of preventive, acute, and outpatient services. It is a tertiary care level hospital that has received the Kerala State PCB certificate for first place among hospitals taking substantial and sustained efforts towards pollution control. Located in the downtown of Kottakkal the hospital is strategically located making it the ideal place for treatment of various diseases. With excellent infrastructure along with our commitment to maintain highest levels of safety, cleanliness, integrity, and honesty, good health of our patients is first priority at Aster MIMS Kottakkal.

## ACHIEVEMENTS

- Renal Transplant successfully done through Robotic Surgical System
- Transcatheter Aortic Valve Implantation (TAVI) conducted Successfully
- 7 Kg tumour was removed successfully from the pancreas of a 50 year old lady
- Steel rod pierced though skull was successfully removed at Aster MIMS

**544**

Operational Beds in Aster MIMS Kozhikode

**171**

Operational Beds in Aster MIMS Kottakkal



### CASE STUDY

In a rare and complicated medical case, the doctors at Aster MIMS successfully removed a tumor of 7.1 kg from the pancreas of a 50 year old lady on 16th September 2017. The patient who was from Wayanad went through treatment in various hospitals for abdominal discomfort and pain. Distended abdomen was one of the main reason for her pain. The CT Scan revealed the presence of a tumor and then the patient came to us due to the huge size of tumor. The surgical team of Aster MIMS was successful in removing a 7 kg tumor from a 100 grams pancreas matching the international standards of such cases.

## Aster Aadhar

### Maharashtra

Since its establishment in 1996, Aster Aadhar Hospital has evolved and established itself as one of the premier medical setups serving the community in and around Kolhapur district. A desire to move ahead has led Aadhar hospital

to be the most trusted multi-specialty healthcare facility. Aster Aadhar is a novel byproduct of Aster DM Healthcare and Aadhar. At Aster Aadhar hospital, emphasis is being given to develop our processes to deliver reliable patient care by having latest medical technology and well qualified and experienced doctors.

**150**  
Operational Beds



### CASE STUDY

A 54 years old morbidly obese male was referred for progressive breathlessness. He was admitted to the Emergency Room of Aster Aadhar Hospital when he was restless and he had signs of right moderate to severe pleural effusion. His urgent HRCT Chest plus Abdomen showed spontaneous oesophageal rupture 8 cm above GE junction with mediastinitis and massive right pleural effusion. He was given

fluids and antibiotics and later on he was shifted to ICU. He was treated successfully within 14 days with 10 POD. He maintained his nutrition level, Therapeutic Bronchoscopy showed clean trachea bronchial tree and had no obvious pus collection or inflammation. He was followed up continuously for 2 months with consecutive 2 leak tests showing negative results.

## GCC Hospitals

We are one of the leading hospital providers in UAE, where we have established 5 hospitals, and Oman where we have 2 hospitals. We also have, 1 hospital in Qatar and 1 in Saudi Arabia. Our GCC hospitals offer a wide range of primary to tertiary care. Our Medcare Hospitals in Dubai and Al Raffah Hospital in Sohar have obtained JCI accreditation, and our Sanad Hospital has obtained CBAHI & JCI accreditation. In GCC, we operate on an asset light business model where most of our hospitals are leased. Al Raffah hospital, Muscat has received the Patient Safety Friendly Hospital initiative – by WHO.

**875**

Capacity Beds in GCC states

**761**

Operational Beds in GCC states

### CASE STUDY

Birth defect detected at age 58; British woman undergoes surgery in Dubai and walks within 24 hours

A 58 year old British woman successfully underwent a surgery at Aster Hospital Mankhool in Dubai to correct her birth defect and regain the ability to perform day to day activities. Through her life, the lady suffered through the problem of mobility, and found it difficult to perform certain daily life movements like climbing up the stairs, sitting cross legged and even crossing her legs. At our hospital, the lady was diagnosed with Developmental Dysplasia (dislocation) of the hip or dysplastic hip on the right side. Her case was further complicated as the friction caused by abnormal and continuous gritting of joint caused the patient's right hip center to be 1.6 cms above her left hip. This also lead to the development of secondary osteoarthritis. A surgery through minimally invasive incisions made the patient walk within 24 hours of the surgery. A birth defect was removed with the expertise of doctors at Aster Hospital Mankhool in Dubai and helped the lady to live a normal life thereafter.



## Aster Hospital, Mankhool , Dubai



Aster Hospital, Mankhool is a JCI accredited, 100 bedded medical facility where doctors adopt a multidisciplinary approach to provide holistic treatment to the community we serve. Equipped with the most advanced Neonatal Intensive Care Unit in UAE, Aster Hospital offers multispecialty medical and surgical care all under one roof. Equipped with top class facilities and specialized medical teams comprising of consultants, surgeons, nurses, technicians and ancillary staff, Aster

Hospital, Mankhool is fully equipped to manage primary, secondary and tertiary level medical cases.

We offer a wide range of services across various specialties including Orthopedics, General and Laparoscopic Surgery, Gynecology & Pediatrics, Oncology, Neonatology, Integrated Liver Care, Gastroenterology and much more.

Aster Hospital, Mankhool recently extended its infrastructure and opened

a Day Surgery Centre, conveniently located in Mankhool, diagonally opposite to Aster Hospital. The Day Surgery Centre is the combination of cutting edge infrastructure, state of the art technology and exceptionally skilled and qualified medical practitioners providing patient centric care. Patients requiring minor surgery will now be able to avail surgical treatment and get discharged on the same day.

## Medcare Women & Children Hospital, Dubai, UAE



Manned almost entirely by women, Medcare is proud to present its Women & Children Hospital in Dubai that offers highly specialised and customised Gynaecology, Neonatal and Paediatric care, with a holistic approach.

Our medical center in Dubai is a 88-bed facility spread across 132,500 sq. ft. Every single element here has been designed with the patients' convenience and comfort in mind. The patient-care spaces spell pure elegance and provide complete privacy, creating a warm, positive ambience that's conducive to healing.

Our world-class team of doctors holds an expertise in providing personalised, protocol-based treatment to patients with

the support of trained nurses and qualified technicians. Backed by the best in medical technology, they handle the most complex cases with unmatched expertise.

Medcare places high value on the general health of women and children. As such, we have established a women and children's medical center in Dubai to provide highly specialised medical care. We have formed a multispecialty team of doctors and specialists to address any health issue with utmost dedication and attention. With that, our team makes use of the latest in medical equipment and technologies to deliver world-class healthcare to all our patients.

At Medcare, our healthcare philosophy is to provide unparalleled care for each patient and to create warm, patient-friendly environments where they can heal better and faster. Whether you wish to consult with an OB-GYN specialist or a child specialist doctor, you can find the most qualified and experienced doctor here at Medcare. Our network of healthcare facilities in Dubai, Sharjah and throughout UAE is meant to provide accessible, reliable and on-time medical care.

## CLAIM

Medcare Women and Children Hospital is the first in GCC to offer the most advanced Magseed technology for more accurate detection and removal of breast lumps and lesions. The precision offered by the Magseed system will enable a safer, faster and more comfortable patient experience.

### CASE STUDY

#### Medcare initiated a unique direct engagement campaign to help women in UAE proactively seek guidance for breast cancer checks.

Breaking the silence and taboo around breast examination, Medcare has initiated a 'discreet' campaign to help women directly reach out to healthcare specialists for screening and mammography, with an opportunity to have their questions on the disease answered. As part of the effort, a pebble was placed inside the shoes of women who went for prayers and attended religious education sessions. Upon coming

back, the women felt a lump inside their shoes, and were compelled to examine the small stone that gave them a simple yet powerful message 'Some Lumps are Not Visible, Breast Check Tips at 800 Medcare'.

The first phase of the intervention was rolled out across various locations in Dubai including Barsha, JLT, and Discovery Gardens.

Once a person calls on the 800 Medcare (8006332273) helpline number, an expert helps the patient get guidance and information on the types and most common forms of breast cancer, risk factors, and the importance of screening, early detection, prevention, risk-

reduction strategies, and treatment of cancer. Women could also seek personal counseling delivered via telephone or face-to-face with individual specialists at the hospital for more in-depth discussions on cancer prevention and early diagnosis.

Around 8250 pebbles reached women personally at mosques and 2480 women came along with their family and friends for checks. We were successful to respond around 33.3% by calling the toll-free number. We were also successful in breaking zero taboo.

## Future Plans

Moving ahead, we aim to have Group wide CoEs of Interventional Radiology, Integrated Liver Care, and Gastroenterology. With an aim to have

a National CoE we plan to improve our infrastructure and technology through capital expenditures; conduct outreach programmes; introduce second opinion services through digital

network; organize international outreach programmes in SAARC, GCC, and Africa; take joint efforts to build a calendar of national CMEs; and adhering to various clinical excellence parameters.



## AWARDS AND ACCREDITATIONS

### JCI Accreditation for 6 Hospitals, 1 Clinic and 1 diagnostic centre

Medcare Hospital Dubai, Medcare Orthopaedics and Spine Hospitals, Aster Mankhool in Dubai, Al Raffa Hospital in Sohar, Sanad Hospital in KSA, Aster Medcity in India, Jubilee Clinic and Medinova Diagnostic Centre in Dubai

### The Sheikh Khalifa Excellence Award (2018)

### NABH Accreditations

MIMS Kozhikode, MIMS Kottakal, Aster Aadhar, Aster Medcity in Kochi, Dr. Ramesh Hospital in Vijaywada, Dr. Ramesh Hospital in Labbipet and Dr. Ramesh Hospital in Guntur

### Sanad Hospital received Accreditation from 'Saudi Central Board for Accreditation for Healthcare Institutions (CBAHI)'

### Dubai Quality Appreciation Award

Aster Hospital Mankhool (2017-18)

### Aster and Medcare recognized among top 100 World's Greatest Brands in Asia and GCC

### Medcare Women & Child Hospital received AHPI Award for nursing excellence

### Aster Medcity

Received the 'Certificate of Honor' from the NABH for being one of the best & safest Hospitals in India (2016)

Received the 'Quality Beyond Accreditation Award' by the Association of Healthcare Providers 2016 (India)

Received 'National Awards for Excellence in Healthcare' for 'Best Healthcare'

### Aster Pharmacy

Received 'Best Service Performance Brand' by Dubai service Excellence Scheme (2014)

'Dubai Quality Appreciation Award' by the Govt. of Dubai (2017)

UAE Innovation Award, 2018

Sheikh Khalifa Excellence Award, 2017

Sharjah top 10 Awards







## CORPORATE SOCIAL RESPONSIBILITY

At Aster DM Healthcare Limited, we believe that 'Profit' is a by-product and not our purpose in healthcare. Throughout his career, our Founder Chairman and Managing Director, Dr. Azad Moopen, a passionate philanthropist at heart, has been involved in myriad charitable activities through Aster DM Foundation, Dr. Moopen Family Foundation, Aster MIMS Charitable Trust and others.



Aster Volunteers is a global CSR programme that was launched on the occasion of our 30th Anniversary in 2017, with an aim to address the key challenges that will help make a positive change in the society. Today, it is running successfully across the 9 countries in which we are present, with the volunteers coming from all walks of life and not exclusively from the medical field. The multi-layered programme helps to reduce the gap between people who want to help and the ones who need help.

**8,217**  
Volunteers

**Major Initiatives of Aster Volunteers include:**

- **Recruitment and support of differently-abled staff-** This initiative aims at providing equal employment opportunities and training to the differently-abled.

**64**

Differently-abled people recruited during the year

- **Free surgeries and investigations-** Free investigations, treatments and surgeries offered to patients in need across all our facilities

**17,020**

Benefitted through free surgeries and free investigations

- **Basic Life Support (BLS) Awareness-** Collaborating with the local government, organization and institutions across all the countries we are present in, to impart first responder training

**1,22,949**

People trained to provide BLS

- **Blood Donation Drive-** A commitment to facilitate the donation of blood units across our countries of operation

**9,844**

People assisted through blood donation

- **Disaster Management and Refugee Support Programme -** Support given to the needy and affected victims of humanitarian crisis by providing essential aid such as food, medical care, nutritional supplements, clothes etc.

**1,50,000**

Food packets distributed in Africa

**26,400**

Food packet distributed in Bangladesh

- **Free Medical and Wellness Camp-** Supporting communities with basic medical checkup and further treatment facilities, thus facilitating wellness to the needy.

**6,147**

Benefitted through Medical Camp at Jordan





Aster DM Foundation is the charitable arm of Aster DM Healthcare Limited, through which we conduct various CSR and charitable activities. Major programmes initiated by the Foundation includes Establishment of Community Dialysis Centres (CDCs), Early Cancer Detection and Screening Programme (EDDCs), Subsidized or free Pediatric Cardiac Surgery Programme, Mobile Clinics, Free Health and Safety awareness programmes and regular medical camps, treatment subsidies, Education and Women Empowerment Programmes, Disaster Management Supports, etc.

**Key initiatives taken by Aster DM Foundation:**

- We recently reached out to the tribal community in the hilly station at Jubo Panchayat in the state of Odisha, India, and donated an ambulance and healthcare services to address the healthcare services gap
- We supported NGOs like Al Jalila foundation and Al Noor Foundation in Dubai, UAE on healthcare initiatives. Dr. Moopen also works as an advisor on medical research activities for Al Jalila Foundation



- We reached out to various communities in Africa, Afghanistan, Bangladesh, Nepal, Jordan (Syria), and in Indian regions like Chennai and Kollam to support people who were affected by humanitarian crisis
- Since our inception, we have provided subsidized and free Pediatric Cardiac Surgery programme to children through our facilities

**800**  
Benefitted through the programme.

We have launched mobile clinics across UAE and India to provide medical care services to people. In India mobile clinic is operational at Jamshedpur in Jharkhand and Kozhikode in Kerala. In Jamshedpur, the initiative has been operational since the past 5 years while it has been recently launched in Kozhikode to cater to the healthcare needs of 40 remote villages.

**3,00,000**  
People benefitted through 3 mobile clinics

**45,000**  
People benefitted through Early disease detection and Cancer screening centres in Kerala

**4,15,000**  
Free dialysis done through 11 community dialysis centres in Kerala

## BOARD OF DIRECTORS



Dr. Azad Moopen  
Chairman & Managing Director



T. J. Wilson  
Non-Executive Director



Alisha Moopen  
Non-Executive Director



Anoop Moopen  
Non-Executive Director



Shamsudheen Bin Mohideen  
Mammu Haji  
Non-Executive Director



Daniel Robert Mintz  
Non-Executive Director



Harsh C Mariwala  
Non-Executive  
Independent Director



Suresh M. Kumar  
Non-Executive  
Independent Director



M. Madhavan Nambiar  
Non-Executive  
Independent Director



Rajagopal Sukumar  
Non-Executive  
Independent Director



Ravi Prasad  
Non-Executive  
Independent Director



Daniel James Snyder  
Non-Executive  
Independent Director

## MANAGEMENT TEAM



Dr. Azad Moopen  
Chairman & Managing Director



T. J. Wilson  
Group Head – Governance and  
Corporate Affairs, GCC



Alisha Moopen  
Chief Executive Officer –  
GCC Hospitals & Clinics



Sreenath Reddy  
Chief Financial Officer



Dr. Harish Pillai  
Chief Executive Officer – India



Jobilal M. Vavachan  
Chief Executive Officer, Aster  
Pharmacies, Aster Clinics – UAE



Kartik Thakrar  
Financial Controller, GCC



Dr. Malathi  
Chief Medical Officer



Fara Siddiqi  
Chief Human Resources Officer



Mukta Arora  
Chief Information Officer



Dalia Aziz  
Chief Marketing and  
Communications Officer

## CORPORATE INFORMATION

### Board of Directors

Dr. Azad Moopen  
T J Wilson  
Alisha Moopen  
Anoop Moopen  
Shamsudheen Bin Mohideen Mammu  
Haji  
Daniel Robert Mintz  
Harsh C Mariwala  
Suresh M Kumar  
Madhavan Nambiar  
R Sukumar  
Ravi Prasad  
Daniel James Snyder

### Chief Financial Officer

Sreenath Reddy

### Company Secretary

Rajesh A

### Auditors

B S R and Associates  
Chartered Accountants,  
Maruthi Infotech Centre 11/1 and 12/1,  
East Wing, II Floor, Koramangala,  
Inner Ring Road,  
Bangalore - 560 071

### Registered Office

IX/475L, Aster Medcity,  
Kuttisahib Road, Near Kothad Bridge,  
South Chittoor P.O., Cheranalloor,  
Kochi- 682027, Ernakulam, Kerala, India  
Tel.: +91-484-6699228  
Fax: +91-484-6699862

### Registrar and Transfer Agent

Link Intime India Pvt Ltd  
Surya 35, Mayflower Avenue,  
Behind Senthil Nagar  
Sowripalayam Road  
Coimbatore – 641028

### Important Communication to Shareholders

The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies and has issued circulars stating that service of notice / documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronic holding with the Depository through their concerned Depository Participants.



# Business Responsibility Report

## Introduction

Inclusive development is an integral pillar of the growth of the Economy by setting up a foundation to the better future. We at Aster DM Healthcare (the Company), are committed towards achieving the larger objective of inclusive development and believe it as an integral part of the Corporate Governance. Your Company

got listed on 26th February 2018. The Company pursuant to the provisions of Regulation 34 (2) (f) has incorporated this report since the Company, based on the market capitalisation for the Financial year ended 31st March 2018 appears in the list of top 500 companies.

Section A General Information	
1. Corporate Identity Number	U85110KL2008PLC021703
2. Name of the Company	Aster DM Healthcare Limited
3. Registered Address	IX/475L, Aster Medcity, Kuttisahib Road, Near Kothad Bridge, South Chittoor P.O, Cheranalloor, Kochi, Kerala – 682027
4. Website	<a href="http://www.asterdmhealthcare.com/">http://www.asterdmhealthcare.com/</a>
5. Email id	cs@asterdmhealthcare.com
6. Financial Year reported	Year ended as on 31st March 2018
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	NIC Code – 86100 (Healthcare)
8. List three key products / services that the Company manufactures / provides (as in balance sheet)	Hospitals, Pharmacies* and Clinics *Group does not operate any standalone pharmacies in India. All its standalone pharmacies are operated by Company's subsidiaries outside India
9. Total number of locations where business activity is undertaken by the Company a. Number of International Locations b. Number of National Locations	a) Aster DM Healthcare through it's subsidiaries operates in Seven GCC states and Philippines b) Aster DM Healthcare has its registered office situated at Kochi and operates hospitals/ clinics in Five states vis a vis Kerala, Karnataka, Telangana, Andhra Pradesh and Maharashtra
10. Markets served by the Company - Local / State / National / International	a) Aster DM Healthcare through it's subsidiaries operates in Seven GCC states and Philippines b) Aster DM Healthcare has its registered office situated at Kochi and operates hospitals/ clinics in Five states vis a vis Kerala, Karnataka, Telangana, Andhra Pradesh and Maharashtra

Section B Financial Details	
1. Paid up capital	50,52,27,345 equity shares of INR 10 each
2. Total turnover	5461.74 mn
3. Total profit after taxes	(871.92) mn
4. Total spending on Corporate Social Responsibility (CSR) as percentage of average Net Profit of the Company for last 3 financial years.	The Company has not generated cash profits on a standalone basis during last three financial years and hence the Company was not statutorily required to expend on CSR activities. However, being a responsible corporate entity and focusing on a sustainable growth model, the organisation spends on different CSR activities, details of which are disclosed in the Annual Report under head 'the CSR initiatives of the Group.'
5. List of activities in which expenditure in four above has been incurred	Please refer the disclosure on CSR activities in the Annual Report under the head CSR

## Section C Other Details

1. Does the Company have Subsidiaries	Yes, details are as per AOC 1 which is annexed to the Boards Report
2. Do the subsidiary company participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiaries	Yes, the company has four operating subsidiary companies which are focussing on various BR activities within the group.
3. Do any other entity/ entities (suppliers and distributors, among others) that the Company does business with, who participate in the Company's BR initiatives, along with the percentage of such entities (Less than 30%, 30-60%, more than 60%)	The Company does not mandate its suppliers/distributors to participate in the Company's BR initiatives. However, they are encouraged to adopt such practices and follow the concept of being a responsible business.

## Section D Business Responsibility Information

### 1. Details of Director / Directors responsible for BR:

#### a. Details of the Director / Directors responsible for implementation of the BR policy / policies

Your Company has a CSR Committee details of which has been mentioned in the Corporate Governance Report, which overlooks the Business Responsibility. The Board has not specifically provided powers to any individual Directors to look after the Business Responsibility, however the details of the Chairman of CSR committee is as follows:

DIN Number	00159403
Name	Dr. Azad Moopen
Designation	Chairman and Managing Director

#### b. Details of the BR head:

Name	Dr. Azad Moopen
Designation	Chairman – CSR Committee
Telephone No.	0484 6699999
E mail Id	chairman@asterdmhealthcare.com

### 2. Principle-wise BR Policy / policies

#### Principle 1

Businesses should conduct and govern themselves with Ethics, Transparency and Accountabilit

#### Principle 2

Businesses should provide goods and services that are safe and contribute to sustainability throughout their life cycle

#### Principle 3

Businesses should promote the well-being of all employees

#### Principle 4

Businesses should respect the interests of, and be responsive towards all stakeholders, especially those who are disadvantaged, vulnerable and marginalized

#### Principle 5

Businesses should respect and promote human rights

#### Principle 6

Businesses should respect, protect, and make efforts to restore the environment

#### Principle 7

Businesses, when engaged in influencing public and regulatory policy, should do so in a responsible manner

#### Principle 8

Businesses should support inclusive growth and equitable development.

#### Principle 9

Businesses should engage with and provide value to their customers and consumers in a responsible manner

No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	Do you have a policy/ policies for	√	√	√	√	√	√	√	√	√
2	Has the policy being formulated in consultation with the relevant stakeholders?	√	√	√	√	√	√	√	√	√
3	Does the policy conform to any national / international standards? If yes, specify? (50 words)	√	√	√	√	√	√	√	√	√
4	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	X	X	√	√	X	X	X	√	X
5	Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	√	√	√	√	√	√	√	√	√
6	Indicate the link for the policy to be viewed online?	NA	NA	NA <sup>1</sup>	NA <sup>2</sup>	NA	NA	NA	NA <sup>3</sup>	NA
7	Has the policy been formally communicated to all relevant internal and external stakeholders?	√	√	√	√	√	√	√	√	√
8	Does the company have in-house structure to implement the policy/ policies?	√	√	√	√	X	X	√	√	√
9	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	√	√	√	√	√	X	√	√	√
10	Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	X	X	√	X	√	√	√	√	√

Note 1: <http://www.asterdmhealthcare.com/about-us/whistleblower/>

Note 2: <http://www.asterdmhealthcare.com/csr/>

Note 3: <http://www.asterdmhealthcare.com/about-us/code-of-conduct-for-directors-senior-management/>

(a) If answer to the question at serial number 1 against any principle, is 'No', please explain why: (Tick up to 2 options)

S I . No.	Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
1	The company has not understood the Principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
2	The company is not at a stage where it finds itself in a position to formulate and implement the policies on specified principles	NA	NA	NA	NA	NA	NA	NA	NA	NA
3	The company does not have financial or manpower resources available for the task	NA	NA	NA	NA	NA	NA	NA	NA	NA
4	It is planned to be done within next 6 months	NA	NA	NA	NA	NA	NA	NA	NA	NA
5	It is planned to be done within the next 1 year	NA	NA	NA	NA	NA	NA	NA	NA	NA
6	Any other reason (please specify)	NA	NA	NA	NA	NA	NA	NA	NA	NA

### 3. Governance related to BR:

- The frequency with which the Board of Directors, Committee of the Board or CEO assess the BR performance of the Company. (Within 3 months, 3-6 months, annually, more than 1 year).
  - The Company got listed on 26th February 2018. The review of BR performance will be done on a yearly basis
- Details and link of the Company's Business Responsibility or Sustainability Report, along with its frequency
  - The company has qualified under clause (f) of sub regulation (2) of regulation 34 of SEBI (listing Obligations and Disclosure Requirements) Regulations, 2015 during FY 2017-18 and hence this is the first year of publishing this report. This Report forms part of the Annual Report of the Company hosted on the Website of the Company (<http://www.asterdmhealthcare.com/investors/>).

### Section E: Principle-wise Performance

#### Principle 1

1. Does the policy relating to ethics, bribery and corruption cover only the company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Currently, the company is governed by principles of ethics and anti-corruption and we have an internal policy on the same. This policy extends to the Company and all its operational subsidiaries.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

NIL

#### Principle 2

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

The demand for radiology services is increasing exponentially due to increasing diagnostic services and shortage of radiologists at every centre round the clock. These shortages are being overcome by imaging facilities by using teleradiology services.

Teleradiology is a method of sending radiographic images in digital form from one point to another using wide area network (WAN) or local area network (LAN). Images are captured by imaging modalities and are transferred through the network in DICOM format. These images are then

studied by radiologist and the report is sent back to the imaging facility. Hence teleradiology helps in providing timely interpretations of images to even remotely placed imaging centers at any time.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- a. Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?

- b. Reduction during usage by consumers (energy, water) has been achieved since the previous year?

Teleradiology facility helps in immediate diagnosis in a remote manner without the creation of multiple expensive facilities across locations thereby substantially reducing the consumption of resources

3. Does the company have procedures in place for sustainable sourcing (including transportation)?

If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so.

The Company is in the business of providing healthcare service in which the products and services as inputs are regulated by the statutes and hence we procure the products and services from empanelled vendors who are governed by various statutes. However, the Company has provided for a centralized transport facility for commuting 300 odd staff daily and Battery operated buggy service for patients ,staff and visitors.

4. Has the company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work? If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

The Company is in the business of providing healthcare service in which the products and services as inputs are regulated by the statutes and hence we procure the products and services from empanelled vendors who are governed by various statutes.

5. Does the company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

Yes, your Company recycles water and reduces the consumption of energy by the following methods:

- Sewage treatment plant with 100 % reuse of treated water for irrigation, which prevents use of fresh water for irrigation and improves ground water table through

percolation. Additionally, independent plumbing network has been incorporated in recently commissioned areas for reuse of treated STP water for flushing purpose.

- Use of LED lamps which are up to 80% more energy efficient than the traditional lighting. Less energy use decrease greenhouse gas emissions
- Use of Double glazed window glasses for the entire project. Because of thermal insulation benefits, energy consumption in HVAC is be reduced significantly.
- Installation of Variable Frequency Drives with all Air Handling Units to save energy.

### Principle 3

1. Please indicate the Total number of employees: 4,163
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 1,110
3. Please indicate the Number of permanent women employees: 2,085
4. Please indicate the Number of permanent employees with disabilities: 6
5. Do you have an employee association that is recognized by management? No
6. What percentage of your permanent employees is members of this recognized employee association? Not applicable
7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

S I . No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/ involuntary labour	Nil	Nil
2	Sexual harassment	Nil	Nil
3	Discriminatory employment	Nil	Nil

\*The aforementioned details are given for Aster DM Healthcare Limited on a Standalone basis

8. What percentage of your under mentioned employees were given safety & skill up- gradation training in the last year?

Category	Safety	Skill upgradation
Permanent Employees:	77.50%	73.15%
Permanent Women Employees:	77.00%	70.65%
Casual/Temporary/Contractual Employees	79.10%	71.50%
Employees with Disabilities	100%	100%

\*The aforementioned details are given form Aster DM Healthcare Limited

### Principle 4

1. Has the company mapped its internal and external stakeholders?

Yes, the Company has mapped its internal and external stakeholders. They are:

- i. Government and regulatory authorities
- ii. Employees
- iii. Customers

iv. Local community

v. Investors and shareholders

vi. Suppliers

2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes. The Company has identified various stakeholders who are less privileged, vulnerable and have taken various initiatives to address the same.

3. Are there any special initiatives taken by the company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

Your Company through various foundations like Aster DM Foundation, Dr. Moopens Family Foundation, Aster MIMS Charitable Trusts and others carries out various activities which ensures that the under privileged section of the society is benefited. Your Company has launched a programme called Aster Volunteers. Further details on these activities have been given under the heading CSR activities.

#### Principle 5

1. Does the policy of the company on human rights cover only the company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

The policy applies to Company and its Subsidiaries and it also extends to the employees/ workers hired from outsourced agencies.

2. How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

NIL

#### Principle 6

1. Does the policy related to Principle 6 cover only the company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others?

The policy applies to Company and its Subsidiaries

2. Does the company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

Your Company has formulated plans and implemented various measures to ensure that the sustainable growth of the organisation along with the ecosystem. The Company reuses the treated water and use solar energy as an alternate source of electricity to meet some of its requirements (details are mentioned in the annexure to the Boards Report under the head 'Energy Conservation').

3. Does the company identify and assess potential environmental risks? Y/N

Yes

4. Does the company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

Since the Company is in the business of providing healthcare services and is not engaged in any manufacturing process,

the compliance with Clean Development Mechanism is not applicable. Hence, no projects relating to the same has been undertaken by the Company.

5. Has the company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

No

6. Are the Emissions/Waste generated by the company within the permissible limits given by CPCB/SPCB for the financial year being reported?

Yes.

7. Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

NIL

#### Principle 7

1. Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Aster DM Healthcare is a member of the Association of Healthcare Providers – India (AHPI), NATHEALTH, FICCI, Confederation of Indian Industry (CII)

2. Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas ( drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others).

Yes, The Company has lobbied through the aforementioned associations for the following initiatives:

##### (i) Medical Education Reforms

- We have been in liaison with the Healthcare Sector Skill Council of India to vastly define and introduce new cadres of healthcare workers that will create employment opportunities for our citizens and at the same time will help in moderating the healthcare costs of the country.
- We have also collaborated with the Kerala State Healthcare Skill Council to build talent pipelines

##### (ii) Healthcare Delivery Systems

- We have been involved in discussions with Government entities to implement scientific costing of healthcare services and to change the reimbursement model of current Government schemes (RSBY, ECHS, CGHS, etc.) based on published costing models within our country

- We have actively lobbied to bring about changes in policy governing Medical Value Travel (MVT) to India and played a leadership role in the establishment of new trade summits such as Advantage Healthcare India over the past three years that has brought over 500 delegates to India with an effort to promote India as a leading MVT destination and attract international patients.
- Interactions with stakeholders on improving Clinical Governance and to bring about jurisprudence in the healthcare sector.
- The company representatives play an active role in the Joint Commission International (JCI) Advisory Panel for new standards that have brought out the 6th edition and shared inputs for the upcoming 7th edition, in addition to the Ambulatory & Primary Care Standards.
- We have been actively involved in multiple forums with various government agencies in the public debate regarding the introduction of both, Clinical Establishments Act across various States as well as the roll out the Minimum Wages for Healthcare workers in some States.
- We have been in the forefront for advocacy for defining new methodology for publishing healthcare clinical outcome and make it available for stakeholders with an effort for improving transparency within the sector.

#### (iii) Information Technology in Healthcare

- We have been active participants in improving the quality assurance while formulating and sharing inputs with industry bodies for increasing the use of healthcare IT.

#### (iv) Public Health Policy

- We have been actively involved in various trade bodies to share inputs on the draft National Health Policy
- There have been multiple meetings with stakeholder to share insights on the practical roll-out of the National Health Protection Scheme.

### Principle 8

1. Does the company have specified programmes/initiatives/projects in pursuit of the policy related to Principle on inclusive growth and equitable development? If yes details there.

Your Company through various foundations like Aster DM Foundation, Dr. Moopens Family Foundation, Aster MIMS Charitable Trusts and others carries out various activities which ensures that the under privileged section of the society

is benefited. Your Company has launched a programme called Aster Volunteers. Further details on these activities have been given under the heading CSR activities.

2. Are the programmes /projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The Company through various foundations provides CSR activities, these includes Aster DM Foundation, Dr. Moopens Family Foundation, Aster MIMS Charitable Foundation etc.

3. Have you done any impact assessment of your initiative?

No, the Company has not done a impact analysis of the CSR activities that is being carried out.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

The Company had spend 56.6 lakhs on a standalone basis on various CSR activities

### Principle 9

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

The Company had received 7 consumer complaints pending as on March 31, 2018

2. Does the company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks (additional information).

Company is a healthcare service provider and hence this question is not applicable.

3. Is there any case filed by any stakeholder against the company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behavior during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so

Your Company is into providing healthcare and hence the Company has not received any complaints under the unfair trade practice however we have received 5 medico legal complaints

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

The Company owns and operates hospitals through its subsidiaries and units, these hospitals deliver world class facility without compromising the patient excellence. A feedback is collected from the patients after their visit/treatment at the hospitals and are considered internally and the same is discussed in the meetings of the Operational teams of the respective hospitals. Only those issues which couldn't be resolved and requires a special attention is escalated to a higher authority.

# Management Discussion and Analysis

## Global Economic Overview

The effects of economic crisis started to bottom out in last few years resulting in the world gaining strength and sight to incline towards policies for resolution of long-term issues which constricts sustainable development. In 2017, the growth has estimated reached to 3% which indicates a remarkable marginal growth of 60 bps than the growth of previous year that stood at 2.4%. Such unparalleled growth was unseen post 2011. Labour Markets registered a growth in most of the countries and more than 60% of the countries have experienced growth in 2017 as compared to the previous years.

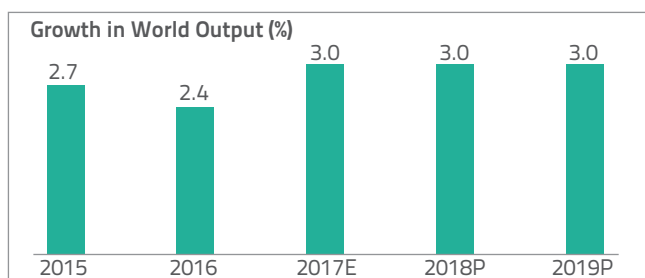
Although there has been strong economic activities across the world, it has been unequal between countries and regions. A majority of acceleration could be attributed to the strong growth in the developed nations although East and South Asia accounted a highest level of growth. Developing countries like Brazil, Russia have experienced a cyclical growth, eventually emerging out of recession.

There has been improvement in the condition for investment, owing to low financial volatility, stabilisation in the banking sectors and slight rebound in commodity sector. Financing costs stood low and spreads have slimmed down in the emerging markets reflecting a decline in risk. Global trade rebounded in 2017, starting off growing at an unprecedented rate in the first eight months, owing to the import demand in East Asia. Several major developed economies saw rebound in the capital goods as firms respond to improving conditions for investment.

### Outlook

At the global level, it is expected that the growth would take place at a consistent rate of 3.0% in 2018 and 2019 driven majority by developing economies. Regions covering nearly 20% of the global population are anticipated to see negligible growth in average incomes in 2018-19. Growth in Least Developed Countries (LDCs) is expected to rise modestly from an estimated 4.8% in 2017 to 5.4% per cent in 2018 and 2019 respectively due to favourable external economic conditions and firming commodity prices which would support trade, financial flows and investment in natural resources projects.

(Source: UN)



(Source: UN)

## GCC Economic Overview

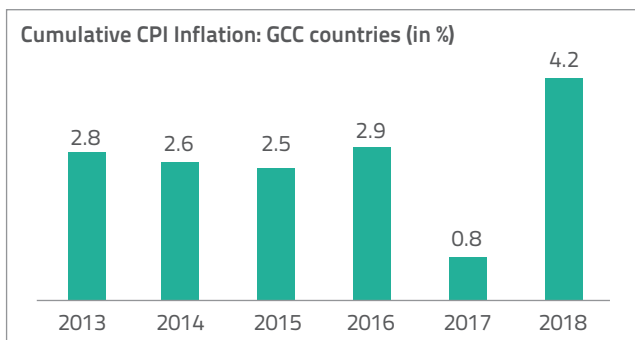
During the year under review, there has been a modest growth in the non-oil economy of the GCC states by 2.6% as compared to 1.8% in the previous year. Driven by the reduction in oil output under the OPEC+ agreement, the real GDP is estimated to decline by 2.3% in 2017 to 0.5%.

Out of six countries, four experienced a downfall in the CPI inflation due to lower import prices and challenging economic conditions. The huge fiscal deficit has narrowed down, owing to increasing oil revenues and fiscal consolidation. After a continuous downfall in the exports till 2016, it is under recovery due to rise in demand, leading to improvement in current account balance. The government debt has increased from a cumulative 22.0% to 25.5% of GDP

### Outlook

It is expected that the oil output would increase by 1.9% and non-oil growth would register a downfall to 2.4%. Moreover, there would be a marginal rise in the inflation due to introduction of value-added tax in some countries or increase in domestic energy prices. The fiscal deficit is expected to decrease further over the middle term and is estimated to be \$160 billion during 2018-22. Over time, the exports are expected to rise consistently. It is expected that the government debt would reach up to 29% of GDP in 2018.

(Source: IMF)



(Source: IMF)

## Indian Economic Overview

India is one of the fastest growing economy among EMDEs and across the world. It grew fastest due to strong performance in construction and manufacturing. The economy grew at a rate of 6.7% from 7.1% in FY17 owing to the short-term effect of demonetisation and the rollout of GST last year. The country is outpacing China by nearly a percentage point. As compared to the last year, the GVA growth rate fell by 60 bps points from 7.1% to 6.5%.



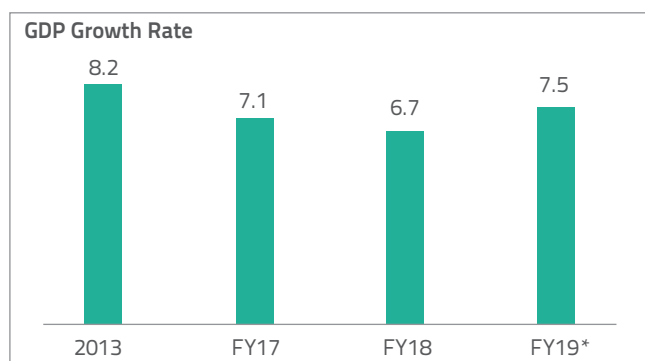
In the fourth quarter, the growth in agriculture, manufacturing and construction stood at 4.5%, 9.1% and 11.5% respectively. While the trade, hotel and transportation, communication and services grew at 8% in FY18 as compared to 7.2% in 2017 thereby rising up by 800 bps. The public administration, defence and other services grew at a CAGR of 10%, marking a downfall from 10.7% growth in the previous year.

GST has likely boosted the manufacturing sector which grew at an average rate of 8.8% during the last two quarters of FY18. The growth in the private consumption remain stable at 6.6%, Investments is also showing signs of recovery thereby indicating the prospects of faster growth in the coming financial years.

**Outlook**

The economy is expected to grow at 7.5% in the fiscal year 2018-19. The growth of the global further would catalyse exports from India. The trend in the investment activity is positive with consistent rise and the same is expected with a greater strength in the coming years. Provided inflation does not disrupt, the policy rate is expected to remain stable. A prospect surge in the oil prices stands a risk to subdue the growth rate of the economy. Moreover the tightening of the monetary policies of the developed nation would slim down the capital inflows in the country and may also lead to the possibility of financial stress. Overall, there is strong possibility of higher growth in 2018-19 as compared to the growth rate of 2017-18.

(Source: Economic Survey of India)



(Source: Economic Survey)

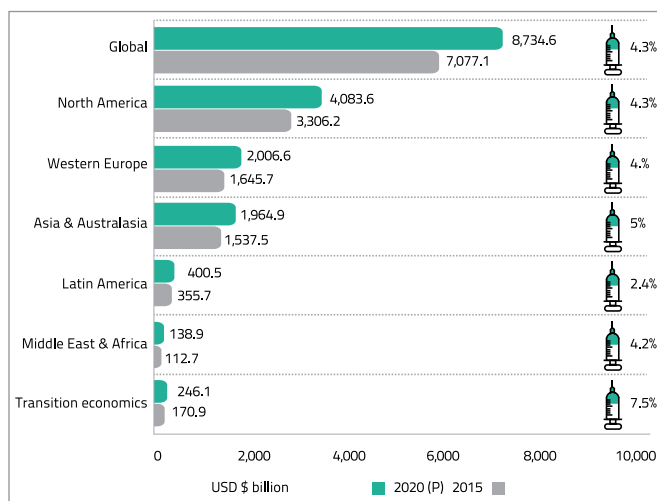
**Global Health care Industry**

The global health care spending is expected to rise at a CAGR of 4.1% from 2017-2021 from 1.3% in 2012-2016, owing to the consistent surge in aging and increase in population and labour costs, expansion of developing economies and advances in medical maneuver. It is expected to reach to an estimate of \$8.7 trillion by 2020 from \$7 trillion in 2015. There would be wide gap in per person health care spending across the world ranging from \$11356 in United States to just \$53 in Pakistan in 2021.

From 2016-2021, it is anticipated that the life expectancy rate would shoot up by more than one year thereby registering an average of 74.1 years from 73 years resulting in 11.5% of the total population being above the age of 65 years. The significant rise in the life expectancy rate would be result of falling infant mortality rates being an outcome of initiatives taken to improve living conditions and ease in accessibility to health care and vaccinations.

Improvement of financial performance and operating margins be a major concern. The trend of rise in costs and declining costs would persist due to increase in demand, funding limitations, need of upgrades of infrastructure and technology. The future involves change in pattern of care including increased visits and higher quality services being the major cost drivers.

However, various strategies are being implemented by the health care providers to manage declining margins and rising costs, such as shift in pattern from treating patients in the hospitals to outside the hospitals settings to reduce costs. Major health care companies are resorting to Mergers and Acquisitions (M&A) to gain economies of scale.



(Source: The Economist Intelligence Unit, June 2017)

**GCC Health care Industry**

GCC is a political and economic alliance of six Middle Eastern countries, namely Saudi Arabia, Qatar, Kuwait, UAE, Bahrain and Oman. A changing demographic and epidemiologic structure is propelling demand in the healthcare services in GCC. Moreover, the regional authorities played a significant role in accelerating the growth in the healthcare sector despite the contraction in the oil revenues which is suppressing the spending. Encouraged by incentives and mandatory health insurance and other reforms, investments by private sector is surging in the region.

## UAE

The population of the country is expected to grow at a CAGR of 3.0% from 10.1 million in 2017 to 11.8 million in 2022. Out of which, 15% would be around 50 years of age leading to rise in demand for healthcare services. The current healthcare expenditure stands at around 4.3% of the GDP i.e. \$16.1 billion and is expected to upswing to \$25.6 billion by 2022. The inflation in medical industry is expected to downfall from 9.6% in the current year to 7.6% by 2022.

With the rise in sedentary lifestyles, there is a rise in risk of diseases like diabetes, hypertension and cardiovascular problem thereby leading to lengthy treatments which in turn is boosting the healthcare revenue. The implementation of mandatory healthcare insurance policy across the country by the government is leading to better utilization of medical facilities in the country.

The number of hospital beds is expected to touch the mark of 14,969 by 2022 from an estimated 12,900 in 2017. The country would register a rise in the inpatient admission from 660.3 thousand in 2017 to 766.2 by 2022 while the outpatient visit is expected to rise from 36.9 million to 42.7 million during the same period. UAE is the one of the fastest growing medical tourism hubs globally. It hosted around 3,26,649 medical tourists in 2016, increasing annually at a CAGR of 9.9%. The country is also aiming to promote its medical facilities in countries like Russia, India and China and attract around 5 million tourists by 2020.

## KSA

The healthcare industry is poised to grow in the backdrop of rising population which is estimated to cross 35.7 million by 2022. The current healthcare expenditure in the country is estimated to be \$44.3 billion i.e. 6.5% of the GDP and is expected to acquire a 7.3% of the GDP which would be \$59.5 billion by 2022.

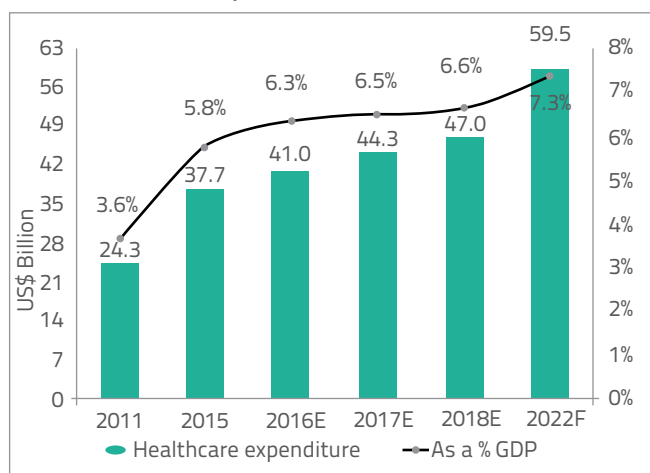
The country ranks 13th in the world for prevalence of diabetes and 14th in obesity leading to a rise in the spending on regular medical visits, related medical examinations and its drugs. The growth in specialized hospitals, polyclinics are expected to meet the rising demand.

The number of hospital beds are estimated to be 72,589 in 2017 and is expected to rise up to 79,780 beds by 2022. Moreover the medical inflation is expected to decline from 6.2% in 2017 to 4.5% in 2018. During the year under review, the inpatient admission stands at an estimate of 3,502 thousand and is expected to rise to 3,886.7 thousand by 2022. Additionally, the outpatient visits are also expected to surge from 142.5 million the current period to 157.3 million by 2022.

The key challenges for KSA are lower health care spend compared to the western world, acute shortage of manpower and stringent regulations constraining the growth of the sector.

(Source: IMF – October 2017, WHO, MOH, WTW)

## Current Healthcare Expenditure in KSA



(Source: WHO)

## Qatar

The need of medical services is accelerating due to fast-paced growth in the population of the country at an average rate of 8.3% in the last five years to 2017. However, the growth is expected to experience a slowdown in the coming years. The current healthcare expenditure is expected to downfall in from 4.1% of GDP i.e. \$4.9 billion to 3.5% of GDP i.e. \$5.8 billion while the medical inflation is expected to downfall by a slim rate of 0.1% from 1.4% in 2017 to 1.3% in 2022.

There has been a remarkable growth in the standard of living and expansion in the network of international food retailers leading to a considerable surge in the intake of sugary and calorie-rich packaged foods resulting in rise in per capita spending on healthcare. The country is reforming its policies to welcome international players in the country for foreign investments and back up development of sectors, including healthcare.

The number of hospital beds stands at 8,547, with an expectation to marginally rise to 9,807 by 2022. Additionally, the inpatient admission and outpatient visit is expected to rise from 325.1 thousand to 373 thousand and 19.4 million to 22.2 million respectively.

(Source: IMF – October 2017, WHO)

## Oman

The population of Oman is forecasted to grow at a CAGR of 3.2% from 4.1 million to 4.8 million, the fastest among the GCC countries, between 2017 and 2022. Moreover, the prevalence of diabetes is expected to increase from 12.6% in 2017 to 15.4% to 2040, leading to rise in the healthcare expenditure. The healthcare expenditure is expected to rise from 4.4% to 5.3% of GDP to \$4.9 billion. The medical inflation is anticipated to rise from 5.1% to 6.6% between 2017 and 2022.

There would be an increase in the expenditure on healthcare services due to phase-wise implementation of compulsory health insurance for the private sector. This would result in more private organizations setting up clinics in the country. The number of hospital beds is expected to surge from 6,793 in 2017 to 7,937 beds in 2022. Similarly, there is an expectation of rise in inpatient admission and outpatient visits from 476 thousand to 556 thousand and 22.2 million to 26 million between 2017 and 2022.

(Source: IMF – October 2017, WHO)

### Bahrain

The population in Bahrain is expected to grow at a CAGR of 2.0% from 1.3 million to 1.4 million between 2017 and 2022. About 13% of the rising population would be above the age of 50 leading to rise in demand for healthcare services. The healthcare expenditure is expected to increase from 5.4% of the GDP to 5.8% of the GDP between 2017 and 2022. Moreover, there would be remarkable downfall in the medical inflation from 5.7% to 3.2%.

There is a high incidence of NCDs in the country leading to prolonged treatment which results in increase in healthcare expenditure and need for specialized medical centres. The government is proposing the implementation of compulsory national health insurance scheme which could encourage expatriates to use private as well as public healthcare facilities. Moreover, it government has passed new laws which allow 100% foreign direct investments across various sectors including healthcare simulating the development of the sector.

The number of hospital beds is expected to increase from 2,698 in 2017 to 2,979 in 2022. There would be a considerable rise in the inpatient admission from 135 thousand to 149 thousand and outpatient visits from 7.7 million to 8.5 million in the same period.

(Source: IMF – October 2017, WHO)

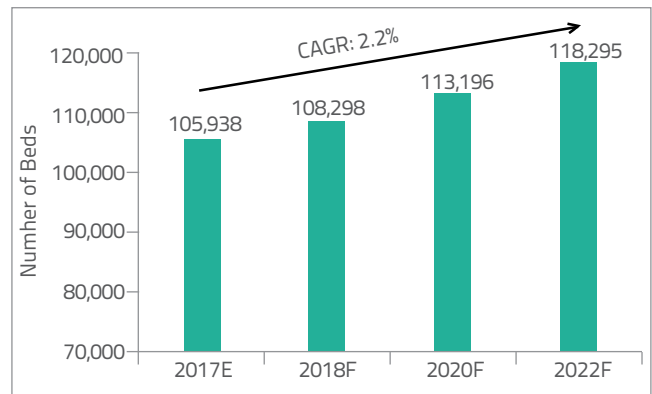
### Kuwait

The population of Kuwait is anticipated to grow at a CAGR of 2.8% from 4.3 million to 5.0 million between 2017 and 2022, out of which, nearly 20% of the projected population will age over the age of 50 resulting in growth in the demand of the healthcare services and need for long-term care centres. The healthcare expenditure for the same period is expected to rise from \$4.9 billion to \$5.8 billion. However, this growth could also be seen as a downfall in the share of GDP from 4.1% to 3.5%. Moreover, there would be meagre downfall in the medical inflation from 1.4% in 2017 to 1.3% in 2022.

The number of hospital beds is forecasted to increase from 8,547 to 9,807 between 2017 and 2022. There would be a considerable rise in the inpatient admission from 325.1 thousand to 373 thousand and also in outpatient visits from 19.4 million to 22.2 million during the same period.

Kuwait stands at 11th in the world in terms of prevalence of obesity and rising risks of cardiovascular diseases. With such health profiles, there would be a rising need for long-term treatments and high healthcare spending.

(Source: IMF – October 2017, WHO)



(Source: WHO, IMF, WTW, MOH)

## Special traits of GCC healthcare industry

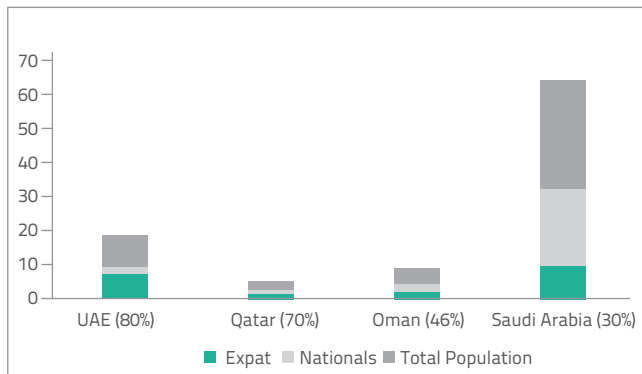
### Prevalence of primary and secondary healthcare facilities

- The percentage of old age people in total population is relatively lower than other age groups resulting in a limited requirement for tertiary and quaternary care.
- Due to lack of support systems such as families and relatives expat community travel back to their home countries for major health issues
- The private healthcare is mainly focused on primary and secondary healthcare
- Recently a trend can be seen in UAE where focus is on selective tertiary care, however it will remain proportionately lower.
- Only Saudi Arabia with large population of nationals is suitable for tertiary and quaternary care facilities.

### Seasonality of Patient Volumes

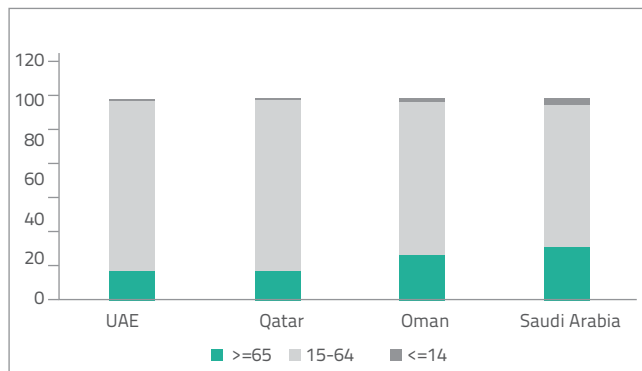
- In summer months, from May to August, an increase in temperature results in a shift of expat population out of GCC states
- Many of our doctors belonging to expat community also avail their annual leaves during this period
- During this period, there is a decline in inpatient volumes across our primary and secondary healthcare facilities.

### Population (in Million)



Source: World Bank

### Population Age (in %)



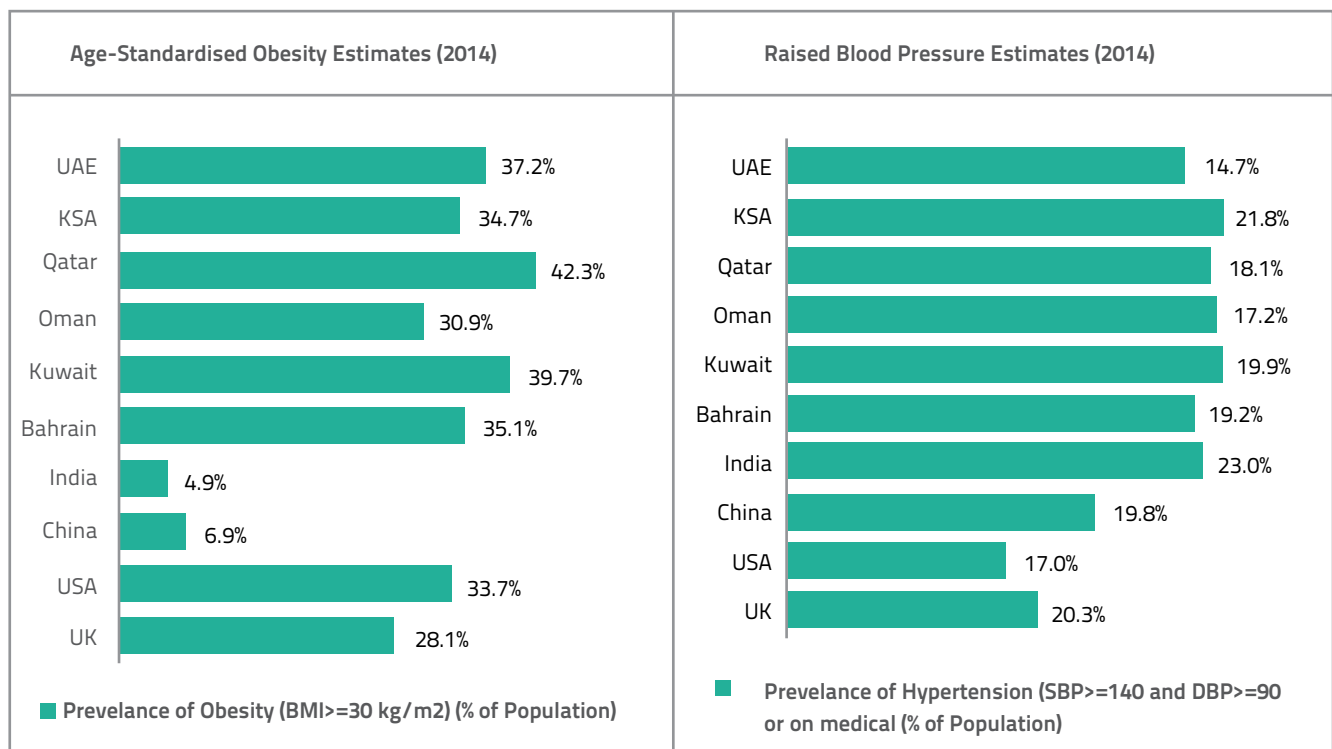
Source: World Bank

### Key Growth Drivers

**Growth in Population:** The population of the alliance are expected to rise by 2022 from the 6.6 million to 61.6 million. For UAE, the populations of Dubai and Abu Dhabi would upswing the most. Expatriates are an important part of the population of these countries. They don't have complete access to the public sector hospitals and thus are mostly reliant on the services by the private care services within the respective countries.

**Evolving Demographics:** The population of the GCC states is swiftly moving to a higher age bracket thus increasing the prospect of growing demand for the health care services. In UAE, population below 35 accounts for more than 50% while the population above 55 years is around 6% in 2016 which is expected to increase to 9% in future. In KSA, the population bracket of 35-54 years has grown from 26% to 30% in 2016 and is expected to increase to 41% in 2020 while the population above 55 years increased from 7% to 9% in the same period.

**High Prevalence of non-communicable disease:** The rising inactive lifestyle of the local population has increased the prospects of diabetes, obesity and hypertension. The prospect is expected to increase due to rise in high calorie food habits.

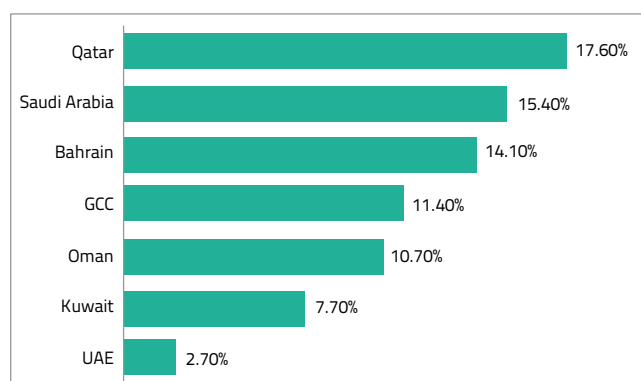


(Source: World Health Organisation Report 2014, Frost & Sullivan Analysis)

**Rise in Government Spending:** According to the Sharjah's Investment and Development Authority estimation, the Emirate health care market is expected to grow by \$50 million from 2015 to 2020. In GCC states, more than half of the health care expenditure is made by the government. In UAE, the government has allocated a budget of \$1.13 billion to the health care sector in 2017, with the expectation of growth at a CAGR of 8% in 2016 with a vision to provide high quality health care services to public.

**Growth in Medical tourism:** Inbound medical tourism is expected to be a key growth driver for the UAE and the KSA. In UAE stand ahead in the medical tourism industry reflecting Dubai as the key hub for medical tourism in the country. By 2020, Dubai is anticipated to attract 500,000 tourists, estimated to generate \$71 million in 2020 from \$18 million in 2012 thereby marking a CAGR of about 24% between 2014 and 2020. In KSA, the volume of medical tourists is projected to increase at a CAGR of 15.3% between 2015 and 2020. However, the downfall in oil prices have enforced the government to encourage population in getting treated locally rather than travelling aboard.

#### Country wise CHE Growth (CAGR: 2010-2015)



(Source: WHO)

Country	No. of Hospitals	Year
Saudi Arabia	470	2016
UAE	126	2015
Qatar	14	2016
Oman	74	2016
Bahrain	25	2015
Kuwait	33	2016

#### Indian Healthcare Industry

According to WHO, India's total healthcare expenditure stood at 4.2% of the GDP in 2015, which can be attributed to under-penetration of healthcare services and lower preferences among people to spend on healthcare. In 2016, the healthcare industry had an estimated value of \$110 billion. The per capita government expenditure on healthcare of India is \$68.6 in 2015 while in US it is \$4541 and UK it is \$2808 as of 2014.

#### Bed Density in India

The bed density in India stands at 10 beds per 10,000 people which is significantly lower than the global median of 29 beds. The count is even lower than that of other developing nations such as Brazil which has a bed density of 23 beds per 10,000 people, Vietnam with a bed density of 20 beds and Thailand with a bed density of 21 beds. In order to stand equivalent to the global median, India would have to add about 3 million beds to its current capacity.

#### Medical Personnel

In addition to insufficient bed density, the country also faces a challenge of insufficient medical personnel. India is short by 18 physicians and 10 nursing personnel per 10,000 of population to reach the global median which is 25 physicians and 25 nursing and midwives personnel. Even on this parameter, India below some of the developing nations such as Brazil that has 19 physicians and 76 nurses, Malaysia which has 12 physicians and 33 nurses and Vietnam which has about 12 physicians per 10,000 population.

#### Cost Advantage

The cost of healthcare services in India is quite competitive in relation to the developed countries and other Asian countries. The availability of medical facilities for critical treatments like cancer and joint replacement at lower costs, and better care makes India an attractive destination for medical tourism for people looking for advanced treatments at affordable prices without quality compromise. Africa, South and West Asia together accounts for more than 90% of medical tourist travelling to India.

(Source: IBEF)

Central Government Health Scheme is a comprehensive medical care provided to the employees of Central Government and pensioners who have voluntarily enrolled under the scheme. It caters to the employees belonging to the Legislature, Judiciary, Executive and Press domains. It provides healthcare under the following system of Medicines: Allopathic, Homoeopathic, Ayurveda, Unani, Siddha and Yoga.

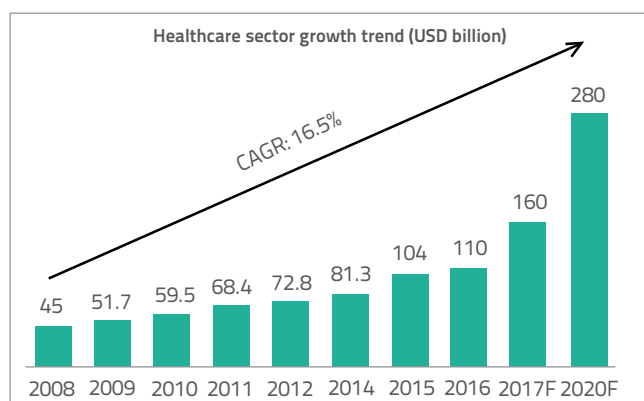
The regulatory environment for establishing a hospital in India is quite strict and demands several approvals. Additionally, such establishments are regulated under the purview of policies such as Clinical Establishment Bill, 2010 which endows it with guidelines for registration and operations and its impact on the environment. In India, hospitals are accredited by National Accreditation Board for Hospitals and Healthcare Providers (NABH), which is compulsory for hospitals to get empanelled under the Central Government Health Scheme (CGHS).

## Government Initiatives

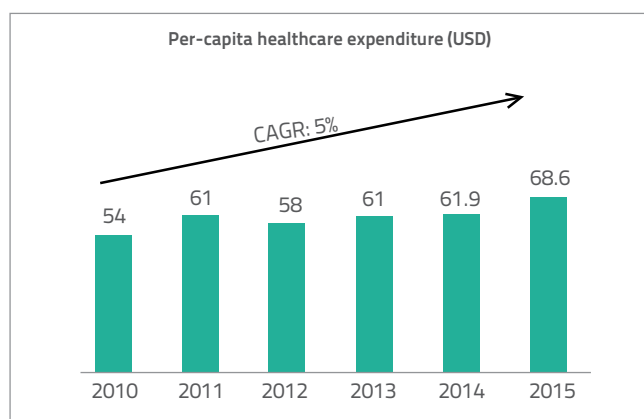
With the aim to propel health care in the country, Indian government is developing human resource, cutting down out-of-pocket expenditure and improving the quality of care through policies like National Healthcare Policy 2017, Mental Healthcare Policy 2017, Prevention and Control of HIV and AIDS Act 2017 and Affordable Medicines and Reliable Implants for Treatment (AMRIT). The primary aims of these policies to develop healthcare manpower, increase life expectancy rate and reduce mortality rate by surging government healthcare expenditure to 2.5% off GDP by 2025. It also targets to reduce the costs substantially for general population by opening AMRIT stores to provide lifesaving drugs and cardiac implants at 60-90% discount to patients and establishing diagnostics centres at public health care hubs for public to avail diagnostics services at no cost.

### Outlook

Indian healthcare market is expected to rise multifold and reach to a valuation of \$280 billion by 2020, growing at a CAGR of 16.5% from 2008-20, propelled by rising demand for pocket-friendly healthcare services, growing incidence of lifestyle diseases. Increasing healthcare costs, inception of telemedicine, swift processing of health insurance, mergers and acquisitions to reach the untapped markets and government initiatives are driving healthcare market in India. The growth of healthcare industry would also gain momentum due to increasing expenditure on research and development, rising collaborations with foreign institutions.



(Source: IBEF)



(Source: IBEF)

## Company Overview

### About the Company

Aster DM Medicare Ltd, is one of the largest healthcare services provider across GCC states and an emerging player in India. The company conducts operations in all GCC states, comprising of UAE, KSA, Oman, Bahrain, Kuwait and Qatar as well as in Philippines, Jordan and India with headquarters in Dubai, Kerala and UAE. It provides services under multiple segments of health care industry such as hospitals, clinics and retail pharmacies serving people across different economic segments through different brand names like 'Aster', 'Medcare' and 'Access'. Aster and Medcare addresses the needs of people belonging to upper and middle income segments; Access offers pocket-friendly health care services to working class expatriates and lower income segment in GCC states. In India, the company conducts business under the names of 'Aster', 'MIMS', 'Ramesh', 'Prime', 'Aster Aadhar' and 'Aster CMI'.

### Key Strengths

#### Active Presence in GCC states

The company is one of the largest health care service provider across the GCC states, well-settled to capitalise the untapped growth in the healthcare sector with the help of first mover advantage, strong brand presence and neat track record.

#### Well Diversified Portfolio

The company has established itself across multiple geographies, multiple health care delivery verticals and serving across different economic segments. After establishing itself across GCC states, the company is increasing its presence in Southern states of India, offering wide spectrum of services through 9 hospitals in GCC states and 10 hospitals in India.

#### High quality of health care services

The company never compromises with its well-defined quality and patient safety protocols in patient handling and care since its inception, quite evident through the quality certifications and accreditations obtained from several local and international agencies including accreditation from the JCI for its units in Dubai. Other units across the world have also received awards and recognition from regional boards for uncompromised quality of the services. It believes in receiving constructive feedback from its patients through discussions, feedback forms and even through call centres.

#### Ability to attract and retain high quality medical professional

With a workforce of 17335 employees comprising of 1430 full-time doctors, 5735 nurses and 9970 other employees, the company's mission is to provide quality care to patients by attracting and retaining highly qualified and skilled medical professional. Approximately 30% of the doctors in our hospitals and clinics specialise in various clinical fields such as cardiology, cardio vascular thoracic surgery, neurovascular surgery, nephrology, orthopedics, oncology and gastroenterology.

## Business Review

### GCC Hospitals

The Company has 9 hospitals in GCC; 5 in UAE; 2 in Oman; 1 in Qatar and 1 in Saudi Arabia with total 761 operational beds. These hospitals provide a wide range of services through a number of

dedicated specialized units. They also provide outpatient services including consultations for a range of issues and preventive health screenings. In addition, the Company has developed ancillary and diagnostic services which are provided through these facilities to complement the clinical services provided by them as well as the retail pharmacies business segment which are located inside the hospitals.

Hospitals-GCC	Location	Commencement or Acquisition year	Bed Capacity	Operational Beds	Owned or Leased
Medcare Hospital	Dubai, UAE	2007	64	55	Leased
Al Raffa Hospital	Muscat, Oman	2009	86	74	Leased
Al Raffa Hospital	Sohar, Oman	2010	73	63	Leased
Medcare Orthopaedics and Spine Hospital	Dubai, UAE	2012	33	27	Leased
Aster Hospital Mankhool	Dubai, UAE	2015	114	100	Leased
Medcare Women and Child Hospital	Dubai, UAE	2016	102	89	Leased
Medcare Hospital	Sharjah, UAE	2017	124	110	Leased
Sanad Hospital	Riyadh, KSA	2011	218	218	Owned
Aster Hospital	Doha, Qatar	2017	61	25	Leased

### GCC Clinics

The Company has clinics in GCC states which function as outpatient medical facilities offering various healthcare services ranging from general medicines to medical specialties. It has 94 clinics in GCC states where 77 clinics in UAE are under Medcare, Access, and Aster, making it one of the largest chains of primary healthcare providers in UAE.

### GCC Retail Pharmacies

The Company has 207 retail pharmacies in GCC states, and it is one of the largest pharmacy chain operating in UAE. Out of total Aster brand pharmacies in GCC states, 174 are in UAE, 9 are in Kuwait, 12 are in Jordan, 6 are in Qatar and 6 are in Oman. Over

the past 5 years, there has been a rapid growth in the number of pharmacies. It offers branded drugs, generic drugs, over the counter drugs, along with a wide range of nutritional, lifestyle, and beauty products in its retail pharmacies.

### Indian Hospitals

The Company has 10 hospitals in India with total of 2,777 operational beds. It has won various awards and certifications for its hospitals in India including JCI, NABH, and NABL. There has been a steady growth in the number of inpatient and outpatient visits in Indian hospitals. The Indian hospitals offer a wide range of medical services including Cardiac, Orthopedic, Neurology, Oncology, etc.

Hospitals - India	Location	Commencement or Acquisition year	Bed Capacity	Operational Beds	Owned or Leased
Aster Aadhar Hospital	Kolhapur, Maharashtra	2008	175	150	Owned
MIMS Kozhikode	Kozhikode, Kerala	2013	678	544	Owned
MIMS Kottakkal	Kottakkal, Kerala	2013	229	171	Owned
Aster CMI	Bengaluru, Karnataka	2014	509	233	O&M
Aster Medcity	Kochi, Kerala	2014	670	421	Owned
Prime Hospitals Ameerpet	Hyderabad, Telangana	2014	158	100	Leased
DM WIMS Wayanad	Wayanad, Kerala	2016	880	798	O&M
Dr. Ramesh Guntur	Guntur, Andhra Pradesh	2016	350	150	Leased
Dr. Ramesh Main Centre	Vijaywada, Andhra Pradesh	2016	184	160	Leased
Dr. Ramesh- Labbipet	Vijaywada, Andhra Pradesh	2016	54	50	Leased

## Operational Review

**Beds** - The total capacity of beds increased from 4651 in 2016-17 units to 4762 in 2017-18 units, where there was an increase in number of beds in GCC states from 668 units in FY17 to 875 units in FY18 and number of beds in India stood at 3887 units. The total number of operational beds also increased from 3451 units in 2016-17 to 3538 units in 2017-18.

**Hospital Patient Visits**- The total number of outpatient visits increased from 2.4 million in FY17 to 2.9 million in FY18. There was an increase in inpatient visits from 1,57,800 in FY17 to 2,11,000 in FY18.

## Financial Review

**Revenue** - During the year, our revenue grew by 13% from Rs.5,963 crore in FY17 to Rs.6,760 crore in FY18. This happened as the Company experienced a growth on an operational front which resulted in a positive financial growth. There was a significant amount across all the business segments of the Company.

**EBITDA** - There was a growth of 79% in EBITDA from Rs.364 crore in 2016-17 to Rs.651 crore in 2017-18. Around 23% revenue growth in Indian business resulted in an EBITDA growth of around 6 times in Indian operations from Rs.14 crore in FY17 to Rs.99 crore in FY18.

**PAT**- A strong growth in revenue and EBITDA resulted in a growth of 189% in Profit After Tax from Rs.98 crore in FY17 to Rs.282 crore in FY18.

## Expansion Plans

The Company plans to invest Rs.650 crore in FY19 and Rs.300 crore in FY2020 as capital expenditure to setup new healthcare facilities and upgrade existing facilities in India as well as in GCC states. The Company plans to open 3 new hospitals with 238 beds in UAE, expansion of the Saudi Arabia hospital with additional 69 beds. It has also planned to open 3 new hospitals and add 923 beds in India in Kerala, Karnataka, and Tamil Nadu.

## Strategy & Outlook

Moving ahead, the Company will focus towards eight key strategies given below:

### Strengthening of hub and spoke model in GCC:

- To capitalize on the existing primary care clinics network in GCC by adding secondary tertiary care hospitals
- In FY18, 65 bed Aster Hospital, Doha commenced operations to utilize the untapped Aster clinics network in Doha
- Planned addition of ~240 beds over next 2 years in UAE to capitalize on Aster and Access brand clinics, located farther away from our existing Aster Hospital in Mankhool, Dubai
- Above strategy will enable expansion of our quality services in middle and low economic segments category of patients, where there is a supply-demand gap.

### A comprehensive human resource strategy utilizing our geographical diversity and catering to future growth:

- To create an enabling environment for skill development and growth of doctors and paramedics, providing quality care to our patients
- Maintain the current high retention of senior doctors across the group
- Identify and add to the strong pipeline of doctors for our expansion & replacement requirements; early identification is key, especially in GCC countries due to strict licensing requirements
- Selective GCC licensing of doctors from our Indian hospitals – to enable need based transfer to GCC hospitals & clinics
- Retention of skilled paramedics in Indian operations, by fulfilling aspiration of career growth outside India

### Scalable systems implementation, tightly integrated with operations/market requirements:

- Systems implementation with focus on scalability and future business requirements
- Enhancement of patient experience through technology at each patient touchpoints
- Information systems to drive productivity improvement

### Strengthening of our medical tourism network:

- To further strengthen integration of GCC & India operations to provide consistent quality experience to patients across geographies
- To position our premium segment Medcare hospitals as service provider of choice for affluent international patients travelling to Dubai for medical tourism; Strategy in-line with Dubai government's medical tourism strategy with a vision of making as a globally recognized destination for elective health and wellness treatments

### Profitability growth & brand positioning using product mix and technology:

- Focus on margin expansion through sale of own / exclusive licensed products
- Shift to online ordering of prescription for enhanced patient experience

### Building of brand, talent and capability in KSA – a key market:

- There is significant demand for quality healthcare services in Kingdom of Saudi Arabia (KSA), currently the largest economy in GCC with the highest population;

Further, current policy reforms expected to improve the business environment in KSA



- 
- Having successfully diversified our revenue streams in KSA, ADMHL further plans to strengthen our brand, talent pipeline and management capability

#### Specialized, asset-light growth in India:

- Focus on key centres of excellence - Orthopedics, Medical Oncology, Cardiac Sciences, Neurosciences, Gastroenterology, Women and Child, Bariatric, Integrated Liver care, Nephrology, Urology, NICU & Dermatology
- Growth in addition to the current committed projects to follow an asset-light model in metropolitan and tier-I cities with large format hospitals (400 to 500 beds each)

- Expansion into tier-II and tier-III cities in partnership with local hospitals by leveraging IT/telemedicine, instead of building/leasing hospitals

#### Cost Optimization:

- Back office integration across strategic business units
- Clear demarcation of medical and non-medical activities hospitals/clinics and re-allocation of activities accordingly
- Centralization of purchases utilize our economies of scale

# Board's Report

To The Members of  
Aster DM Healthcare Limited

Your Directors take pleasure in presenting the 10th Annual Report of the Company together with the audited financial statements for the year ended March 31, 2018.

## 1. Results of Operation and State of Affairs

### Financial Results

Particulars	(INR in Millions)			
	Standalone		Consolidated	
	Year Ended 31 March 2018	Year Ended 31 March 2017	Year Ended 31 March 2018	Year Ended 31 March 2017
Revenue from Operations	5300.66	3795.12	67211.61	59312.87
Other Income	161.08	306.52	454.35	366.15
Total Income	5461.74	4101.64	67665.96	59679.02
Total Expenditure	6333.66	7226.47	65907.62	62752.10
Profit/(loss) before exceptional items, share of profit/ (loss) of equity accounted investees and tax	(871.92)	(3124.83)	1758.34	(3073.08)
Exceptional Item	-	3591.89	1296.42	4159.06
Profit/(loss) before share of profit/ (loss) of equity accounted investees and tax	(871.92)	467.06	3054.76	1085.98
Share of net profit/ (loss) of equity accounted investees	-	-	22.87	(2.29)
Profit/(loss) before tax	(871.92)	467.06	3077.63	1083.69
Less : Tax expense	-	-	260.82	108.37
Profit for the year	(871.92)	467.06	2816.81	975.32
Other Comprehensive income, net of income tax	(0.24)	(0.69)	103.90	(323.57)
Total Comprehensive Income	(872.16)	466.37	2920.71	651.75
<i>Profit attributable to</i>				
Owners of the Company	(871.92)	467.06	2688.76	1017.60
Non-Controlling interest	-	-	128.05	(42.28)
<b>Total</b>	<b>(871.92)</b>	<b>467.06</b>	<b>2816.81</b>	<b>975.32</b>
<i>Total Comprehensive income attributable to</i>				
Owners of the Company	(872.16)	466.37	2784.92	736.43
Non-Controlling interest	-	-	135.79	(84.68)
<b>Total</b>	<b>(872.16)</b>	<b>466.37</b>	<b>2920.71</b>	<b>651.75</b>
<i>Earnings Per Share</i>				
Basic	(1.87)	1.01	5.75	2.20
Diluted	(1.87)	1.01	5.74	2.19

## Financial position

Particulars	(INR in Millions)			
	Standalone		Consolidated	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Cash and Cash equivalents	838.5	146.84	2041.68	1373.21
Trade Receivables	305.31	244.51	15463.93	12876.18
Other Current Assets	1839.71	1623.38	11184.22	10475.17
<b>Total Current Assets</b>	<b>2983.52</b>	<b>2014.73</b>	<b>28689.83</b>	<b>24724.56</b>
Property, plant and equipment (including capital work in progress)	7873.38	7732.34	33672.23	30565.69
Goodwill	-	-	7083.39	6739.84
Other intangible assets	23.46	40.73	644.38	788.95
Other Non-Current Assets	22057.3	22458.94	4752.55	5253.73
<b>Total Non-Current Assets</b>	<b>29954.14</b>	<b>30232.01</b>	<b>46152.55</b>	<b>43348.21</b>
<b>Total Assets</b>	<b>32937.66</b>	<b>32246.74</b>	<b>74842.38</b>	<b>68072.77</b>
Non-Current Liabilities	1919.76	6969	20707.21	23553.76
Current Liabilities	1758.17	1996.96	22234.85	22012.24
<b>Total Current and Non-Current Liabilities</b>	<b>3677.93</b>	<b>8965.96</b>	<b>42942.06</b>	<b>45566</b>
Equity	5052.29	4032.22	5052.29	4032.22
Other Equity	24207.44	19248.56	23268.65	14721.89
Non-Controlling Interest	-	-	3579.38	3752.66
<b>Total Equity</b>	<b>29259.73</b>	<b>23280.78</b>	<b>31900.32</b>	<b>22506.77</b>
<b>Total Equity and Liabilities</b>	<b>32937.66</b>	<b>32246.74</b>	<b>74842.38</b>	<b>68072.77</b>

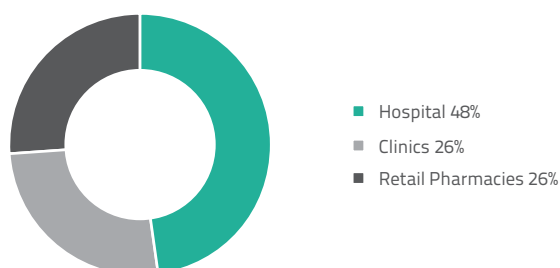
During the year under review our company, on a consolidated basis, reported total income from operations of INR 67,211.61 million as compared to INR 59,312.87 million registering a year over year growth of 13.31%. Of our total revenues from operations for fiscal 2018, our hospital segment accounted for INR 32,266.97, our clinic segment accounted for INR 17,769.22 and our retail pharmacy segment accounted for INR 17,151.34. Our operations in India, which primarily consist of hospitals, accounted for INR 11,665.06 of our total revenues from operations for the year ended March 31, 2018.

Our revenues increased by 13.38% from INR 59,679.02 million in fiscal 2017 to INR 67,665.96 million in fiscal 2018. This increase was due to an increase in revenue across all our business segments largely driven by organic growth. During the fiscal 2018, our hospital segment revenue increased by 19.29% from INR 27,047.32 million to INR 32,266.97 million. The growth in our hospitals segment was driven by an increase in patient volumes,

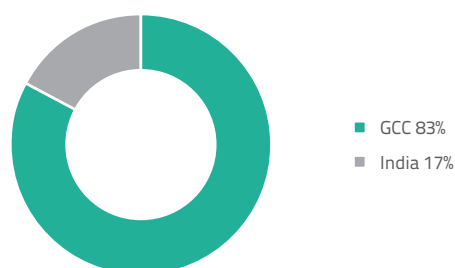
favorable case mix and opening of two new hospitals at GCC. The in-patient volumes increased from 1,57,800+ in fiscal 2017 to 2,10,000+ in fiscal 2018 (+average figures).

During the fiscal 2018, our clinics segment revenue increased 9.48% from INR 16,229.16 million to INR 17,769.22 million, driven by organic growth through increased patient visits at our clinics. The stabilisation of new clinics that had commenced operations in fiscal 2017 also contributed to the segment growth. During the fiscal 2018, our retail pharmacies segment revenue increased by 7.34% from INR 15,977.65 million to INR 17,151.34 million, driven by growth in our clinics segment which had a favorable impact on our retail pharmacies supporting our clinics. During the fiscal 2018, our other income increased by 24.08% from INR 366.15 million in fiscal 2017 to INR 454.35 million in fiscal 2018. This increase was primarily due to value added services at our healthcare facilities and increase in interest income earned on account of fixed deposits.

Revenue : Business Segment



Revenue : Geographical Segment



Our employee benefits expense totaled INR 22,711.30 million in fiscal 2018, an increase of 10.54% over INR 20,545.01 million in fiscal 2017, primarily due to an increase in the number of employees to 17,335 employees at the end of fiscal 2018 from 17,240 employees at the end of fiscal 2017 and salary increment effected for the year which reflects the growth of our business segments and operations. Our finance cost totaled INR 1,846.42 million in fiscal 2018, an decrease of 47.78% over our finance cost of INR 3,535.99 million in fiscal 2017, primarily due to decrease in interest expenses on financial liabilities measured at amortised cost.

As a result of all the factors outlined above, our profit for the year increased from INR 975.32 million in fiscal 2017 to INR 2,816.81 million in fiscal 2018. As of March 31, 2018, we had aggregate outstanding indebtedness of INR 23,515.74 million.

\*GCC – Gulf Cooperation Countries

## Strategy

Our mission is to improve the quality of healthcare services provided in the communities we serve. We strive to deliver comprehensive healthcare services of international standards to our patients in order to become their healthcare service provider of choice. We also provide assistance to the underprivileged as part of our corporate social responsibility. We are able to do this because of our commitment to nurturing a dedicated and passionate team of healthcare professionals in order to achieve and maintain excellence in education, research, clinical outcomes and healthcare. At the same time, we seek to generate strong financial performance through the execution of a robust business strategy.

We expect the private healthcare services sector in the GCC states to grow based on: favourable healthcare regulatory reforms and growth in the privately insured population and premium health insurance; an increasing incidence of lifestyle related-medical conditions; a population that is growing and rapidly ageing in the GCC states; growth in the inbound and outbound medical value travel industry; projected shortages in healthcare provision and infrastructure in the GCC states; and service gaps in the current healthcare market. In Saudi Arabia, we shifted our focus from the government to the private healthcare sector in order to capitalise on the significant demand supply gap in private healthcare.

We expect the healthcare services sector in India to grow based on: the continued growth of the Indian middle class; an increasing incident of lifestyle related-medical conditions; increased spending on medical/healthcare (sick care and preventive care) due to higher disposable income and better awareness; and the impetus provided by rising demand for medical value travel.

We aim to achieve our mission, to capitalise on the market opportunity and to grow our business by pursuing the strategic goals set out below.

## 2. Dividend

Your Board has not recommended any dividend for the financial year 2018.

## 3. Transfer to Reserves

No amount is proposed to be transferred to general reserves for the financial year 2018.

## 4. Share Capital

Share Capital of the Company as on March 31, 2018 was INR 5052.29 Mn consisting of 505,227,345 equity shares of INR 10 each. During the year under review, your Company has not issued any shares with differential voting rights or any sweat equity shares. Details of Employee Stock Options granted by the Company are provided separately in the report.

As on March 31, 2018, except Dr. Azad Moopen who holds 525,720 equity shares and Mr. T J Wilson who holds 27,37,210 equity shares and Mr. Shamsudheen Bin Mohideen Mammu Haji who was holds 5,717,829 equity shares and Mr. Anoop Moopen who holds 482,398 equity shares, no other directors hold any equity shares or preference shares in the Company.

During the financial year under review, your company issued 38,157,894 equity shares of face value INR 10 and at a premium of INR 180 through the Initial Public Offer as per the prospectus dated February 17, 2018.

During the year under review, your Company has not issued any bonus shares or rights shares.

## 5. Public Deposits

Your Company has not accepted any public deposits and, as such, no amount on account of principal or interest on public deposits was outstanding as on the date of Balance Sheet. Thus no particulars are reported as required under Rule 8 (5) (v) of Companies (Accounts) Rules, 2014.

## 6. Loans, Guarantee and Investments

Particulars of Loans, guarantees and investments form part of the notes to the financial statements provided in this Annual Report.

## 7. Subsidiary, Joint Ventures and Associate Companies

Your Company along with its subsidiaries are engaged in the business of setting up hospitals, clinics and pharmacies in India and GCC. At the beginning of the year your company had 8 direct subsidiaries, 45 step-down subsidiaries and 4 associate companies. As on 31st March 2018 your company has 9 subsidiaries and 48 stepdown subsidiaries and 4 associate companies. There has been no material change in the nature of the business of the subsidiaries.

Following entities have become subsidiaries of the Company during the reporting period:

1. Aster Ramesh Duhita LLP
2. Dr. Moopens Aster Hospital WLL

3. Harley Street Dental LLC
4. Aster DCC Pharmacy LLC

Pursuant to provisions of section 129(3) of the Act, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is appended as **Annexure A** to the report.

## 8. Human Resources

From the last year's focused approach towards enhancing our 'Stakeholder's delight' through cultivating an atmosphere of uncompromised quality and care; this year 2017 - 2018 was about driving a high-performance culture and productivity across the Group.

In view of the IPO planned during the year, our core focus for Human Resources was reviewing what existed to achieve greater internal and external stakeholder's outcomes both from a talent and business perspective. This was done strategically by running an HR diagnosis across the organization; which gave us our clear HR strategy until the year 2020 complementing the overall long-term business priorities.

Our People Strategy has eight key focus areas emerged across the employee life cycle from: Attracting and Recruiting Talent including New Hire Induction and Onboarding, Workforce Planning and Organization Design, Learning & Development, People and Talent Analytics, Compensation and Benefits, Career & Succession Management, Employee Engagement & Recognition, HR Operations including Grievance and Exit Management. All these have been mapped against the impact on operational outcomes, design and implementation challenge to ensure complete business alignment.

As an outcome of our review, one of the key inputs to the people strategy was digitization of HR process and outsourcing some of our manually dependent and non-core processes like outsourcing of payroll to Ramco. Digitisation was a key theme this year and the outcomes of which will be integrated with all other HR process using Oracle HCM cloud technology. As a pre-requisite to the HCM implementation, eight major process flows subdivided into sixty-six approval workflows were created in agreement with HR and Business leadership to create the HR Group Approval Matrix or GAM to streamline the HR operating model.

As we continue to focus on being able to attract and retain the best, we partnered with Willis Towers Watson to conduct our first formal salary and benefits benchmarking study across GCC. The objective is to create fairness and transparency in rewards and benefits programs. Similarly, we partnered with other Industry experts for India with E&Y and McKinsey for GCC regions for the Manpower Optimization & Productivity to ensure an optimal manpower model for our hospitals. The results of which will go into the following years' HR operating plan.

To create alignment which reflects our employer brand, mirrors our values and inducts our employees within Aster DM Healthcare family working towards our common goal, we also

launched and implemented the new hire onboarding program. This new hire onboarding program includes both Clinicians and Non-Clinicians together being inducted from day one as they join us in any part of business. The objective is to provide them an overview of Aster DM Healthcare as a Group, our culture and values, our working styles, and our ethos; thus, blend well and add value to themselves and the system.

Considering the volume of information provided and changes happening in the organization, we developed our first employee handbook and its design element. This employee handbook will act as a guide for all the employees and it contains important information about Aster DM Healthcare. The book is classified into four major categories which revolves around: I – Belong, I – Learn, I – Respect and I – Enjoy.

The growth and development of our business necessitates that we develop our employees in their careers, provide for their continuous and on-going professional development and help them achieve their maximum potential. There were two key programs that were launched with a common intent of cultivating talent. The first was the Aster DM Healthcare Women Leadership Program which began with twenty-four high potential middle managers covering the learning blended model including business related learning themes and mentoring programs within the organization to make them future ready leaders. The second high potential program is the Executive Certificate Course in Healthcare Management by XLRI, one of the top leading management institutes in India. This course is exclusively customized and co-created by XLRI and the Aster DM Healthcare team with a MBA. A total of thirty high potential young leaders in P&L roles were selected for this one-year journey post which they will be graduating in Jamshedpur Campus. There was also an annual learning calendar created based on the needs analysis of the business requirement with a range of unique programs focused towards management development.

While preparing for becoming a public listed company, it becomes a moral responsibility for every Aster member including the Board and the senior leadership team to be transparent and open in sharing information about the company with both internal and external customers. As a result, HR policies were broadly categorized as global, regional and business level policies revisiting and standardizing sixteen of our key employee policies across the organisation to ensure external competitiveness and internal fairness and parity.

To support our strategy of driving a high-performance culture, we also created the Aster DM Healthcare competency framework and aligned it with our performance management system. There was uniform cascade of goals from leadership to team member level this year and that competency also formed a part of the evaluation to focus on building capabilities.

To summarize, this year's efforts were acknowledged very well as our Group and our leaders were recognized through awards globally and regionally. Both our Aster and Medcare brands and their leaders in India and GCC have been selected as one of the World's Greatest Brands and leaders in Asia and

GCC for 2017-18. Some notable awards were: World's Greatest Brands in Asia and GCC for 2017-18 and Dubai Appreciation and Quality Awards, Dubai Human Development Awards, GCC Best Employer Awards etc. Some key statistics for the year as on March 2018 are as follows:

Attribute	Group
Headcount	17,335
Differently Abled Headcount	63
Hiring	6,251
Annualized Attrition (%)	29.66%
<b>Total Employee Grievances</b>	<b>323</b>
Anti – Sexual Harassment (ASH)	8
Code of Conduct (COC)	251
Whistle Blower	26
Involuntary Separation due to Performance Concern	38
Percent of cases closed	90%

## 9. Particulars of Employees

The statement containing particulars of employees as required under section 197(12) of the Act read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in **Annexure B** forming part of this report.

## 10. Employee Stock Option Scheme

Keeping its promise of value creation for its employees and employees of subsidiary companies, your company had instituted an ESOP Scheme 'DM Healthcare Employee Stock Option Scheme 2013' in the year 2013. Details of ESOPs as required under Rule 12 (9) of Companies (Share Capital and Debentures) Rules, 2014 as given below:

Date of Grant	Grantees	Type of Option			
		Performance	Loyalty	Incentive	Milestone
07-Jun-17	KMP Category	-	64,500	6,000	4,500
	Non-KMP category	-	2,20,500	1,42,000	1,06,500
01-Mar-18	KMP Category	76,218	-	-	-
	Non-KMP category	5,89,811	1,46,800	-	-
<b>Total</b>		<b>6,66,029</b>	<b>4,31,800</b>	<b>1,48,000</b>	<b>1,11,000</b>

\*KMP includes MD, CFO and CS

Note: Refer note no 41A of Financial Statements forming part of this Annual Report for details of ESOP's.

## 11. Quality Control and Initiatives

Our constant endeavour for clinical excellence is our journey of TQM (Total quality management) at Aster DM healthcare. Our Quality principles provide the foundation for improving safety and quality of care for patients and families as well as improving the workforce experience. The quality program at Aster DM is structured to develop a groupwide culture of improvement that inspires, engages and achieves results. We aim to simplify and harmonize activities and initiatives while we set priorities for groupwide impact which patient centric.

Patient safety is a global health concern, affecting patients in all health care settings, whether in developed or developing countries. Research studies have shown that an estimated average of 10% of all inpatient admissions result in a degree of unintended patient harm. It is estimated that up to 75% of these lapses in health care delivery are preventable.

In response to the pressing need for the development of interventions that address lapses in patient safety, we, at

Aster DM Healthcare have implemented Patient Safety Friendly Hospital Initiatives. The initiative involves the implementation of a set of patient safety standards in hospitals & medical centers. Compliance with the standards ensures that patient safety is accorded the necessary priority and that facilities and staff implement best practice.

The goal of the initiative is to improve the level of patient safety in hospitals by creating conditions that lead to safer care, thus protecting the community from avoidable harm and reducing adverse events in hospital settings. Patient centric processes & protocols take topmost priority such as implementation, monitoring and maintenance of WHO guidelines, supporting quality improvement projects like reducing the risk of medication errors, IPSC Goals preventable strategies with regard to pressure ulcers, falls etc. Special emphasis is laid on implementation of clinical pathways & clinical bundles

There is monitoring of quality data which is benchmarked with national & international standards in order to ensure we are on par with the best acceptable standards in the

healthcare industry. The Group Quality initiatives for the year also include strengthening the implementation & monitoring of clinical privileges, procedure-specific informed consents and OPPE (ongoing physicians professional evaluation) across all hospitals in GCC and India.

At Aster DM we have identified Center of excellence (CoE), an entity that promotes collaboration, provides leadership, best practices, research, support and/or training to drive clinical outcomes and business growth on a comprehensive continuum. It is strengthened by implementing standards for the centres of excellence and CoE specific clinical quality indicators.

The Centers of Excellence are identified for the specialties Cardiology, Neurosciences, Orthopedics, Women and child, Bariatric, Gastroenterology, Integrated liver care, Oncology, Nephrology, Neonatal ICU, Urology.

We have maintained our focus on continuous quality improvement and each unit was encouraged to identify areas of improvement and work on quality improvement projects which benefitted our patients as well as operational

excellence. We achieved the reaccreditations from the U.S.-based Joint Commission International(JCI) for Aster Medcity. Aster CMI successfully achieved its NABH accreditation. Medcare hospital Duba, Medcity Kochi was appreciated for its expansion project on cardiac catheterization Lab and coronary care unit and was granted the golden seal by JCI during the extension survey.

Aster Mankool hospital Dubai received the prestigious Dubai Quality appreciation award from Dubai chamber of commerce this year which is based on EFQM model. Attaining high compliance with its core measures required a well-orchestrated effort across disciplines and departments. We also participated in the International patient safety congress as well as Global conclave by AHPI in India and won 8 awards in various categories.

Aster Pharmacy keeping pace with the continuing quality journey has bagged a string of successes this year such as : Dubai Human development award 2018, UAE innovation award 2017, Sheikh Khalifa Excellence award 2017, Sharjah top 10 Business excellence award 2017, Dubai Quality appreciation award 2017.

#### INDIA UNITS Accreditation- 2017-18

Sl#	Name of the Accreditation	Year achieved
<b>I</b>	<b>Name of the Hospital: Aster CMI Hospital</b>	
1	ER NABH	Jan 2017
2	NABH Nursing Excellence	April 2017
3	NABH	2018
<b>II</b>	<b>Name of the hospital: Aster Ramesh Hospital - Guntur</b>	
1	NABL Reassessment	2018
2	NABH Nursing Excellence	2018
<b>III</b>	<b>Name of the hospital: Aster Ramesh Hospital - MG</b>	
1	Renewal of NABH (First 2015)	2017
<b>IV</b>	<b>Name of the Hospital: DM WIMS Hospital</b>	
1	NABH-Certification standards for emergency department.	2017
<b>VI</b>	<b>Name of the Hospital: Aster MIMS, Calicut</b>	
1	NABL	2018
2	NABH- Nursing Excellence certification	2017
3	NABH- Emergency dept excellence certification	2016
<b>VII</b>	<b>Name of the hospital: Aster MIMS Kottakkal</b>	
1	NABH- Second Reaccreditation	2017
2	NABH certified Emergency medicine Services in hospital	2017
<b>VIII</b>	<b>Name of the Hospital: Aster Medcity</b>	
1.	ISO 9001:2015	2017
2.	NABH – HOSPITAL	2018
3.	NABH – Nursing Excellence	2017
4.	JCI reaccreditation	2018
5.	Green OT Reaccreditation	2018
6.	NABH – Emergency Dept. Certification	2016
7.	PdQ	2017
8.	NABL	2017
9.	LEAD Gold Certification - for Hospital Building	2017
<b>IX</b>	<b>Name of the Hospital: Aster Prime, Hyderabad</b>	
1.	NABL Re accreditation	2017

## GCC UNITS 2017-18

UNIT	Accreditations achieved till date	
	Name of the Accreditation	Year achieved
AL RAFFAH HOSPITAL (MUSCAT)	PSFHI (Patient Safety Friendly Hospital initiative)	2017
MCH	JCI-Cath Lab	2018
SANAD HOSPITAL	CBAHI	2017
MEDINOVA	JCI-LAB	2017

## 12. Corporate Social Responsibility

An obligation to do good is the calling of a good heart that beats for humanity. Your Company has been taking initiatives under Corporate Social Responsibility (CSR) for society at large, well before it has been prescribed thorough the Companies Act, 2013. The Company has well defined policy on CSR as per the requirement of Section 135 of the Companies Act, 2013 which covers the activities as prescribed under Schedule VII of the Companies Act 2013. The Company has in-house department which is exclusively working CSR activities. Corporate social responsibility is an integral part of our operations and part of our mission is to provide quality healthcare services and assistance to the underprivileged. The 'average net profit' for the previous three years as required for computing the CSR obligation on the Company is negative and hence the requirement of spending minimum of 2% of the net profits on identified CSR projects is not applicable as on date on your Company. However, the CSR activities being carried out by the Company is mentioned in this Annual Report under the head CSR Activities.

## 13. Internal Control Systems

The Board has adopted policies and procedures for ensuring the orderly and efficient conduct of its business, including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of fraud, error reporting mechanisms, the accuracy and completeness of the accounting records and the timely preparation of reliable financial disclosures.

The Head of Internal Audit together with external audit consultants, reviews the effectiveness and efficiency of these systems and procedures to ensure that all assets are protected against loss and that the financial and operational information is accurate and complete in all respects. Audits are conducted on an on-going basis and significant deviations are brought to the Board of Directors following which corrective action is taken. All these measures facilitate timely detection of any irregularities and early remedial steps.

## 14. Vigil Mechanism

Your Company has established a whistle blower mechanism / vigil mechanism that enables the Directors and Employees to report genuine concerns. The mechanism enables the Company to deal with instances of unethical behaviour,

actual or suspected fraud or violation of Company's code of conduct or ethics policy. During the year under review, none of the employees were denied access to Audit and Risk Management Committee of the Company as required under the Whistle Blower Policy.

## 15. Contracts and Arrangements with Related Parties

All related party transactions that were entered into during the financial year were on an arm's length basis and were in the ordinary course of business. There are no materially significant related party transactions made by the Company with promoters, Directors and Key Managerial Personnel which may have a potential conflict with the interest of Company at large. Form AOC – 2 as required under Section 188 is appended as **Annexure C** to the Board's Report.

## 16. Statutory Auditors

At the Annual General Meeting held on September 12, 2014, M/s B S R and Associates., Chartered Accountants, [Firm Registration No: 128901W] were appointed as the Statutory Auditor of your Company to hold office till the conclusion of 11th Annual General Meeting to be held in the year 2019.

## 17. Audit Report

Audit report on the financial statements of the Company for the financial year 2017-18 is being circulated to the shareholders along with the financial statements. There are no qualifications or adverse remarks made by the statutory auditors in their report for the financial year ended March 31, 2018.

The Statutory Auditors have not reported any incident of fraud to the Audit and Risk Management Committee of the Company in the year under review.

As required under the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015 the auditors certificate on corporate governance is enclosed as **Annexure D** to the Boards Report.

## 18. Secretarial Auditor

Mr. Sunil Sankar, Practising Company Secretary was appointed to conduct the secretarial audit of the Company for the financial year 2017-18, as required under Section 204 of the Companies Act, 2013 and Rules thereunder. The secretarial audit report for FY 2017-18 forms part of the



Annual Report as **Annexure E** to the Board's Report. The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

## 19. Cost Auditors

Your Directors, on the recommendations made by the Audit and Risk Management Committee had approved the appointment of M/s BBS & Associates Cost Accountants, Kochi [Firm Registration No: 00273] as the Cost Auditor of your Company to conduct the audit of cost records for the financial year 2017–18.

Your Company has received consent from M/s BBS & Associates Cost Accountants, to act as the Cost Auditor for conducting audit of the cost records for the financial year 2017–18 along with a certificate confirming their independence and arm's length relationship. Board has approved their appointment as Cost Auditors for the Financial year 2018-19 as well.

## 20. Declaration by Independent Directors

Your Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Section 149 (7) of the Companies Act, 2013 read with the Schedules and Rules issued thereunder (including any statutory modification(s) or re-enactment(s) for the time being in force).

## 21. Directors and Key Managerial Personnel

In accordance with Articles of Association, Mr. T J Wilson and Mr. Shamsudheen Bin Mohideen Haji, Directors retire by rotation at the ensuing Annual General Meeting. Mr. T J Wilson and Mr. Shamsudheen Bin Mohideen Haji being eligible seek re-appointment at the Annual General Meeting.

### Key Managerial Personnel

Pursuant to the provisions of Section 203 of the Companies Act, 2013, your Company has appointed the following Key Managerial Personnel:

- |                     |   |                         |
|---------------------|---|-------------------------|
| (i) Dr. Azad Moopen | - | Managing Director       |
| (ii) Sreenath Reddy | - | Chief Financial Officer |
| (iii) Rajesh A      | - | Company Secretary       |

Dr. Azad Moopen was appointed as our Chairman and Managing Director, pursuant to a Board resolution dated November 19, 2014 with effect from December 1, 2014 for a period of five years. Dr. Azad Moopen is a non-resident Indian and in accordance with the provisions of the Companies Act, 2013. Shareholders of the Company had approved the appointment of Managing Director vide special resolution passed at the meeting held at the extraordinary general meeting held on 18th February 2015 and approval of the Central Government was obtained for the appointment vide letter reference no. C36259455/2014-CL-VII dated February 27, 2015.

## 22. Committees of Directors

Your Board has constituted committees required under the Companies Act, 2013 and the SEBI Regulations for meeting the operational conveniences. Details of various committees of the Board are provided in the Corporate Governance Report.

## 23. Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and the corporate governance requirements as prescribed by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations 2015 ('SEBI Listing Regulations').

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc. as provided by the Guidance Note on Board Evaluation issued by the Securities and Exchange Board of India on January 5, 2017.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

The Board and the Nomination and Remuneration Committee reviewed the performance of individual directors on the basis of criteria such as the contribution of the individual director to the board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs in meetings, etc.

In a separate meeting of independent directors, performance of non-independent directors and the board as a whole was evaluated, taking into account the views of executive directors and non-executive directors. The same was discussed in the board meeting that followed the meeting of the independent directors, at which the performance of the board, its committees, and individual directors was also discussed. Performance evaluation of independent directors was done by the entire board, excluding the independent director being evaluated.

## 24. Policy on Appointment of Directors and Remuneration

The Company's policy on directors' appointment and remuneration and other matters provided in Section 178 (3) of the Act has been disclosed in the Corporate Governance Report, which is part of this report. The same can also be accessed in the website of the Company (<http://www.asterdmhealthcare.com/investors/>)

## 25. Board Meetings and Annual General Meeting

Your board of directors met 4 times during the financial year viz 07th June 2017, 25th July 2017, 20th November 2017 and 08th February 2018. The intervening gap between

the meetings was within the period prescribed under the Companies Act, 2013, details of which forms part of the Corporate Governance Report forming part of this report

The annual general meeting for the financial year 2016-17 was held on 20th September 2017 at the registered office of the Company.

## 26. Secretarial Standards

Your Company observes all applicable Secretarial Standards issued by the Institute of Company Secretaries of India ('ICSI') as required under section 118 (10) of the Companies Act, 2013.

## 27. Listing on Stock Exchanges

The Company's shares are listed on both BSE Limited and National Stock Exchange of India Limited. Your company's shares are listed on both stock exchanges with effect from 26th of February 2018.

## 28. Directors' Responsibility Statement

**Pursuant to section 134 (5) of the Act, the Board of Directors to the best of its knowledge and ability, confirm that:**

- a) in the preparation of the annual accounts, the applicable accounting standards have been followed and there has been no material departures;
- b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit and loss of the company for that period;
- c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- d) the directors have prepared the annual accounts on a going concern basis;
- e) they have laid down internal financial controls to be followed by the Company, which are adequate and are operating effectively;
- f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively

## 29. Conservation of Energy, Technology Absorption, Foreign Exchange Earnings and Outgo

Particulars required under Section 134 (3 (m) read with Rule 8 of Companies (Accounts) Rules, 2014 is enclosed as **Annexure F**, forming part of this report.

## 30. Significant and Material Orders

There are no significant or material orders passed by any regulators or courts or tribunals impacting the going concern status and Company's operations in future.

## 31. Extract of Annual Return

In accordance with Section 134 (3) (a) of the Companies Act, 2013, an extract of the annual return in prescribed format is appended in Form MGT 9 as **Annexure G** to the Board's Report.

## 32. General Matters, Confirmations and Disclosure Requirements

As per SEBI Listing Regulations, the Corporate Governance Report with Auditor's Certificate thereon and the Management Discussion and Analysis are attached, which form part of this report.

As per Regulation 34 of the SEBI Listing Regulations, a Business Responsibility Report is attached and is a part of the annual report. As per Regulation 43A of the SEBI Listing Regulations, the Dividend Distribution Policy is disclosed in the Corporate Governance Report and web site of the Company.

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

- a. Your board confirms that there has been no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year and the date of this report.
- b. Your company is in the process of assessing the various risk parameters and preparing a comprehensive risk management policy.
- c. Your Board has accepted all recommendations made by the Audit and Risk Management Committee during the year.

- 
- d. No remuneration or commission was paid by any subsidiary company in India to Managing Director of the Company;
  - e. As per the objects clause of the Memorandum of Association of the Company, your company is into the business of setting up and running of hospitals and healthcare centres. There has been no change in the nature of business during the last financial year.
  - f. Your Directors further state that during the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. Details of complaints received by the internal compliance committee are separately reported in the report.

Place: Dubai  
Date: 21<sup>st</sup> May 2018

### 33. Acknowledgement

Your Directors thank the Company's shareholders, customers, banks, financial institutions, and well-wishers for their continued support during the year. Your Directors place on record their appreciation of the contribution made by the employees at all levels. Your Company's consistent growth was made possible by their hard work, solidarity, cooperation and support. The Board sincerely expresses its gratitude to Government of India, Ministry of Corporate Affairs, Reserve Bank of India, Foreign Investment Promotion Board, Securities and Exchange Board of India, BSE Limited, National Stock Exchange of India Limited and Governments of Kerala, Karnataka, Andhra Pradesh, Telangana and Maharashtra for the guidance and support received from them including officials thereof from time to time.

**For and On Behalf of the Board of Directors**

**Dr. Azad Moopen**  
Chairman & Managing Director  
DIN: 00159403

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# Declaration on Code of Conduct

To,  
The Member (s) of,  
**Aster DM Healthcare Limited**

I Dr. Azad Moopen, Chairman and Managing Director of the company declare that all the members of the Board of Directors and Senior Managerial Personnel's of the Company have affirmed compliance with the Code of Conduct for the Financial Year 2017-18.

**For Aster DM Healthcare Limited**

Place: Dubai  
Date: 21<sup>st</sup> May 2018

**Dr. Azad Moopen**  
Chairman & Managing Director  
DIN: 00159403

# Annexure A

## AOC - 1

(INR in Millions)

Name of Subsidiary/ Step down subsidiary Company	Currency	Exchange Rate	Share Capital	Other equity	Total Assets	Total Liabilities (excluding share capital and other equity)	Investments (1)	Turnover (2)	Profit before taxation (2)	Profit after taxation (2)	Beneficial % of shareholding	Legal % of shareholding	Country
<b>India</b>													
Aster DM Healthcare (Trivandrum) Private Limited	INR	1.00	80.10	(146.26)	834.92	901.09	-	1.80	(2.18)	(2.18)	100%	100%	India
DM Med City Hospitals India Private Limited	INR	1.00	0.10	676.00	1,141.26	465.16	-	17.23	(4.54)	(1.25)	100%	100%	India
Prerana Hospital Limited	INR	1.00	47.81	113.02	783.88	623.05	0.01	679.00	13.36	13.36	81%	81%	India
Ambady Infrastructure Private Limited	INR	1.00	150.10	554.93	918.49	213.46	-	1.20	1.07	1.07	100%	100%	India
Sri Saimatha Multispeciality Hospitals Private Limited	INR	1.00	70.16	274.70	577.99	233.73	-	526.64	(4.89)	(4.89)	58%	58%	India
Malabar Institute of Medical Sciences Limited	INR	1.00	908.29	2,847.28	5,985.56	2,229.99	92.91	3,276.80	205.54	126.30	71%	71%	India
Ramesh Cardiac and Multispeciality Hospitals Private Limited	INR	1.00	107.86	1,021.69	1,880.64	751.09	249.42	1,930.30	113.49	106.93	51%	51%	India
Aster Ramesh Duhita LLP	INR	1.00	5.05	(1.10)	4.41	0.46	-	0.68	(1.10)	(1.10)	50%	50%	India
<b>Foreign</b>													
Affinity Holdings Private Limited	USD	1 USD = 64.82	0.06	15,741.56	18,118.19	2,376.57	18,078.51	-	(1.19)	(1.19)	100%	100%	Mauritius
Dar Al Shifa Medical Centre LLC	AED	1 AED = 17.65	5.29	7.56	112.23	99.37	-	87.40	(10.94)	(10.94)	51%	40%	UAE
Al Raifa Medical Centre, LLC	AED	1 AED = 17.65	5.29	(160.48)	157.67	312.85	-	201.79	2.83	2.83	51%	40%	Oman
Dr. Moopen's Medical Clinic LLC	AED	1 AED = 17.65	5.29	(11.86)	45.69	52.25	-	61.87	4.91	4.91	71%	40%	UAE
Union Pharmacy LLC	AED	1 AED = 17.65	5.29	71.24	350.10	273.56	-	30.44	(18.23)	(18.23)	75%	37%	UAE
Shindaga Pharmacy LLC	AED	1 AED = 17.65	5.29	13.78	53.85	34.77	-	81.93	(9.24)	(9.24)	90%	49%	UAE
Asma Pharmacy LLC	AED	1 AED = 17.65	5.29	10.50	45.93	30.14	-	61.61	4.32	4.32	50%	0%	UAE
Rafa Pharmacy LLC	AED	1 AED = 17.65	5.29	(17.89)	28.74	41.33	-	69.97	(0.49)	(0.49)	100%	49%	UAE
Modern Dar Al Shifa Pharmacy LLC	AED	1 AED = 17.65	5.29	48.97	94.41	40.14	-	331.14	(21.34)	(21.34)	51%	40%	UAE
Medshop Garden Pharmacy LLC	AED	1 AED = 17.65	5.29	96.87	166.93	64.77	-	355.51	22.75	22.75	100%	49%	UAE
Aster Pharmacy LLC, AUH	AED	1 AED = 17.65	5.29	(0.72)	32.56	27.99	-	103.38	(9.95)	(9.95)	100%	49%	UAE
Dr. Moopens Healthcare Management Services LLC	AED	1 AED = 17.65	5.29	(65.92)	816.35	876.97	-	849.05	(61.80)	(61.80)	100%	49%	UAE
DM Healthcare LLC	AED	1 AED = 17.65	52.95	968.26	8,075.15	7,053.94	9.00	9,887.76	1,101.45	1,101.45	100%	49%	UAE
DM Pharmacies LLC	AED	1 AED = 17.65	5.29	116.58	318.10	196.22	-	1,097.55	25.18	25.18	100%	49%	UAE
Med Shop Drugs Store LLC	AED	1 AED = 17.65	5.29	587.60	6,364.65	5,771.76	-	1,130.34	187.56	187.56	100%	49%	UAE
Eurohealth Systems FZ LLC	AED	1 AED = 17.65	1.76	75.00	133.80	57.03	-	78.08	12.45	12.45	100%	95%	UAE
Aster DM Healthcare FZC	AED	1 AED = 17.65	18,075.70	2,081.30	45,791.92	25,634.93	3,556.24	6,870.05	1,956.42	1,929.36	100%	100%	UAE

(INR in Millions)

Name of Subsidiary/ Step down subsidiary Company	Currency	Exchange Rate	Share Capital	Other equity	Total Assets	Total Liabilities (excluding share capital and other equity)	Investments (1)	Turnover (2)	Profit before taxation (2)	Profit after taxation (2)	Beneficial % of shareholding	Legal % of shareholding	Country
Medicare Hospital LLC	AED	1 AED = 17.65	88.24	6,607.58	12,048.07	5,352.24	-	13,628.02	631.76	631.76	80%	30%	UAE
Aster Day Surgery Centre LLC (formerly known as Aster IVF and Women Clinic LLC)	AED	1 AED = 17.65	5.29	(102.45)	372.11	469.26	-	2.46	(63.48)	(63.48)	82%	49%	UAE
Al Raffaah Hospital LLC	AED	1 AED = 17.65	50.83	324.40	2,472.70	2,097.47	-	3,490.89	258.13	187.42	100%	70%	Oman
Dr. Moopen's Healthcare Management Services WLL	AED	1 AED = 17.65	30.00	1,587.11	2,896.79	1,279.68	5.29	2,194.68	237.42	237.42	99%	49%	Qatar
Welcare Polyclinic W.L.L	AED	1 AED = 17.65	3.53	(7.69)	90.50	94.66	-	177.01	11.09	11.09	50%	45%	Qatar
Sanad Al Rahma for Medical Care LLC	AED	1 AED = 17.65	432.23	4,592.18	6,163.80	1,139.39	-	3,565.72	1,087.45	1,049.10	97%	97%	Kingdom of Saudi Arabia
New Aster Pharmacy DMCC	AED	1 AED = 17.65	3.53	31.40	52.85	17.92	-	135.48	13.12	13.12	100%	100%	UAE
Zabeel Pharmacy LLC **	AED	1 AED = 17.65	5.29	(4.82)	1.87	1.40	-	-	-	-	51%	49%	UAE
Aster Al Shafar Pharmacies Group LLC	AED	1 AED = 17.65	52.95	53.13	323.28	217.20	-	838.39	2.19	2.19	51%	49%	UAE
Symphony Healthcare Management Services LLC	AED	1 AED = 17.65	5.29	(82.85)	972.34	1,049.89	-	1,698.21	175.98	175.98	100%	0%	UAE
Aster Pharmacies Group LLC	AED	1 AED = 17.65	5.29	2,887.36	7,218.35	4,325.69	-	12,720.30	1,171.21	1,171.21	100%	49%	UAE
Alfa Drug Store LLC	AED	1 AED = 17.65	5.29	360.09	614.39	249.00	-	1,057.09	234.16	234.16	100%	49%	UAE
Al Raffaah Medical Centre LLC	AED	1 AED = 17.65	25.41	(74.70)	75.15	124.44	-	115.57	6.90	5.48	100%	70%	Oman
Aster Kuwait for Medicine and Medical Supplies Company W.L.L	AED	1 AED = 17.65	137.66	(314.30)	214.99	391.63	-	388.26	(94.04)	(94.04)	54%	2%	Kuwait
Al Shafar Pharmacy LLC, AUH **	AED	1 AED = 17.65	5.29	(13.84)	0.60	9.14	-	0.16	(2.41)	(2.41)	51%	49%	UAE
Orange Pharmacies LLC	AED	1 AED = 17.65	2.75	(181.90)	201.23	380.38	-	462.26	(37.37)	(38.05)	51%	0%	Jordan
Aster DM Healthcare SPC	AED	1 AED = 17.65	8.82	(376.49)	189.37	557.04	-	261.31	(68.10)	(68.10)	100%	100%	Bahrain
Aster DM Healthcare INC	AED	1 AED = 17.65	70.60	(168.70)	198.21	296.31	-	40.48	(55.11)	(55.11)	90%	90%	Philippines
Aster Opticals LLC	AED	1 AED = 17.65	5.29	(51.74)	175.75	222.19	-	73.48	(40.09)	(40.09)	60%	49%	UAE
Al Rafa Investments Limited	AED	1 AED = 17.65	3.24	(10.92)	7.38	15.05	3.24	-	(3.75)	(3.75)	100%	0%	UAE
Al Rafa Holdings Limited	AED	1 AED = 17.65	3.24	(5.49)	4.03	6.28	-	-	(1.68)	(1.68)	100%	0%	UAE
Aster Grace Nursing and Physiotherapy LLC	AED	1 AED = 17.65	5.29	(0.19)	113.14	108.03	-	118.36	25.69	25.69	60%	29%	UAE
Aster Medical Centre LLC **	AED	1 AED = 17.65	5.29	(175.10)	87.96	257.77	-	-	(43.39)	(43.39)	90%	39%	UAE
Harley Street Medical Centre LLC	AED	1 AED = 17.65	2.65	206.52	844.27	635.10	-	914.01	31.49	31.49	60%	9%	UAE
Harley street Pharmacy LLC	AED	1 AED = 17.65	2.65	(19.57)	37.10	54.03	-	84.17	1.38	1.38	60%	9%	UAE
Harley Street LLC	AED	1 AED = 17.65	2.65	(0.97)	6.23	4.56	-	-	-	-	60%	9%	UAE
Dr. Moopens Aster Hospital WLL	AED	1 AED = 17.65	3.53	(623.67)	2,327.08	2,947.22	-	194.42	(623.67)	(623.67)	99%	49%	Qatar
Harley Street Dental LLC	AED	1 AED = 17.65	2.65	(31.61)	56.72	85.69	-	41.93	3.06	3.06	50%	74%	UAE
Al Raffaah Pharmacies Group LLC	AED	1 AED = 17.65	-	0.32	4.28	3.96	-	2.98	0.32	0.32	100%	70%	Oman
Aster DCC Pharmacy LLC	AED	1 AED = 17.65	5.29	(21.49)	136.19	152.39	-	-	(21.49)	(21.49)	70%	70%	UAE

\*\* represents subsidiaries which are in the process of being wound-up

(1) Investment includes investment in subsidiaries and associates

(2) With respect to entities acquired during the year, turnover, profit before taxation and profit after taxation have been considered for post acquisition period only. For AOC-1, information relating to statement of Profit and loss (with respect to foreign subsidiaries) have been disclosed at closing exchange rate as on 31 March 2017

## Annexure B

### Particulars of Employees

Your Company is a leading provider of healthcare services across India and GCC states. The remuneration and perquisites of the employees are on par with the Industrial standards. The Nomination and Remuneration Committee reviews the compensation paid to Managing Director and other KMP's.

The details of remuneration paid to KMP's mentioned in table (a) and (b) below are in compliance with provisions of Chapter XIII of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

#### (a) Remuneration to Managing Director / Whole time Directors

(INR in Millions)

Name of the Director	Director Identification Number (DIN)	Title	Remuneration in Fiscal 2018 (in millions)	Remuneration in Fiscal 2017 (in millions)	%increase in remuneration	Ratio of remuneration to MRE
Dr. Azad Moopen	00159403	Chairman and Managing Director	6*	6	Nil	37.3:1

\* 1. Other Allowance and Benefits: Use of Company's car, chauffeur and telephone for official purposes

2. He is entitled to gratuity payments and leave encashments as per our Company's policies.

3. Dr. Azad Moopen also receives remuneration from DM Healthcare Services to the extent of INR 159.51 mn

#### (b) Remuneration to other Key Managerial Personnel (KMP)

(INR in Millions)

Name of the KMP	Title	Remuneration in Fiscal 2018 (in millions)	Remuneration in Fiscal 2017 (in millions)	% increase in remuneration	Ratio of remuneration to MRE	No of ESOP's granted in Fiscal 2018
Sreenath P Reddy	CFO	13.66	12.66	7.9	60.76:1	136,218
Rajesh A	CS	2.66	2.16	23.15	12.78:1	15,000

#### (c) Remuneration to Non- Executive / Independent Directors

(INR in Millions)

Name of the Director	Director Identification Number (DIN)	Remuneration in Fiscal 2018 (in million)	Remuneration in Fiscal 2017 (in millions)	% increase of remuneration#
Harsh Charandas Mariwala	00210342	0.6	0.9	Nil
Suresh Muthukrishna Kumar	00494479	0.8	1.2	Nil
Daniel James Snyder	02298099	0.5	0.9	Nil
Maniedath Madavan Nambiar	03487311	0.8	1.5	Nil
Ravi Prasad	07022310	0.8	1.1	Nil
Rajagopal Sukumar	07049894	0.4	0.8	Nil

#There is no increase in the remuneration paid to independent Directors (INR 1,00,000 only). However the total remuneration received tends to change based on the meeting attended.

Additionally, Independent Directors are reimbursed for their expenses incurred in performance of official duties

The remuneration mentioned is gross of TDS

#### (d) Information as per Rule 5(2) of Chapter XIII, the companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

##### (d) (i) Top ten employees in terms of remuneration drawn during the Financial Year.

(INR in Millions)

Name	Designation	Educational Qualification	Age	Experience in years	Date of joining	Gross remuneration paid	Previous Employment
Dr. Harish Pillai	Chief Executive Officer - Aster Hospitals & Clinics, India	MBA - 2007, MHA -1998, MBBS - 1993	50	19	27-05-2013	23.5	As Salam International Hospital, Cairo, Egypt
Sreenath Reddy	CFO	CA, LLB	45	20	15-Nov-12	13.66	NH Hospitals - Group CFO
Vinod Ramanunni	Chief Business Development Officer	BSc Chemistry	52	28	12-12-2013	8.6	Vice President, Apollo Hospitals

Name	Designation	Educational Qualification	Age	Experience in years	Date of joining	Gross remuneration paid	Previous Employment
Dr. Nitish Shetty	CEO-Aster CMI	MBBS, MD Hospital Administration	47	18	24-Oct-14	8.21	BGS Global - CEO
Edmond Paul	Head - Biomedical & Material Management	M. App. Sc.	44	20	15-May-12	6.34	Wockhardt Hospitals - GM
Dr. Cherian Aakkarappatty	Consultant & HOD	MBBS + MD (Medicine)+ DM (Cardiology)	37	7	05-Nov-15	6	*Appollo Mascot Heart Centre, Gwalior * Incharge of Cardiac unit
Manoj V.C	Head – Human Resources	Master of Personnel Management	45	23	14-08-2015	5.1	Entrepreneur ( Nov 2012 to August 2015) , Vice president Human Resources (Nov 2003 to Oct 2012)
Dr. Chandil Kumar Gunashekara	CEO-Aster Aadhar	MBBS, MHA, PGD. Med. Law & Ethics	41	13	18-Apr-15	4.09	Rhea Healthcare Pvt. Ltd., - VP - Group operations
Srinath Metla	General Manager	B. Pharma, MBA Marketing	40	16	14-Oct-15	3.69	Apollo Hospital, Chennai, - GM - Group Marketing
Dr. Akhil Mohandas	Senior Specialist	MBBS + MS (General Surgery) + MCH (Neuro Surgery)	33	1	01-Mar-17	3.6	NA

**(d) (ii) Employees drawing a remuneration of 1.02 crore (10.2 million) or above per annum.**

(INR in Millions)

Name	Designation	Educational Qualification	Age	Experience in years	Date of joining	Gross remuneration paid	Previous Employment
Dr. Harish Pillai	Chief Executive Officer - Aster Hospitals & Clinics, India	MBBS, MHM and MBA	50	19	May 27, 2013	23.50	As Salam International Hospital, Cairo, Egypt
Sreenath P Reddy	CFO	B.Com, LLB, CA	45	20	November 15, 2012	13.66	Narayana Hrudalaya Limited

**(d) (iii) Employed during the part of the year with an average salary of above 8.5 crore (85 million).**

Name	Designation	Educational Qualification	Age	Experience in years	Date of joining	Gross remuneration paid	Previous Employment
NA							



## Annexure C

### Particulars of contracts/ arrangements made with related parties

(Pursuant to Section 134 (3) (h) of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014 – AOC – 2)

This Form pertains to the disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in Section 188 (1) of the Companies Act 2013, including certain arm's length transactions under third proviso thereto.

As per Section 188 of the Companies Act, 2013, whenever a company avails or renders service directly or through agents amounting to the prescribed limits, prior approval of the shareholders is required. However, shareholders approval need not be sought for such transactions between the holding company and its wholly owned subsidiaries whose accounts are consolidated with the holding company and placed for shareholders' approval.

#### 1. Details of Contracts or Arrangements or Transactions not at Arm's Length Basis

SL	Name (s) of the related party & nature of relationship	SI No	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Board approval date	Salient terms of the contracts or arrangements or transaction including the value, if any
I	Nil	Nil	Nil	Nil	Nil	Nil

#### 2. Details of Contracts or Arrangements or Transactions at Arm's Length

SL	Name (s) of the related party & nature of relationship	SI No	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Board approval date	Salient terms of the contracts or arrangements or transaction including the value, if any
I	DM Med City Hospitals (India) Private Limited, a subsidiary Company. (Lessor of Property)	1	Lease Deed	15 Years from 31/03/2013	02 Mar 2013	Annual Lease Rental of INR 0.4 million
		2	Tripartite Agreement between Aster DM Healthcare, DM Med City and Ambady infrastructure to share right of way	No definitive term is defined in the contract	02 Mar 2013	Aster DM and DM Med City grants rights to use properties owned by respective companies by other companies for meeting their mutually Benefield interest of carrying out business operations in the state of Kerala.
		3	Guarantee Commission	NA	16 Aug 2016	Aster DM pays a guarantee commission for the Corporate Guarantee extended by DM Med City for the loans extended by banks to Aster DM. As per the agreed terms, the guarantee commission shall not exceed 1% of the loan amount guaranteed by DM Med City Value: INR 1.60 million
II	Ambady Infrastructure Private Limited	1	Agreement for sharing of right of way	NA	02 Mar 2013	Aster DM grants rights to use properties owned by it in Kochi to Ambady for meeting their mutually beneficial interest of carrying out business operations in the state of Kerala.
		2	Guarantee Commission	NA	16 Aug 2016	Aster DM pays a guarantee commission for the Corporate Guarantee extended by Ambady Infrastructure for the loans extended by banks to Aster DM. As per the agreed terms, the guarantee commission shall not exceed 1% of the loan amount guaranteed by Ambady Infrasttuture Value: INR 1.18 million

SL	Name (s) of the related party & nature of relationship	SI No	Nature of contracts/ arrangements/ transaction	Duration of the contracts/ arrangements/ transaction	Board approval date	Salient terms of the contracts or arrangements or transaction including the value, if any
III	DM Education and Research Foundation	1	Providing Medical Services, as defined in the agreement dated 14th March, 2016 on a revenue share basis.	10 years from the Execution Date	21 Oct 2015	<ol style="list-style-type: none"> <li>1. Agreement for providing Medical Services by Aster DM Healthcare in the hospital owned by DM Education and Research Foundation, a Trust</li> <li>2. DM Education and Research Foundation, shall be entitled to a revenue of 5% of Net Revenue on a monthly basis</li> <li>3. On execution of the agreement, Aster DM to pay a refundable security deposit of INR 150 million to DM Education and Research Foundation.</li> </ol>
		2	Operation & Management Services Agreement dated 4th March 2016 for receiving operational and management support for hospital run by DM Education and Research Foundation.	5 Years from Effective Date as defined in the agreement.	21 Oct 2015	<ol style="list-style-type: none"> <li>1. With effect from 1st April 2016, Aster DM shall provide operation and management services to the general hospital run by DM Education and Research Foundation.</li> <li>2. Aster DM is entitled to a service fee in the manner to be calculated as per clause 3 of the agreement.</li> </ol>
IV	EMED Human Resources (India) Private Limited	1	Payment of recruitment charges for the recruitment services rendered by EMED Human Resources (India) Private Limited.	NA	21 Jul 2015	<p>Recruitment charges to be paid to EMED Human Resources (India) Private Limited are as under:</p> <p>For Jr Doctors/Technical Staff - 6% of CTC  Very Senior Doctors- 6% of CTC  Nurses- INR 2000/- per candidate</p>
V	Prerana Hospital Limited	1	Income from consultancy services	NA	02 Mar 2008	<p>To cover various indirect expenses like salaries and common expenses by charging a annual charge equal to 2% of annual revenues</p> <p>Value: INR 13.48 million</p>
VI	Dr.Moopen's HMS W.L.L, Qatar	1	Income from hospital and medical services	NA	13 Jun 2016	<p>Diagnostic services carried out in connection with recruitment of employees for Qatar Hospital</p> <p>Value: INR 0.08 million</p>
VII	Affinity Holdings Private Limited, Mauritius	1	Sale of Investments			<p>Redemption of Preference shares of the Company during the year.</p> <p>Value: 578.24 million</p>

## Annexure D

### Auditors Certificate on Corporate Governance

This certificate is issued in accordance with the terms of our engagement letter dated 15 May 2018.

This report contains details of compliance of conditions of Corporate Governance by Aster DM Healthcare Limited ('the Company') for the year ended 31 March 2018, as stipulated in Regulations 17-27, clauses (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), pursuant to the Listing Agreement of the Company with Stock exchanges.

#### Management's Responsibility for compliance with the conditions of SEBI Listing Regulations

The compliance with the conditions of Corporate Governance is the responsibility of the management of the Company, including the preparation and maintenance of all relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure the compliance with the conditions of the Corporate Governance stipulated in SEBI Listing Regulations.

#### Auditor's Responsibility

Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Pursuant to the requirements of the SEBI Listing Regulations, it is our responsibility to provide a reasonable assurance whether the Company has complied with the conditions of Corporate Governance as stipulated in SEBI Listing Regulations for the year ended 31 March 2018.

We conducted our examination in accordance with the Guidance Note on Reports or Certificates for Special Purposes, Guidance Note on Certification of Corporate Governance, both issued by the Institute of Chartered Accountants of India ('ICAI') and the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013, in so far as applicable for the purpose of this certificate. The Guidance Note on Reports or Certificates for Special Purposes requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

#### Opinion

In our opinion, and to the best of our information and according to explanations given to us and the representation provided by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.

We state that such compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

#### Restriction on use

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the SEBI Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

for **B S R and Associates**

*Chartered Accountants*

Firm registration number: 128901W

**Rushank Muthreja**

*Partner*

Membership number: 211386

Place: Bangalore

21 May 2018

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# Annexure E

## Secretarial Audit Report

FOR THE FINANCIAL YEAR ENDED 31st March, 2018

[Pursuant to section 204 (1) of the Companies Act 2013 and rule No.9 of the Companies (Appointment and Remuneration of Personnel) Rules, 2014]

The Members,

**Aster DM Healthcare Limited**

CIN U85110KL2008PLC021703

Aster Medcity, Kuttisahib Road

Near Kothad Bridge, South Chittoor P O

Kochi 682 027, Kerala.

We have conducted the secretarial audit of the compliances of applicable statutory provisions and the adherence to good corporate practices by Aster DM Healthcare Limited (hereinafter called 'the Company'). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our own opinion, the company has, during the audit period covering the financial year ended on 31st March, 2018 complied with the statutory provisions listed hereunder and also that the company has proper Board – processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on 31st March, 2018, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.
- (iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -
  - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
  - e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 [Not Applicable as the Company has not issued and listed any debt securities during the financial year under review];
  - f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client [Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];
  - g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 [Not applicable as the Company has not delisted I proposed to delist its equity shares from any Stock Exchange during the financial year under review];
  - h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 [Not applicable as the Company has not bought back I proposed to buy-back any of its securities during the financial year under review].
- (vi) The Management has identified and confirmed the following laws as specifically applicable to the Company:
  - a. Ear Drums And Ear Bones (Authority For Use For Therapeutic Purposes) Act, 1982
  - b. Eyes (Authority For Use For Therapeutic Purposes) Act, 1982
  - c. Biomedical Medical Waste Management Handling Rules, 1998
  - d. Karnataka Private Medical Establishments Act, 2007
  - e. The Delhi Nursing Homes Registration Act, 1953
  - f. The Bombay Nursing Homes Registration Act, 1949

- g. Kerala Panchayat Raj – Transplantation Of Human Organs Act, 1994
- h. Kerala Panchayat Raj (Registration Of Private Hospitals And Paramedical Establishments) Rules
- i. Narcotic Drugs And Psychotropic Substances Act, 1985
- j. Atomic Energy Act, 1962
- k. Atomic Energy (Radiation Protection) Rules, 2004
- l. Code Of Ethics For Doctors And Nurses
- m. The Drugs And Magic Remedies (Objectionable Advertisements) Act, 1954
- n. Medical Termination Of Pregnancy Act
- o. Transplantation Of Human Organ Act
- p. Indian Medical Degree Act, 1916
- q. Indian Medical Council (Professional Conduct, Etiquette And Ethics) Regulations, 2002
- r. Indian Nursing Council Act, 1947
- s. Pre-Conception And Pre-Natal Diagnostic Techniques (Prohibition Of Sex Selection) Act, 1994
- t. Pre-Conception And Pre-Natal Diagnostic Techniques (Prohibition Of Sex Selection Rule
- u. Radiation Protection Rules, 1971
- v. Radiation Surveillance Procedures For Medical Application Of Radiation, 1989
- w. The Safety Code For Medical Diagnostic X-Ray Equipment And Installations, 2001
- x. Guidelines For Clinical Management Of HIV / Aids
- y. Birth & Death And Marriage Registration Act
- z. The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
- aa. Food Safety and Standards Act, 2006 and Rules 2011 along with regulations.
- bb. The Legal Metrology Act, 2009 and Rules made thereunder.
- cc. Goods and Service Act, 2014
- dd. Indian Stamp Act, 1999
- ee. Income Tax Act 1961 and Indirect Tax Law
- ff. Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
- gg. Air (Prevention & Control of Pollution) Act 1981 and rules thereunder
- hh. The Payment of Wages Act, 1936
- ii. The Minimum Wages Act, 1948
- jj. Employees Provident Fund And Misc. Provisions Act, 1952
- kk. Employers State Insurance Act, 1948
- ll. The Payment of Bonus Act, 1965
- mm. The Environment (Protection) Act, 1986
- nn. Electricity Act 2003

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations: NIL

#### I further report that

- A. the Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.
- B. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.
- C. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.
- D. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.
- E. All decisions of Board and Committees were carried with requisite majority.

**I further report that**, based on review of compliance mechanism established by the Company, and on the basis of Compliance Certificate(s) issued by the Company Secretary taken on record by the Board of Directors at their meeting(s) and as per the representation and explanations provided, I am of the opinion that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines, provided, company employ competent external agency to monitor the compliance related to labour, industry specific and local law.

**As informed**, the Company has responded appropriately to notices received from various statutory / regulatory authorities including initiating actions for corrective measures, wherever found necessary.

I further report that during the audit period the company has undertaken following major events in its members meeting:

Sr#	Particulars of Corporate Actions	EGM / AGM	Date of Meeting
1	Approval for Initial Public Offer	EGM	27 Jul 17
2	Appointment of M/s BBS Associates as Cost Auditor	AGM	20 Sep 17
3	Appointment of Me. Daniel Robert Mintz as Director of the Company	AGM	20 Sep 17
4	Approval of remuneration to Mr. Azad Moopen , Managing Director	AGM	20 Sep 17
5	Authority to Board for providing security/guarantee for borrowing by subsidiaries or to invest the funds of the company	EGM	18 Jan 18

Place: Ernakulam  
Date: 01/05/2018

**CS SUNIL SANKAR & Associates**

ACS No. :: 20171  
C P NO. :: 10613

The Members,  
**Aster DM Healthcare Limited**  
CIN U85110KL2008PLC021703  
Aster Medcity, Kuttisahib Road  
Near Kothad Bridge, South Chittoor P O  
Kochi 682 027, Kerala.

**Our Secretarial Audit Report for the financial year 31st March, 2018 is to be read along with this letter.**

#### 1. Management's Responsibility

- 1.1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

#### 2. Auditor's Responsibility

- 2.1 Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
- 2.2 We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.
- 2.3 Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

#### 3. Disclaimer

- 3.1 The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.
- 3.2 We have not verified the correctness and appropriateness of financial records and books of account of the Company.

Place: Ernakulam  
Date: 01/05/2018

**CS SUNIL SANKAR & Associates**

ACS No. :: 20171  
C P NO. :: 10613

# Annexure F

## Conservation Of Energy, Technology Absorption, Foreign Exchange Earnings And Outgo

(Information As Per Rule 8 Of Companies (Accounts) Rules, 2014 And Forming Part Of Directors Report For The Financial Year Ended On 31.03.2018)

### (A) Conservation of Energy

#### Steps taken or impact on conservation of energy

##### Maintaining Power Factor:

At Aster Medcity Kochi, Electrical Installation power factor is maintained above 0.99 month on month. This is achieved by having Automatic Power Factor Controller connected to the Panel.

And at Aster CMI Hospital, Bangalore our Electrical Installation power factor maintained at above 0.99 month and month. This is achieved by having Automatic Power Factor Controller connected to the Panel.

**Solar Street lights:** At Aster Medcity Kochi, there are 26 Nos of Solar streetlights are installed in Car Parking area

**Landscaping Water:** At Aster Medcity Kochi, the entire water to the Landscaping of the hospital are catered by Treated water from the Sewage Treatment Plant (STP).

Use of Water resistors in water taps: Tap aerators 750 Nos and 150 Nos at Aster Medcity and Aster CMI Hospital respectively are in place for the Washbasin taps in common area toilets and in patient room toilets. This has reduced water consumption of in the hospital.

**Dual flush lever:** All toilet Western Commode flushing cisterns are with dual flush lever duly marked with FULL and HALF option to select the lever for minimal use of water according to the requirement. This gives significant reduction in water consumption.

**Flush tank adjustment:** Float level switch in the flushing system of the toilets are adjusted to the minimum level to reduce the water consumption.

**RO Reject water:** Good quality RO reject water going waste is being reused by routing to main raw water tank for hospital water requirements.

**Urinals:** Stink free deodorant urinal pads are used in common toilet urinals saving consumption of water in toilets.

#### Reuse of Water:

**Aster Medcity:** Independent plumbing network has been incorporated in recently commissioned area (Tower-3 2nd, 3rd, 4th, and 5th floor) for reuse of treated STP water for flushing purpose.

**Air curtains in main entrances:** Air curtains are fixed in entrance doors to save cold air going out through the entrances.

**Operation of AHUs:** Air Handling Units (AHUs) are fitted with VFDs (Variable Frequency Device) to regulate the blower speed to save energy.

OT AHUs are operated in low frequency for energy saving during night timings and holidays whenever there no procedures.

**Light Control:** Have identified areas of light control required:

- Switching off lights during nights in non-operational areas
- Switching off lights in areas taking advantage of natural illumination during day.
- Installation of Occupancy/movement sensors planned for all consulting rooms/Conf rooms/ Cabins as part of energy savings initiative.

**BMS Control:** Control of AHUs are on BMS for temperature control and Switching ON/ OFF and Scheduling AHUs for minimal use.

#### Alternate Energy :

**Aster Medcity :** Steps taken by the company for utilizing alternate energy sources:

Agreement has been signed off for offsite solar power purchase for entire hospital power requirement ie.35,000 KWH per day. The vendor will setup solar photo voltaic power station for 9 MW capacity in roughly 40-45 acres land near Palakad (offsite). This power purchase proposal will bring down the power cost by 25 % annually. The project is delayed from vendor side for implementation.

Parallely working for open access power purchase through Energy exchange by bidding process, this will save minimum 10 % energy expenditure. Expected date of commissioning and power purchase by Sep 18

**Solar Energy:** @Aster CMI hospital solar energy is implemented effective April 2018 which will be an alternate to the BESCO power with a reduced tariff of Rs 4.75/unit as against the BESCO tariff of Rs 8.75/unit. Effective savings of Rs 4.00/Unit which will amount to Rs 7.5 L/month savings. This will get implemented effective April 2018.

### B. Technology Absorption

#### a. Efforts made towards technology adoption

**Pneumatic Shoot System (PTS)** has been installed to transfer samples and medicines from patient areas to lab, pharmacy, nursing stations etc.

**Robotic Pharmacy** has been installed in the main OP pharmacy. Aster Medcity at Kochi is the first health facility in India to offer fully automated pharmacy robot.

- Aster Medcity at Kochi has completely paperless ICUs with Philips - Intellispace Critical care and Anesthesia.

Apart from digital ICU the facility also has digital OT, CTVS, CICU and CATHLAB

- ii. The Medcity is using OR1 Fusion in its 9 operation theatres which is the Asia Pacific's first complete digital integration system provided by Karl Storz. KARL STORZ OR1 FUSION is combination of various disparate applications into a sole source solution providing exceptional image management with documentation and safety. The first fully digital IP based platform available with robust feature sets and an enhanced graphical user interface for all current as well as future clinical needs. The KARL STORZ OR1 FUSION platform is based on 5 unique core technologies. Each core represents a unique capacity or functionality
- iii. The Aster Medcity is South India's first health facility to offer the Digital ICU and OR1 Fusion at such a large scale.
- iv. Aster Medcity at Kochi is Kerala's first facility to have DaVinci Surgical Robot, ECMO, Flat Panel Biplane Hybrid Cath Lab, and True Beam Machine for Teletherapy (Radiation Oncology) under one roof.

- v. Treated water used for reducing water consumption
- vi. Aster Medcity houses advanced 3 Tesla MRI, world's fastest 256 CT scanner, advanced Hybrid Vascular Cath lab & Advanced SPECT/CT.
- vii. Aster Medcity is the first sports medicine center in Kerala.

**b. Benefits derived like product improvement, cost reduction, product development, import substitution**

- i. As a result of using PTS, usages of man movement and lifts have been reduced. This has also resulted in improved patient experience;
- ii. The Advanced Cath Lab has unique differentiating features like two large detectors to cover large organs and major circulatory anatomy for better visualization and accurate procedure. The Cath Lab with Aster Medcity is the first vascular biplane hybrid lab with large high resolution monitors for better visibility of small vessels in India
- iii. Above steps have been helping us in reducing the cost and improving the service quality delivery.

**c. In case of imported technology (imported during the year):**

Details of technology imported	Year of import	Whether technology has been fully absorbed	If not fully absorbed, areas where absorption has not taken place and reasons
Minor Surgical Lights	2017-18	Yes	NA
Auxiliary Lens for OPMI Vario S88 and Dovetail Mount	2017-18	Yes	NA
Laparoscopic Instruments	2017-18	Yes	NA
Paediatric Surgical Instrument	2017-18	Yes	NA
Allen Spine System Premium	2017-18	Yes	NA
Trump OT Table	2017-18	Yes	NA
Zeissoperating Microscope	2017-18	Yes	NA
Mayfield Skull Clamp System	2017-18	Yes	NA
Varaian Linear Accelerator	2017-18	Yes	NA

**d. Expenditure incurred on R&D - Nil**

**FOREIGN EXCHANGE EARNINGS AND OUTGO**

(INR in millions)

	2018	2017
Earnings	265.83	259.66
Expenditure	93.89	174.78
Net foreign exchange earnings (NFE)	171.94	84.88
NFE/ earnings (%)	64.68%	32.69%



## Annexure G

FORM NO. MGT 9

Extract of Annual Return

As on financial year ended on 31.03.2017

[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014]

### I. Registration & other Details:

1.	CIN	U85110KL2008PLC021703
2.	Registration Date	18.01.2008
3.	Name of the Company	Aster DM Healthcare Limited
4.	Category/Sub-category of the Company	Company limited by shares/ Indian non-government company
5.	Address of the Registered office & contact details	IX/475L, Aster Medcity, Kuttisahib Road, Near Kothad Bridge, South Chittoor P.O, Cheranalloor, Kochi, Kerala – 682027
6.	Whether listed company	Yes
7.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	Link Intime India (P) Ltd C-101,1st Floor, 247 Park, Lal Bahadur Shastri. Marg, Vikhroli (West), Mumbai - 400 083 Maharashtra, India. Tel: +91 22 4918 6200

### II. Principal Business Activities of The Company (All the Business Activities Contributing 10 % or more of the total turnover of the Company shall be Stated)

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Healthcare activities	86110	97.88

### III. Particulars of Holding, Subsidiary and Associate Companies

Sl No	Entity	Country of incorporation	Ownership interest held by Group	
			31 March 2018	
			Beneficial	Legal *
<b>Direct subsidiaries</b>				
1	Aster DM Healthcare (Trivandrum) Private Limited	India	100%	100%
2	DM Med City Hospitals India Private Limited	India	100%	100%
3	Prerana Hospital Limited	India	81%	81%
4	Ambady Infrastructure Private Limited	India	100%	100%
5	Affinity Holdings Private Limited	Mauritius	100%	100%
6	Sri Sainatha Multispeciality Hospitals Private Limited	India	58%	58%
7	Malabar Institute of Medical Sciences Limited	India	71%	71%
8	Dr. Ramesh Cardiac and Multispeciality Hospitals Private Limited	India	51%	51%
<b>Step down subsidiaries</b>				
9	Aster Ramesh Duhita LLP	India	50%	50%
10	Aster DM Healthcare FZC	UAE	100%	100%
11	Aster Day Surgery Centre LLC (formerly known as Aster IVF and Women Clinic LLC )	UAE	82%	49%
12	Al Rafa Medical Centre LLC	UAE	51%	40%
13	Asma Pharmacy LLC	UAE	50%	0%
14	Dar Al Shifa Medical Centre LLC	UAE	51%	40%
15	DM Healthcare LLC	UAE	100%	49%
16	DM Pharmacies LLC	UAE	100%	49%
17	Dr. Moopens Healthcare Management Services LLC	UAE	100%	49%
18	Dr. Moopens Medical Clinic LLC	UAE	71%	40%
19	Eurohealth Systems FZ LLC	UAE	100%	95%
20	Ibn Alhaitham Pharmacy LLC	UAE	100%	49%
21	Maryam Pharmacy LLC	UAE	100%	0%
22	Med Shop Drugs Store LLC	UAE	100%	49%

SI No	Entity	Country of incorporation	Ownership interest held by Group	
			31 March 2018	
			Beneficial	Legal *
23	Medcare Hospital LLC	UAE	80%	30%
24	Medshop Garden Pharmacy LLC	UAE	100%	49%
25	Modern Dar Al Shifa Pharmacy LLC	UAE	51%	40%
26	Rafa Pharmacy LLC	UAE	100%	49%
27	Shindagha Pharmacy LLC	UAE	90%	49%
28	Union Pharmacy LLC	UAE	75%	37%
29	Aster Pharmacies Group LLC	UAE	100%	49%
30	Alfa Drug Store LLC	UAE	100%	49%
31	Aster Al Shafar Pharmacies Group LLC	UAE	51%	49%
32	New Aster Pharmacy DMCC	UAE	100%	100%
33	Symphony Healthcare Management Services LLC	UAE	100%	0%
34	Zabeel Pharmacy LLC **	UAE	51%	49%
35	Aster Pharmacy LLC, AUH	UAE	100%	49%
36	Al Shafar Pharmacy LLC, AUH **	UAE	51%	49%
37	Aster Grace Nursing and Physiotherapy LLC	UAE	60%	29%
38	Aster Medical Centre LLC**	UAE	90%	39%
39	Aster Opticals LLC	UAE	60%	49%
40	Al Rafa Investments Limited	UAE	100%	0%
41	Al Rafa Holdings Limited	UAE	100%	0%
42	Harley Street LLC	UAE	60%	9%
43	Harley Street Pharmacy LLC	UAE	60%	9%
44	Harley Street Medical Centre LLC	UAE	60%	9%
45	Al Raffah Hospital LLC	Oman	100%	70%
46	Al Raffah Medical Centre LLC	Oman	100%	70%
47	Dr. Moopen's Healthcare Management Services WLL	Qatar	99%	49%
48	Welcare Polyclinic W.L.L	Qatar	50%	45%
49	Dr. Moopens Aster Hospital WLL	Qatar	99%	49%
50	Sanad Al Rahma for Medical Care LLC	Kingdom of Saudi Arabia	97%	97%
51	Aster Kuwait for Medicine and Medical Supplies Company W.L.L (formerly known as Aster Kuwait General Trading Co WLL)	Kuwait	54%	2%
52	Orange Pharmacies LLC	Jordan	51%	0%
53	Aster DM Healthcare SPC	Bahrain	100%	100%
54	Aster DM Healthcare INC	Philippines	90%	90%
55	Al Raffah Pharmacies Group LLC	Oman	100%	70%
56	Harley Street Dental LLC	UAE	50%	74%
57	Aster DCC Pharmacy LLC	UAE	70%	70%

\* Although the percentage of voting rights as a result of legal holding by the Company is not more than 50% in certain entities listed above, the Company has the power to appoint majority of the Board of Directors of those entities as to obtain substantially all the returns related to their operations and net assets and has the ability to direct that activities that most significantly affect these returns. Consequently, all the entities listed above have been consolidated for the purposes of the preparation of this consolidated financial information.

\*\* represents subsidiaries which are in the process of being wound-up.

#### (b) Associates

The consolidated Ind AS financial statements of the Group includes associates listed in the table below:

SI No	Entity	Country of incorporation	% equity interest	
			31 March 2018	
			Beneficial	Legal *
1	EMED Human Resources (India) Private Limited	India	33%	33%
2	MIMS Infrastructure and Properties Private Limited*	India	35%	35%
3	Aries Holdings FZC	UAE	25%	25%
4	AAQ Healthcare Investments LLC	UAE	33%	33%

#### IV. Share Holding Pattern (Equity Share Capital Breakup as percentage of Total Equity)

##### i. Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>									
<b>[1]</b>	<b>Indian</b>									
(a)	Individuals / Hindu Undivided Family	-	-	-	-	-	-	-	-	-
(b)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(d)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub Total (A)(1)</b>	-	-	-	-	-	-	-	-	-
<b>[2]</b>	<b>Foreign</b>									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	-	-	-	-	5,25,720	-	5,25,720	0.10%	(0.10%)
(b)	Government	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Foreign Portfolio Investor	-	-	-	-	-	-	-	-	-
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Bodies Corporate	20,15,48,034	60,07,008	20,75,55,042	51.47%	18,87,06,090	-	18,87,06,090	37.35%	14.12%
	<b>Sub Total (A)(2)</b>	<b>20,15,48,034</b>	<b>60,07,008</b>	<b>20,75,55,042</b>	<b>51.47%</b>	<b>18,92,31,810</b>	<b>-</b>	<b>18,92,31,810</b>	<b>37.45%</b>	<b>14.02%</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)</b>	<b>20,15,48,034</b>	<b>60,07,008</b>	<b>20,75,55,042</b>	<b>51.47%</b>	<b>18,92,31,810</b>	<b>-</b>	<b>18,92,31,810</b>	<b>37.45%</b>	<b>14.02%</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>[1]</b>	<b>Institutions</b>	-	-	-	-	-	-	-	-	-
(a)	Mutual Funds / UTI	-	-	-	-	92,19,639	-	92,19,639	1.82%	(1.82%)
(b)	Venture Capital Funds	4,65,37,491	-	4,65,37,491	11.54%	-	-	-	-	11.54%
(c)	Alternate Investment Funds	-	-	-	-	47,89,044	-	47,89,044	0.95%	(0.95%)
(d)	Foreign Venture Capital Investors	63,69,878	-	63,69,878	1.58%	1,49,46,222	-	1,49,46,222	2.96%	(1.38%)
(e)	Foreign Portfolio Investor	-	-	-	-	1,96,00,955	-	1,96,00,955	3.88%	(3.88%)
(f)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(g)	Insurance Companies	-	-	-	-	-	-	-	-	-
(h)	Provident Funds / Pension Funds	-	-	-	-	-	-	-	-	-
(i)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	<b>Sub Total (B)(1)</b>	<b>5,29,07,369</b>	<b>-</b>	<b>5,29,07,369</b>	<b>13.12%</b>	<b>4,85,55,860</b>	<b>-</b>	<b>4,85,55,860</b>	<b>9.61%</b>	<b>3.51%</b>
<b>[2]</b>	<b>Central Government/ State Government(s)/ President of India</b>	-	-	-	-	-	-	-	-	-
	<b>Sub Total (B)(2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>[3]</b>	<b>Non-Institutions</b>									
(a)	Individuals	-	-	-	-	-	-	-	-	-
(i)	Individual shareholders holding nominal share capital upto INR 1 lakh.	-	43,089	43,089	0.01%	1,30,32,385	46,878	1,30,79,263	2.59%	(2.58%)
(ii)	Individual shareholders holding nominal share capital in excess of INR 1 lakh	35,14,643	3,12,79,043	3,47,93,686	8.63%	17,13,575	3,04,91,831	3,22,05,406	6.37%	2.25%
(b)	NBFCs registered with RBI	-	-	-	-	-	-	-	-	-
(c)	Employee Trusts	-	-	-	-	-	-	-	-	-
(d)	Overseas Depositories(holding DRs) (balancing figure)	-	-	-	-	-	-	-	-	-

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2017				Shareholding at the end of the year - 2018				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(e)	Any Other (Specify)	-	-	-	-	-	-	-	-	-
	Trusts	-	-	-	-	1,25,000	-	1,25,000	0.02%	(0.02%)
	Hindu Undivided Family	-	-	-	-	6,03,363	-	6,03,363	0.12%	(0.12%)
	Foreign Companies	10,41,84,387	1	10,41,84,388	25.84%	16,48,77,871	-	16,48,77,871	32.63%	(6.80%)
	Non Resident Indians (Non Repat)	-	-	-	-	5,47,370	-	5,47,370	0.11%	(0.11%)
	Non Resident Indians (Repat)	-	-	-	-	47,31,490	-	47,31,490	0.94%	(0.94%)
	Clearing Member	-	-	-	-	3,14,901	-	3,14,901	0.06%	(0.06%)
	Bodies Corporate	-	-	-	-	4,72,50,449	-	4,72,50,449	9.35%	(9.35%)
	<b>Sub Total (B)(3)</b>	<b>10,76,99,030</b>	<b>3,13,22,133</b>	<b>13,90,21,163</b>	<b>34.48%</b>	<b>23,31,96,404</b>	<b>3,05,38,709</b>	<b>26,37,35,113</b>	<b>52.20%</b>	<b>(17.72%)</b>
	<b>Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)</b>	<b>16,06,06,399</b>	<b>3,13,22,133</b>	<b>19,19,28,532</b>	<b>47.60%</b>	<b>28,17,52,264</b>	<b>3,05,38,709</b>	<b>31,22,90,973</b>	<b>61.81%</b>	<b>(14.21%)</b>
	<b>Total (A)+(B)</b>	<b>36,21,54,433</b>	<b>3,73,29,141</b>	<b>39,94,83,574</b>	<b>99.07%</b>	<b>47,09,84,074</b>	<b>3,05,38,709</b>	<b>50,15,22,783</b>	<b>99.27%</b>	<b>(0.19%)</b>
(C)	<b>Non Promoter - Non Public</b>									-
[1]	Custodian/DR Holder	-	-	-	-	-	-	-	-	-
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	-	37,36,750	37,36,750	0.93%	-	37,04,562	37,04,562	0.73%	0.19%
	<b>Sub Total C</b>	<b>-</b>	<b>37,36,750</b>	<b>37,36,750</b>	<b>0.93%</b>	<b>-</b>	<b>37,04,562</b>	<b>37,04,562</b>	<b>0.73%</b>	<b>0.19%</b>
	<b>Total (A)+(B)+(C)</b>	<b>36,21,54,433</b>	<b>4,10,65,891</b>	<b>40,32,20,324</b>	<b>100.00%</b>	<b>47,09,84,074</b>	<b>3,42,43,271</b>	<b>50,52,27,345</b>	<b>100.00%</b>	<b>0.00%</b>

#### a. Shareholding of Promoter

Sr No	Category of Shareholders	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of shares held	% of total Shares of the company	% of Shares Pledged encumbered to total shares	No. of shares held	% of total Shares of the company	% of Shares Pledged encumbered to total shares	
1	Union Investments Private Limited	20,75,55,042	51.47%	-	18,87,06,090	37.35%	-	(14.12%)
2	Azad Moopen Mandayapurath	-	0.00%	-	5,25,720	0.10%	-	0.10%
	<b>Total</b>	<b>20,75,55,042</b>	<b>51.47%</b>	<b>-</b>	<b>18,92,31,810</b>	<b>37.45%</b>	<b>-</b>	<b>(14.02%)</b>

#### ii. Change in promoters Shareholding

Sr No.	Name & Type of Transactionm	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year - 2018	
		No. of shares held	% of total Shares of the company	Date of Transaction	No. of shares held	No of Shares Held	% Of total Shares of The Company
1	UNION INVESTMENTS PRIVATE LIMITED	20,75,55,042	51.47%				
	Transfer	-	-	29-Dec-17	(36,42,711)	-	-
	Transfer	-	-	29-Dec-17	(17,77,990)	-	-
	Transfer	-	-	22-Feb-18	(1,34,28,251)	-	-
	AT THE END OF THE YEAR	-	-	-	-	18,87,06,090	37.35%
2	AZAD MOOPEN MANDAYAPURATH	-	0.00%				
	Purchase from Secondary Market	-	-	23-Mar-18	5,25,720	5,25,720	0.10%
	AT THE END OF THE YEAR	-	-	-	-	5,25,720	0.10%

Note:

1. Paid up Share Capital of the Company (Face Value INR 10.00) at the end of the year is 505227345 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

## iii. Top ten shareholders

Sr No.	Name & Type of Transactionm	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of shares held	% of total Shares of the company	Date of Transaction	No. of shares held	No of Shares Held	% Of total Shares of The Company
1	OLYMPUS CAPITAL ASIA INVESTMENTS LIMITED	105575558	26.18%	-	-	-	-
	Conversion of CCPS	-	-	20-Nov-17	85,76,344	11,41,51,902	22.59%
	Transfer from Union Investments Private Limited	-	-	29-Dec-17	36,42,711	11,77,94,613	23.32%
	AT THE END OF THE YEAR	-	-	-	-	11,77,94,613	23.32%
2	RIMCO (MAURITIUS) LIMITED	1	-	-	-	-	-
	Conversion of CCPS	-	-	20-Nov-17	5,10,86,710	5,10,86,711	10.11%
	AT THE END OF THE YEAR	-	-	-	-	5,10,86,711	10.11%
3	IVF TRUSTEE COMPANY PVT LTD	46537491	11.54%	-	-	46537491	9.21%
	Transfers	-	-	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	46537491	9.21%
4	RASHID ASLAM BIN MOHIDEEN MAMMU HAJI	11225214	2.78%	-	-	11225214	2.22%
	Transfers	-	-	-	-	-	-
	AT THE END OF THE YEAR	-	-	-	-	11225214	2.22%
5	INDIUM IV MAURITIUS HOLDINGS LIMITED	4978707	1.23%	-	-	4978707	0.99%
	Conversion of CCPS	-	-	20-Nov-17	41,86,073	91,64,780	1.81%
	Transfer from Union Investments Private Limited	-	-	29-Dec-17	17,77,990	1,09,42,770	2.17%
	AT THE END OF THE YEAR	-	-	-	-	1,09,42,770	2.17%
6	SBI MAGNUM TAXGAIN SCHEME	-	-	-	-	-	0.00%
	IPO Allotment	-	-	22 Feb 2018	42,84,111	42,84,111	0.85%
	Transfer	-	-	02 Mar 2018	12,00,000	54,84,111	1.09%
	Transfer	-	-	16 Mar 2018	56,855	55,40,966	1.10%
	Transfer	-	-	23 Mar 2018	73,527	56,14,493	1.11%
	AT THE END OF THE YEAR	-	-	-	-	56,14,493	1.11%
7	TRUE NORTH FUND V LLP	-	-	-	-	-	0.00%
	IPO Allotment	-	-	22 Feb 2018	46,19,344	46,19,344	0.91%
	AT THE END OF THE YEAR	-	-	-	-	46,19,344	0.91%
8	OLYMPUS ACF PTE. LTD.	-	-	-	-	-	-
	IPO Allotment	-	-	22 Feb 2018	46,19,297	46,19,297	0.91%
	AT THE END OF THE YEAR	-	-	-	-	46,19,297	0.91%
9	KARST PEAK ASIA MASTER FUND	-	-	-	-	-	-
	IPO Allotment	-	-	22 Feb 2018	31,18,709	31,18,709	0.62%
	Transfer	-	-	02 Mar 2018	3,59,426	34,78,135	0.69%
	Transfer	-	-	09 Mar 2018	3,70,791	38,48,926	0.76%
	Transfer	-	-	16 Mar 2018	1,08,000	39,56,926	0.78%
	AT THE END OF THE YEAR	-	-	-	-	39,56,926	0.78%
10	DM Healthcare Employees Welfare Trust	37,36,750	0.93%	-	-	-	-
	Transfer to Employees pursuant to ESOP	-	-	-	32,188	-	-
	AT THE END OF THE YEAR	-	-	-	-	3704562	0.73%

iv. Shareholding Pattern of Directors and KMP

Sr No.	Name & Type of Transactionm	Shareholding at the beginning of the year		Transactions during the year		Cumulative Shareholding at the end of the year	
		No. of shares held	% of total Shares of the company	Date of Transaction	No. of shares held	No of Shares Held	% Of total Shares of The Company
1	SHAMSUDHEEN BIN MOHIDEEN MAMMU HAJI	5612607	1.39%	-	-	-	-
	IPO Allotment	-	-	22 Feb 2018	1,05,222	57,17,829	1.13%
	AT THE END OF THE YEAR	-	-	-	-	57,17,829	1.13%
2	THADATHIL JOSEPH WILSON	2737210	0.68%	-	-	2525532	0.50%
	Transfers	-	-	NA	-	-	-
3	AT THE END OF THE YEAR	-	-	-	-	2737210	0.54%
	ANOOP MOOPEN MANDAYAPURATH VADAKKETHIL						
	IPO Allotment	-	-	22 Feb 2018	1,05,300	1,05,300	0.02%
	Transfers	-	-	16 Mar 2018	1,29,964	2,35,264	0.05%
	Transfers	-	-	23 Mar 2018	1,85,992	4,21,256	0.08%
	Transfers	-	-	31 Mar 2018	61,142	4,82,398	0.10%
	AT THE END OF THE YEAR	-	-	-	-	4,82,398	0.10%
4	Sreenath Pocha Reddy	-	-	-	-	-	-
	IPO Allotment	-	-	NA	-	5850	-
	AT THE END OF THE YEAR	-	-	-	-	5850	-
5	Rajesh Achutha Warriar	-	-	-	-	-	-
	IPO Allotment	-	-	NA	-	78	-
	AT THE END OF THE YEAR	-	-	-	-	78	-

V. Indebtedness

(INR in Millions)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,822.42	630.91	-	6,453.33
ii) Interest due but not paid				-
iii) Interest accrued but not due	37.84	-	-	37.84
<b>Total (i+ii+iii)</b>	<b>5,860.26</b>	<b>630.91</b>	<b>-</b>	<b>6,491.17</b>
Change in Indebtedness during the financial year				
* Addition	575.19	946.66	-	1,521.85
* Reduction	5,683.67	1,229.88	-	6,913.55
<b>Net Change</b>	<b>(5,108.48)</b>	<b>(283.22)</b>	<b>-</b>	<b>(5,391.70)</b>
Indebtedness at the end of the financial year				
i) Principal Amount#	751.05	347.69	-	-
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.73	-	-	0.73
<b>Total (i+ii+iii)</b>	<b>751.78</b>	<b>347.69</b>	<b>-</b>	<b>1,099.47</b>

## Vi. Remuneration of Directors and Key Managerial Personnel-

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(INR in Millions)

Sl No.	Particulars of Remuneration	Name of Managing Director	Total Amount
		Dr. Azad Moopen	
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	6	6
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify...		
5	Others, please specify	-	-
	<b>Total (A)</b>	<b>6</b>	<b>6</b>
	<b>Ceiling as per the Act</b>		<b>6</b>

### B. Remuneration to other directors

(INR in Millions)

Particulars of Remuneration	Name of Directors						Total Amount
	Daniel James Snyder	Harsh C Mariwala	Rajagopal Sukumar	Ravi Prasad	Madhavan Nambiar	Suresh M Kumar	
Independent Directors							
Fee for attending board, committee meetings*	0.5	0.6	0.4	0.8	0.8	0.8	3.9
Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total (1)</b>	<b>0.5</b>	<b>0.6</b>	<b>0.4</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>3.9</b>
Other Non-Executive Directors							
Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
<b>Total (2)</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Total (B)=(1+2)</b>	<b>0.5</b>	<b>0.6</b>	<b>0.4</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>3.9</b>
<b>Total Managerial Remuneration</b>	<b>0.5</b>	<b>0.6</b>	<b>0.4</b>	<b>0.8</b>	<b>0.8</b>	<b>0.8</b>	<b>3.9</b>
Overall Ceiling as per the Act	INR 1,00,000 per meeting for each individual Directors						

\*The figures indicated are gross of TDS

\*The travel expenses for attending meetings of the Board of Directors or a committee thereof, site visits and other Company related expenses are borne by the Company from time to time.

### C. Remuneration to Key Managerial Personnel other than Md/Manager/Wtd

(INR in Millions)

Sl. No	Particulars of Remuneration	Key Managerial Personnel		
		Company Secretary	CFO	Total
1	<b>Gross salary</b>			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2.67	13.66	16.32
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-
2	Stock Option	-	6.34	6.34
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- as % of profit	-	-	-
	others, specify...	-	-	-
5	Others, please specify	-	-	-
	<b>Total</b>	<b>2.67</b>	<b>20.00</b>	<b>22.66</b>

### VII. Penalties / Punishment/ Compounding of Offences:

The Company, its Directors or other officers were not subject to penalties/ punishments/ compounding of offences during the fiscal 2018



# Corporate Governance Report for the year 2017-18

## Company's Philosophy on Corporate Governance

Our corporate governance is a reflection of our value system encompassing our culture, policies, and relationships with our stakeholders. Integrity and transparency are key to our corporate governance practices to ensure that we gain and retain the trust of our stakeholders at all times. Our corporate governance framework ensures that we make timely disclosures and share accurate information regarding our financials and performance, as well as disclosures related to the leadership and governance of Aster DM Healthcare ('the Company'). We believe that an active, well-informed and independent board is necessary to ensure the highest standards of corporate governance. The Board of Directors ('the Board') is at the core of our corporate governance practice. The Board oversees the Management's functions and protects the long-term interests of our stakeholders.

The Company is in compliance with the requirements stipulated under Regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as applicable, with regard to Corporate Governance.

Our Company's shares got listed in BSE Limited and National Stock Exchange of India Limited with effect from February 26, 2018. Hence, various governance and compliance requirements under the SEBI Listing Regulations became applicable from the said date of listing of equity shares only.

## Board of Directors

- i. A detailed agenda and notes thereon are sent to each Director in advance of Board and Committee Meetings. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any documents with the agenda, the same is been circulated through the 'meeting pro' software where each of the Director receives the pop-up notification of the Agenda and the attachments.
- ii. As on March 31, 2018, the Company has 12 Directors. Of the 12 Directors, 11 directors (i.e. 91.67%) are Non-Executive

Directors out of which 6 directors (i.e. 54.55%) are Independent Directors. The profiles of Directors are available on the website of the Company: (<http://www.asterdmhealthcare.com/investors/>). The composition of the Board is in conformity with Regulation 17 of the SEBI Listing Regulations read with Section 149 of Companies Act, 2013 ('the Act').

- iii. None of the Directors on the Board hold directorships in more than 10 public companies. Further none of them is a member of more than 10 committees or chairman of more than 5 committees across all the public companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2018 have been made by the Directors. None of the Directors are related to each other except Ms. Alisha Moopen, Mr. Anoop Moopen and Dr. Azad Moopen. Ms. Alisha Moopen is daughter of Dr. Azad Moopen and Mr. Anoop Moopen is son in law of Dr. Azad Moopen. The Company is in compliance with the Uday Kotak Committee recommendations on the maximum number of Directorships which comes into effect from 01st April 2019.
- iv. Four Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are as follows:  
  
07 June 2017; 25 July 2017; 20 November 2017; and 08 February 2018. The necessary quorum was present at all meetings.
- v. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and at the last Annual General Meeting (AGM) and the number of Directorships and Committee Chairmanships / Memberships held by them in other public limited companies as on March 31, 2018 are given herein below. Other directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director	Category	Number of Meetings attended during the FY 2018	Whether attended last AGM held on September 20	Number of Directorships in Public Companies*		Number of Committee positions held in Public Companies*	
				Chairman	Director	Chairman	Member
Dr. Azad Moopen	Chairman and Managing Director	4	No	1	2	Nil	Nil
Alisha Moopen	Non-Independent, Non-Executive	4	No	Nil	1	Nil	Nil
T J Wilson	Non-Independent, Non-Executive	4	Yes	Nil	3	Nil	2
Anoop Moopen	Non-Independent, Non-Executive	4	No	Nil	2	Nil	1
Daniel Robert Mintz	Non-Independent, Non-Executive	3	No	Nil	1	Nil	Nil
Shamsudheen Bin Mohideen Mammu Haji	Non-Independent, Non-Executive	3	No	Nil	1	Nil	Nil
Daniel James Snyder	Independent, Non-Executive	3	No	Nil	1	Nil	Nil
Madhavan Nambiar	Independent, Non-Executive	4	No	Nil	6	1	1
Ravi Prasad	Independent, Non-Executive	4	No	Nil	1	Nil	Nil
Harsh C Mariwala	Independent, Non-Executive	4	No	2	8	Nil	Nil
R Sukumar	Independent, Non-Executive	4	No	Nil	1	1	Nil
Suresh M Kumar	Independent, Non-Executive	4	No	Nil	4	Nil	1

\*including Aster DM Healthcare Limited

- vi. Provisions of SEBI Listing Regulations became applicable to the Company with effect from February 26, 2018 only consequent to the listing of equity shares from that date. Hence, requirements to place necessary information as mentioned in Part A of Schedule II of the SEBI Listing Regulations, were not applicable for the board meetings held during the financial year 2017-18.
- vii. The terms and conditions of appointment of the Independent Directors are disclosed on the website of the Company (<http://www.asterdmhealthcare.com/investors/>)
- viii. During the year 2017-18, one meeting of the Independent Directors was held on 08th February 2018.
- ix. Audit & Risk Management Committee periodically reviews the compliance reports of various laws applicable to the Company.
- x. All Independent directors of the Company are provided with a detailed presentation at the time of induction to the Board. Independent Directors are introduced to different segments and strategic business units by respective CEO's/ Vertical

heads upon their induction to the Board. The details of the familiarization programme of the Independent Directors are captured in the Policy on Nomination, Remuneration & Evaluation which is available on the website of the Company (<http://www.asterdmhealthcare.com/investors/>)

- xi. Details of equity shares of the Company held by the Directors as on March 31, 2018 are given below:

Name	Category	Number of equity shares
Dr. Azad Moopen	Chairman and Managing Director	525,720
Mr. T J Wilson	Non-Independent, Non-Executive	27,37,210
Mr. Anoop Moopen	Non-Independent, Non-Executive	482,398
Mr. Shamsudheen Bin Mohideen Mammu Haji	Non-Independent, Non-Executive	5,717,829

- xii. As on March 31, 2018 Company has not issued any convertible instruments.

## Committees of the Board

- i. Board has constituted five committees comprising of four statutory committees as required under the SEBI Listing Regulations and Companies Act, 2013 and one committee that has been constituted considering the needs of the Company and best practices in Corporate Governance as on March 31, 2018. Details of various committees and its terms of reference are as follows:

### Audit and Risk Management Committee

The members of the Audit and Risk Management Committee are:

Sl. No.	Name of the Director	Category
1.	Madhavan Nambiar (Chairman)	Non-Executive, Independent Director
2.	Ravi Prasad	Non-Executive, Independent Director
3.	Suresh M. Kumar	Non-Executive, Independent Director
4.	T. J. Wilson	Non-Executive, Non-Independent Director

The Audit and Risk Management Committee was constituted by a meeting of the Board of Directors held on June 25, 2014 and re-constituted by a meeting of the Board of Directors held on May 18, 2016. The scope and function of the Audit and Risk Management Committee is in accordance with Section 177 of the Companies Act, 2013 read with Regulation 18 and 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

An extract of the Terms of Reference of Audit and Risk management Committee are broadly as follows:

The Audit and Risk Committee provides direction to the audit function and monitors the quality of internal and statutory audit. with an objective of moving towards a regime of unqualified financial statements. The Committee functions as per the provisions of SEBI Listing Regulations and the provisions of Companies Act. The responsibilities of the Committee include review of the quarterly and annual financial statements before submission to Board, review and approval of related party transactions, review of compliance of internal control system, overseeing the financial reporting process to ensure transparency, sufficiency, fairness and credibility of financial statements etc. The Committee also reviews the functioning of whistle blower mechanism, adequacy and effectiveness of internal audit function, risk management and control systems, review of management discussion and analysis of financial condition and results of operation.

The Audit and Risk Management Committee is required to meet at least four times in a year and not more than 120 days are permitted to elapse between two meetings under the terms of the Listing Regulations. The Committee met four times during the Financial Year 2017-18. The said meetings were held on June 06, 2017; July 25, 2017; November 19, 2017 and February 08, 2018. The necessary quorum was present for all the meeting.

### Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

Sl. No.	Name of the Director	Category
1.	Harsh C. Mariwala (Chairman)	Non-Executive, Independent Director
2.	Daniel James Snyder	Non-Executive, Independent Director
3.	Daniel Robert Mintz	Non-Executive, Non-Independent Director
4.	Alisha Moopen	Non-Executive, Non-Independent Director

The Nomination and Remuneration Committee was constituted by a meeting of the Board of Directors held on November 19, 2014 and reconstituted by our Board of Directors at their meetings held on April 21, 2015, September 16, 2015, October 21, 2015 and November 22, 2016. The terms of reference was revised by our Board of Directors at their meeting held on May 18, 2016. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations.

An extract of the Terms of Reference of the Committee are as follows:

Determination/review the Company's policy on specific remuneration packages for the Executive Directors including pension rights and any compensation payment, oversee the framing, review and implementation of compensation policy of the Company on behalf of the Board, form a policy, procedures and schemes and to undertake overall supervision and administration of Employee Stock Option Plan (ESOP) of the Company and to review the Board structure, size and composition and make recommendation for any change. The committee also formulate evaluation criteria for directors and the board.

The Committee met two times during the Financial Year 2017-18. The said meetings were held on June 07, 2017 and February 08, 2018. The necessary quorum was present for all the meeting.

### Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

Sl. No.	Name of the Director	Category
1.	Rajagopal Sukumar (Chairman)	Non-Executive, Independent Director
2.	Anoop Moopen	Non-Executive, Non-Independent Director
3.	T. J. Wilson	Non-Executive, Non-Independent Director

An extract of the Terms of Reference of the Committee are as follows:

The Stakeholders' Relationship Committee was constituted by our Board of Directors at their meeting held on November 19, 2014 and reconstituted by our Board of Directors at their meeting held on April 21, 2015. The scope and function of the Stakeholders' Relationship Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations. The terms of reference of the Stakeholders' Relationship Committee of our Company include effectively resolving the grievances of the security holders of the company including complaints related to transfer of shares, non-receipt of annual reports, non-receipt of declared dividends, resolving investors' complaints pertaining to share transfers, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints etc.

No meeting of the Stakeholders' Relationship Committee was held during the Financial year 2017-18

### Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

Sl. No.	Name of the Director	Category
1.	Dr. Azad Moopen (Chairman)	Executive, Non-Independent Director
2.	Harsh C. Mariwala	Non-Executive, Independent Director
3.	M. Madhavan Nambiar	Non-Executive, Independent Director
4.	Daniel R. Mintz	Non-Executive, Non-Independent Director

The Corporate Social Responsibility Committee was constituted by our Board of Directors at their meeting held on June 25, 2014 and reconstituted by the Board of Directors at their meeting held on September 16, 2015 and subsequently on June 7, 2017. The terms of reference of the Corporate Social Responsibility Committee of our Company include the following:

An extract of the Terms of Reference of the Committee are as follows:

Formation of a corporate social responsibility policy of the Company and recommendation of the same to the Board for approval. Identification of corporate social responsibility activities and recommendation of the same to the Board for approval. Monitoring of corporate social responsibility expenditure and activities by the Company. Presenting of annual report on corporate social responsibility activities to the Board to enable the Board to present the annual report on corporate social responsibility activities to the shareholders.

No meeting of the Corporate Social Responsibility Committee was held during the Financial year 2017-18

### IPO Committee

The members of the IPO Committee are:

Sl. No.	Name of the Director	Category
1.	Dr. Azad Moopen (Chairman)	Executive, Non-Independent Director
2.	Alisha Moopen	Non-Executive, Non-Independent Director

The IPO Committee was constituted by our Board of Directors on January 20, 2015 and reconstituted on September 16, 2015 and subsequently on June 7, 2017. The terms of reference were amended on July 25, 2017. The IPO Committee has been authorized to approve and decide upon all activities in connection with the Offer, including, but not limited to, to approve the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus, to decide the terms and conditions of the Offer, including the Price Band and the Offer Price, to appoint various intermediaries, negotiating and executing Offer related agreements and to submit applications and documents to relevant statutory and other authorities from time to time.

#### ii. Stakeholders relationship other details:

##### a. Name, designation and address of Compliance Officer:

###### **Rajesh A**

Company Secretary and Compliance Officer  
Aster DM Healthcare Limited  
IX/475L, Aster Medcity,  
Kuttisahib Road, Near Kothad Bridge,  
South Chittoor P.O., Cheranalloor,  
Kochi- 682027, Ernakulam, Kerala, India  
Tel.: +91-484-6699228  
Fax: +91-484-6699862  
Email: investors@asterdmhealthcare.com

- b. Details of investor complaints received and redressed during the year 2017-18 are as follows:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
00	04	04	00

iii. Nomination and Remuneration Committee – Other details

**Performance Evaluation criteria of for Independent Directors:**

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration Committee. An indicative list of factors on which the evaluation was carried out includes participation and contribution by Director, commitment, effective deployment of knowledge and expertise, integrity and maintenance of confidentiality of behaviour and judgement.

**Remuneration Policy:**

Remuneration policy of the Company is designed to create a high-performance culture, through which your company retains, motivates and attracts employees to achieve results. In each country where the Company operates, the remuneration structure is tailored to the regulations, practices and benchmarks prevalent in the Healthcare industry.

The remuneration/ sitting fee paid to Executive/ Non-Executive Directors includes only fixed pay. During the Financial year under review the Company paid sitting fees of INR 100,000 per sitting to each director for attending the meetings of Board/ committees of the Board. The company also reimburses the out of pocket expenses incurred by the Directors. In the inadequacy of profit on a standalone basis your Chairman and Managing Director is entitled to a fixed pay

of INR 500,000 per month as stipulated under the statute and which was agreed by the shareholders through a resolution passed in the Annual General Meeting of the Company held on 20th September 2017.

iv. Details of the remuneration paid to the Directors for the year ended March 31, 2018:

(INR in Millions)

Name	Category	Sitting Fee/ Managerial Remuneration*
<b>Executive Director</b>		
Dr. Azad Moopen	Chairman and Managing Director	6.0**
<b>Independent, Non-Executive</b>		
Daniel James Snyder	Independent, Non-Executive	0.5
Madhavan Nambiar	Independent, Non-Executive	0.8
Ravi Prasad	Independent, Non-Executive	0.8
Harsh C Mariwala	Independent, Non-Executive	0.6
R Sukumar	Independent, Non-Executive	0.4
Suresh M Kumar	Independent, Non-Executive	0.8

\*None of the Directors are given a variable pay.

\*\* 1. Other Allowance and Benefits: Use of Company's car, chauffeur and telephone for official purposes

2. He is entitled to gratuity payments and leave encashments as per our Company's policies.

3. Dr. Azad Moopen also receives remuneration from DM Healthcare Services to the extent of INR 159.51 mn

v. Number of meetings held and Attendance record

Sl No	Name of Director	Attendance		
		No. of Board Meetings attended	Audit and Risk Management Committee	Nomination and Remuneration Committee
<b>Total Meetings in the Financial Year</b>		<b>4</b>	<b>4</b>	<b>2</b>
1.	Dr. Azad Moopen	4	NA	NA
2.	Alisha Moopen	4	NA	2
3.	T J Wilson	4	4	NA
4.	Anoop Moopen	4	NA	NA
5.	Daniel Robert Mintz	3	NA	2
6.	Shamsudheen Bin Mohideen Mammu Haji	3	NA	NA
7.	Daniel James Snyder	3	NA	2
8.	Madhavan Nambiar	4	4	NA
9.	Ravi Prasad	4	4	NA
10.	Harsh C Mariwala	4	NA	2
11.	R Sukumar	4	NA	NA
12.	Suresh M Kumar	4	4	NA
Quorum		The necessary quorum was present throughout the above meetings		

\*No meetings of Stakeholders Relationship Committee and Corporate Social Responsibility Committee were held during the financial year 2017-18.

## General Body Meetings

### i. General Meeting

#### a. Annual General Meeting ('AGM')

Details of AGMs held during the last 3 years are as under:

Financial Year	Date	Time	Venue
2014-15	21.12.2015	09:30 AM - 10:30 AM	Registered office at Aster Medcity, Kochi, Kerala, 682027
2015-16	30.09.2016	09:30 AM - 10:30 AM	
2016-17	20.09.2017	11:00 AM - 12:30 PM	

#### b. Extra Ordinary General Meeting ('EGM')

Two EGMs were held during the financial year 2017-18, details of which are as under:

Date	Time	Venue
27.07.2017	05:00 PM - 05:30 PM	Registered office at Aster Medcity, Kochi, Kerala, 682027
18.01.2018	11:00 AM - 11:30 AM	

#### c. No special resolution (s) were passed through postal ballot.

ii. No special resolution is proposed to be conducted through postal ballot at the AGM proposed to be held on August 16, 2018

iii. Details of special resolutions passed during the last 3 AGMs are as under:

Financial Year	Date	Special Resolution passed
2014-15	21.12.2015	Nil
2015-16	30.09.2016	Nil
2016-17	20.09.2017	Approval of remuneration to Managing Director

## Other Disclosures

Particulars	Regulations	Details	Web link to details/ policy
Related party transactions	Regulation 23 of SEBI Listing Regulations and as defined under the Act	All material transactions entered into with related parties during the financial year were in the ordinary course of business and approved by the Audit Committee. The board approved policy for related party transactions is uploaded on the website of the Company. Also please refer to the Form AOC 2 which forms part of the Boards Report	<a href="http://www.asterdmhealthcare.com/investors/">http://www.asterdmhealthcare.com/investors/</a>
Details of Non - compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets	Schedule V (c) 10(b) to the SEBI Listing Regulations	There were no cases of non-compliance during the last three years.	
Whistle Blower Policy and Vigil Mechanism	Regulation 22 of SEBI Listing Regulations	The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. No person has been denied access to the Chairman of the Audit and Risk Management Committee. The said policy has been uploaded on the website of the Company.	<a href="http://www.asterdmhealthcare.com/investors/">http://www.asterdmhealthcare.com/investors/</a>

Particulars	Regulations	Details	Web link to details/ policy
Policy on Determination of Materiality for Disclosures	Regulation 23 of SEBI Listing Regulations	The Company has adopted a Policy on Determination of Materiality for Disclosures	<a href="http://www.asterdmhealthcare.com/investors/">http://www.asterdmhealthcare.com/investors/</a>
Policy on Archival and Preservation of Documents	Regulation 9 of SEBI Listing Regulations	The Company has adopted a Policy on Archival and Preservation of Documents	<a href="http://www.asterdmhealthcare.com/investors/">http://www.asterdmhealthcare.com/investors/</a>
Reconciliation of share capital audit		A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ('NSDL') and the Central Depository Services (India) Limited ('CDSL') and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.	
Code of Conduct	Regulation 17 of SEBI Listing Regulations	The members of the board and senior management personnel have affirmed compliance with the Code of Conduct applicable to them during the year ended March 31, 2018. The annual report of the Company contains a certificate by the Managing Director, on the compliance declarations received from Independent Directors, Non-executive Directors and Senior Management	<a href="http://www.asterdmhealthcare.com/investors/">http://www.asterdmhealthcare.com/investors/</a>
Subsidiary Companies	Regulation 24 of SEBI Listing Regulations	The audit committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company does not have any material non-listed Indian subsidiary company. Since the Company was listed from 26th February 2018, the requirement to place subsidiary financials was not applicable for FY 18.	
Dividend Distribution Policy	Regulation 43A of the SEBI Listing Regulations	Company has adopted a dividend distribution policy as required under the Regulation 43A of the SEBI Listing Regulations.	<a href="http://www.asterdmhealthcare.com/investors/">http://www.asterdmhealthcare.com/investors/</a>

## Means of communication

The quarterly, half-yearly and annual results of the Company will be published in various newspapers. The results will also be displayed on the Company's website '<http://www.asterdmhealthcare.com>'. Press Releases made by the Company from time to time will also be displayed on the Company's website. Presentations made to the institutional investors and analysts after the declaration of the quarterly, half-yearly and annual results will be displayed on the Company's website. A Management Discussion and Analysis Report is a part of the Company's Annual Report. Company regularly updates various stakeholders regarding Financial results and other material developments by publishing the same with the stock exchanges.

## General shareholder information

### i. Annual General Meeting of the Company for the FY 2017-18

Date	16th August 2018
Time	10:00 A M
Venue	Knowledge Hub, Aster Medcity, Kochi-682027, Kerala

As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Directors seeking appointment/re-appointment at the ensuing AGM are given herein and in the Annexure to the Notice of the AGM to be held on 16th August 2018

### ii. Financial Calendar

Year Ending	March 31
AGM in	16th August 2018
Dividend payment	No dividend is proposed

iii. <b>Date of Book Closure / Record Date</b>	09th August 2018 (Record Date)* *Record date for the purpose of determining shareholders entitled to cast their vote
------------------------------------------------	-------------------------------------------------------------------------------------------------------------------------

iv. <b>Listing on Stock Exchanges</b>	National Stock Exchange of India Limited ('NSE') Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (East), Mumbai 400 051 Stock Code: ASTERDM BSE Limited ('BSE') 25th floor, P. J. Towers, Dalal Street Mumbai 400 001 Scrip Code: 540975 Applicable listing fees have been paid.
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v. <b>CIN</b>	U85110KL2008PLC021703
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vi. <b>ISIN</b>	INE914M01019
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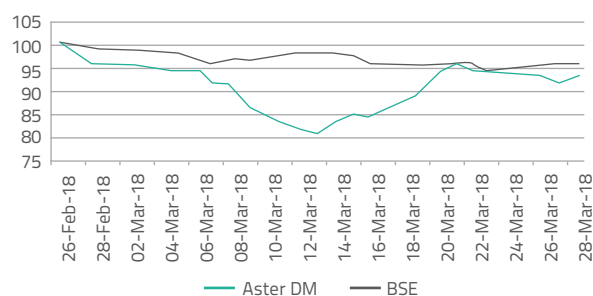
**vii. Market Price Data:**

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2017-18 on NSE and BSE:

Month	BSE		Month	NSE	
	High Price	Low Price		High Price	Low Price
Feb-18	187.8	169.95	Feb-18	188	170.1
Mar-18	176.4	140.1	Mar-18	176.3	140

\*Company got listed on 26th of February 2018

**viii. Performance of the share price of the Company in comparison to the BSE Sensex:**



Base 100= Feb 26, 2018

**ix. Registrars and Transfer Agents:**

Name and Address	Link Intime India Pvt Ltd Surya 35, Mayflower Avenue, Behind Senthil Nagar Sowripalayam Road Coimbatore – 641028
Telephone	+91 422 2314792
Fax	+91 422 2314792
E-mail	coimbatore@linkintime.co.in
Webiste	<a href="https://www.linkintime.co.in/">https://www.linkintime.co.in/</a>

**x. Places for acceptance of documents**

Documents will be accepted at	Link Intime India Pvt Ltd Surya 35, Mayflower Avenue, Behind Senthil Nagar Sowripalayam Road Coimbatore – 641028
Time	During Office hours

**xi. Share Transfer System**

Trading in equity shares of the Company through recognized Stock Exchanges is permitted only in dematerialized form. Shares sent for transfer in physical form are registered and returned within a period of 30 days from the date of receipt of documents, provided the documents are complete and valid in all respects.

**xii. Shareholding as on March 31, 2018**

**a) Distribution of shareholdings as on March 31, 2018**

Number of shares	Holding	Percentage to capital	Number of accounts	Percentage to total accounts
1 – 100	1,04,71,648	2.073%	1,36,851	91.564%
101 – 500	20,38,880	0.404%	10,815	7.236%
501 – 1000	9,08,829	0.180%	1,360	0.910%
1001 – 5000	5,04,481	0.100%	258	0.173%
5001 – 10000	3,15,749	0.062%	48	0.032%
10001 – 20000	4,01,769	0.080%	32	0.021%
20001 – 30000	1,02,762	0.020%	4	0.003%
30001 – 40000	1,41,132	0.028%	4	0.003%
40001 – 50000	93,076	0.018%	2	0.001%
50001 – 100000	4,25,529	0.084%	6	0.004%
100001 – above	48,98,23,490	96.951%	80	0.054%
<b>Grand Total</b>	<b>50,52,27,345</b>	<b>100.000%</b>	<b>1,49,460</b>	<b>100.000%</b>



**b) Category of Equity Shareholders as on March 31, 2018**

Category	Number of equity shares held	Percentage of holding
Promoters	18,92,31,810	37.45%
Mutual Fund	92,19,639	1.82%
Alternate Investment Funds	47,89,044	0.95%
Foreign Venture Capital Investors	1,49,46,222	2.96%
Foreign Portfolio Investors	1,96,00,955	3.88%
Individuals	4,52,84,669	8.96%
Trusts	1,25,000	0.02%
HUF	6,03,363	0.12%
Overseas Corporate Bodies	16,48,77,871	32.63%
Non-Resident Indian (NRI)	52,78,860	1.04%
Clearing Members	3,14,901	0.06%
Bodies Corporate	4,72,50,449	9.35%
Employee Benefit Trust	37,04,562	0.73%
<b>Total</b>	<b>50,52,27,345</b>	<b>100.00%</b>

**c) Top ten shareholders as on March 31, 2018**

SI No	Name of the Shareholder	Shares	Percentage
1	Union Investments Private Limited	18,87,06,090	37.35%
2	Olympus Capital Asia Investments Limited	11,77,94,613	23.32%
3	Rimco (Mauritius) Limited	5,10,86,711	10.11%
4	IVF Trustee Company Private Limited	4,65,37,491	9.21%
5	Rashid Aslam Bin Mohideen Mammu Haji	1,12,25,214	2.22%
6	Indium IV Mauritius Holdings Limited	1,09,42,770	2.17%
7	Shamsudheen Bin Mohideen Mammu Haji	57,17,829	1.13%
8	True North Fund V LLP	46,19,344	0.91%
9	Olympus ACF PTE. LTD.	46,19,297	0.91%
10	Karst Peak Asia Master Fund	39,56,926	0.78%

**xiii. Auditors Certificate on Corporate Governance**

A certificate from the Statutory Auditors of the Company on Corporate Governance forms part of the Boards Report. Please refer Annexure D of the Boards Report.

**xiv. Unit Locations**

Your Company operates various hospitals and clinics in India. It also operates hospitals, clinics and pharmacies through various subsidiaries in GCC Countries. Details of various hospitals are available in the MDA report as well as the website of the Company

**xv. Address for correspondence**

Aster DM Healthcare Limited  
 IX/475L, Aster Medcity, Kuttisahib Road,  
 South Chittoor P.O., Cheranalloore,  
 Kochi – 333682027, India  
 Tel: 0484 6699228  
 E-mail: investors@asterdmhealthcare.com  
 Website: www.asterdmhealthcare.com

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# CEO and CFO Compliance Certificate

We, Dr. Azad Moopen, Chairman and Managing Director and Mr. Sreenath Reddy, Chief Financial Officer hereby certify that:

- a) We have reviewed the financial statements and cash flow statement for the year ended 31st March 2018 and to the best of our knowledge and belief:
  - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - ii) these statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.
- b) To the best of our knowledge and belief, no transactions entered into by the Company during the year ended 31st March 2018 are fraudulent, illegal or violative of the Company's code of conduct.
- c) We accept responsibility for establishing and maintaining internal controls for financial reporting and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting. Deficiencies in the design or operation of such internal controls, if any, of which we are aware have been disclosed to the auditors and the Audit Committee and steps have been taken to rectify these deficiencies.
- d)
  - i) There has not been any significant change in internal control over financial reporting during the year under reference;
  - ii) There has not been any significant change in accounting policies during the year requiring disclosure in the notes to the financial statements; and
  - iii) We are not aware of any instance during the year of significant fraud with involvement therein of the management or any employee having a significant role in the Company's internal control system over financial reporting.

This certificate is being given to the Board pursuant to Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Thank You,

**Dr. Azad Moopen**  
Chairman and Managing Director

**Sreenath Reddy**  
Chief Financial Officer

Place : Dubai  
Date : 21st May 2018

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# Independent Auditors' Report

To the Members of **Aster DM Healthcare Limited**

## Report on the Audit of the Standalone Ind AS Financial Statements

We have audited the accompanying standalone Ind AS financial statements of Aster DM Healthcare Limited ('the Company'), which comprise the balance sheet as at 31 March 2018, the statement of profit and loss, the statement of changes in equity and the statement of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as 'standalone Ind AS financial statements').

## Management's responsibility for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ('the Act') with respect to the preparation of these standalone Ind AS financial statements that give a true and fair view of the state of affairs, profit/ loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

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 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 standalone Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

## Auditors' responsibility

Our responsibility is to express an opinion on these standalone Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the standalone Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the standalone Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the standalone Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's 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 entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2018, and its loss and other comprehensive income, the changes in equity and its cash flows for the year ended on that date.

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## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the said Order.
2. As required by Section 143 (3) of the Act, we report that:
  - a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) in our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) the balance sheet, the statement of profit and loss, the cash flow statement and the statement of changes in equity dealt with by this Report are in agreement with the books of account;
  - d) in our opinion, the aforesaid standalone Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act;
  - e) on the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - f) with respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in 'Annexure B'; and
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a. the Company has disclosed the impact of pending litigations on its financial position in its standalone Ind AS financial statements - Refer Note 30 to the standalone Ind AS financial statements;
    - b. The Company did not have any long-term contracts including derivative contracts for which there were material foreseeable losses ; and
    - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - d. The disclosures in the financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited Standalone Ind AS financial statements for the period ended 31 March 2017 have been disclosed.

for **B S R and Associates**

Chartered Accountants

Firm's registration number: 128901W

**Rushank Muthreja**

Partner

Bangalore

21 May 2018

Membership number: 211386

# Annexure - A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of the Company on the standalone Ind AS financial statements for the year ended 31 March 2018. We report that:

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) The inventory has been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of such verification is reasonable.
- (iii) The Company has granted unsecured loans to four parties covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act')
- (a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the parties listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.
- (b) The terms of the loan arrangements do not stipulate any repayment terms of principle / interest and are repayable on demand. As the repayment has not been demanded as at the year end, paragraph 3(iii)(b) of the Order is not applicable.
- (c) Since the terms of the agreement do not stipulate repayment terms of principle / interest and as no demand has been made, there are no overdue amounts for more than 90 days. Accordingly, paragraph 3(iii)(c) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, based on the legal opinion obtained by the management the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans, investments and guarantees made.
- (v) According to information and explanations given to us, the Company has not accepted any deposits from the public. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of accounts maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014 as amended, prescribed by the Central Government under Section 148 of the Act and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However we have not made a detailed examination of such records.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted / accrued in the books of account in respect of undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, value added tax, service tax, goods and services tax, customs duty, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of excise duty.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, sales tax, service tax, goods and services tax, customs duty, value added tax, cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, there are no dues of service tax, customs duty, goods and services tax, sales tax and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax and value added tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Nature of dues	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax and interest	172,186,780	FY 2013-14	Commissioner of Income Tax, Appeals
Income tax Act, 1961	Income tax and interest	28,581,158	FY 2014-15	Commissioner of Income Tax, Appeals
Kerala Value Added Tax, 2003	Sales tax and interest	12,803,286	FY 2014-15	Deputy Commissioner (Appeals)

- 
- (viii) In our opinion and according to the information and explanations give to us, the Company does not have defaults existing as at the balance sheet date in repayment of borrowings to banks. The Company did not have any borrowings during the year by way of debentures, loans from financial institutions or loan from the Government.
- (ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Thus, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with

Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

- (xiv) During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures. Thus, paragraph 3(xiv) of the Order is not applicable.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Thus, paragraph 3(xv) of the Order is not applicable.
- (xvi) According to the information and explanation given to us and in our opinion, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

for **B S R and Associates**  
Chartered Accountants  
Firm's registration number: 128901W

Bangalore  
21 May 2018

**Rushank Muthreja**  
Partner  
Membership number: 211386

# Annexure - B to the Independent Auditors' Report

## Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

We have audited the internal financial controls with reference to financial statements of Aster DM Healthcare Limited ('the Company') as of 31 March 2018 in conjunction with our audit of the standalone Ind AS financial statements of the Company for the year ended on that date.

### Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the 'Guidance Note') and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an internal financial controls with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the ICAI.

for **B S R and Associates**  
Chartered Accountants  
Firm's registration number: 128901W

Bangalore  
21 May 2018

**Rushank Muthreja**  
Partner  
Membership number: 211386

# Balance Sheet

as at 31 March 2018

	Note	As at 31 March 2018	As at 31 March 2017
₹ in Millions			
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	7,699.81	7,102.71
Capital work-in-progress	4	173.57	629.63
Intangible assets	5	23.46	40.73
Financial assets			
Investments	6	20,858.56	21,374.90
Other financial assets	7	396.65	421.65
Deferred tax assets	29	7.39	7.39
Income tax assets (net)	29	264.94	143.97
Other non-current assets	8	529.76	511.03
<b>Total non-current assets</b>		<b>29,954.14</b>	<b>30,232.01</b>
<b>Current assets</b>			
Inventories	9	169.35	206.86
Financial assets			
Trade receivables	10	305.31	244.51
Cash and cash equivalents	11	838.50	146.84
Other bank balances	12	795.10	43.42
Loans	13	638.40	563.01
Other financial assets	7	100.67	538.51
Other current assets	8	136.19	271.58
<b>Total current assets</b>		<b>2,983.52</b>	<b>2,014.73</b>
<b>Total assets</b>		<b>32,937.66</b>	<b>32,246.74</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	14	5,052.29	4,032.22
Other equity		24,207.44	19,248.56
<b>Equity attributable to owners of company</b>		<b>29,259.73</b>	<b>23,280.78</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	15	266.17	5,470.63
Derivatives	35	863.00	861.30
Provisions	17	58.60	33.98
Deferred tax liabilities (net)	29	158.99	158.99
Other non-current liabilities	18	573.00	444.10
<b>Total non-current liabilities</b>		<b>1,919.76</b>	<b>6,969.00</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	15	832.57	972.70
Trade payables	19	231.95	320.25
Other financial liabilities	16	532.73	582.82
Provisions	17	9.99	6.33
Other current liabilities	18	150.93	114.86
<b>Total current liabilities</b>		<b>1,758.17</b>	<b>1,996.96</b>
<b>Total equity and liabilities</b>		<b>32,937.66</b>	<b>32,246.74</b>
Significant accounting policies	3		

The accompanying notes form an integral part of the balance sheet

As per our report of even date attached

for **B S R and Associates**  
Chartered Accountants  
Firm registration number: 128901W

**Rushank Muthreja**  
Partner  
Membership No.: 211386

Bangalore  
21 May 2018

for and on behalf of the Board of Directors of  
**Aster DM Healthcare Limited**  
CIN: U85110KL2008PLC021703

**Dr. Azad Moopen**  
Managing Director  
DIN 00159403

Dubai  
21 May 2018

**Sreenath Reddy**  
Chief Financial Officer

Dubai  
21 May 2018

**T J Wilson**  
Director  
DIN 02135108

Dubai  
21 May 2018

**Rajesh A**  
Company Secretary  
Membership no.: F7106

Kochi  
21 May 2018



# Statement of Profit and Loss

for the year ended 31 March 2018

₹ in Millions

	Note	Year ended 31 March 2018	Year ended 31 March 2017
<b>Income</b>			
Revenue from operations	20	5,300.66	3,795.12
Other income	21	161.08	306.52
<b>Total income</b>		<b>5,461.74</b>	<b>4,101.64</b>
<b>Expenses</b>			
Purchases of medicines and consumables	22	1,440.81	1,203.76
Change in inventories	23	37.51	(56.74)
Employee benefits expense	24	1,060.77	821.03
Finance costs	25	539.54	2,283.30
Depreciation and amortisation expense	26	590.77	675.74
Other expenses	27	2,664.26	2,299.38
<b>Total expenses</b>		<b>6,333.66</b>	<b>7,226.47</b>
<b>Loss before exceptional item and tax</b>		<b>(871.92)</b>	<b>(3,124.83)</b>
Exceptional item	28	-	3,591.89
<b>(Loss)/profit before tax</b>		<b>(871.92)</b>	<b>467.06</b>
Tax expense			
Current tax : MAT for the year	29	-	7.39
Deferred tax (including MAT credit entitlement)	29	-	(7.39)
<b>(Loss)/profit for the year</b>		<b>(871.92)</b>	<b>467.06</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit liability/ (asset), net of tax		(0.24)	(0.69)
<b>Total comprehensive income for the year</b>		<b>(872.16)</b>	<b>466.37</b>
<b>(Loss)/profit per share</b> (equity share of face value of INR 10 each)	31		
Basic		(1.87)	1.01
Diluted		(1.87)	1.01
Significant accounting policies	3		

The accompanying notes form an integral part of the statement of profit and loss

As per our report of even date attached

for **B S R and Associates**  
Chartered Accountants  
Firm registration number: 128901W

**Rushank Muthreja**  
Partner  
Membership No.: 211386

Bangalore  
21 May 2018

for and on behalf of the Board of Directors of  
**Aster DM Healthcare Limited**  
CIN: U85110KL2008PLC021703

**Dr. Azad Moopen**  
Managing Director  
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Dubai  
21 May 2018

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21 May 2018

**T J Wilson**  
Director  
DIN 02135108

Dubai  
21 May 2018

**Rajesh A**  
Company Secretary  
Membership no. : F7106

Kochi  
21 May 2018

# Statement of Changes in Equity

for the year ended 31 March 2018

## A. Equity share capital

	Note	Equity shares	Amount
Balance as at 31 March 2016		403.05	4,030.52
Changes in equity share capital during 2016-17	14	0.17	1.70
As at 31 March 2017		403.22	4,032.22
Changes in equity share capital during 2017-18	14	102.01	1,020.07
As at 31 March 2018		505.23	5,052.29

## B. Other equity

Particulars	Compulsory convertible preference shares	Other components of equity	Reserves and surplus				Retained earnings	Items of other Comprehensive Income	Total other equity attributable to equity holders of the Company
			Securities premium	Treasury shares	General reserve	Share options outstanding account			
Balance as at 1 April 2016	-	3,743.76	4,065.68	(280.44)	70.40	140.70	(2,390.42)	-	5,349.68
Total comprehensive income for the year ended 31 March 2017	-	-	-	-	-	-	467.06	-	467.06
Profit for the year	-	-	-	-	-	-	-	(0.69)	(0.69)
Other comprehensive income, net of tax	-	-	-	-	-	-	467.06	(0.69)	466.37
Total comprehensive income	-	-	-	-	-	-	(0.69)	0.69	-
Transferred to retained earnings	-	-	-	-	-	-	-	-	-
Transactions with owners, recorded directly in equity	-	-	52.31	-	-	-	-	-	52.31
Contributions by and distributions to owners	-	-	-	-	-	-	-	-	50.66
Shares issued for cash	-	-	-	-	-	-	-	-	(18.82)
Share based payment expense	-	-	35.81	-	-	50.66	-	-	43.78
Share options exercised	-	-	-	-	-	(54.63)	-	-	-
Change in reserve of ESOP Trust	-	-	-	43.78	-	-	-	-	-
Conversion of financial liability to equity	638.62	-	12,665.96	-	-	-	-	-	13,304.58
Share based payment	-	-	-	-	-	-	-	-	-
Total contributions by and distributions to owners	638.62	-	12,754.08	43.78	-	(3.97)	(0.69)	0.69	13,432.51
Balance as at 31 March 2017	638.62	3,743.76	16,819.76	(236.66)	70.40	136.73	(1,924.05)	-	19,248.56
Balance as at 1 April 2017	638.62	3,743.76	16,819.76	(236.66)	70.40	136.73	(1,924.05)	-	19,248.56
Total comprehensive income for the year ended 31 March 2018	-	-	-	-	-	-	(871.92)	-	(871.92)
Loss for the year	-	-	-	-	-	-	-	(0.24)	(0.24)
Other comprehensive income, net of tax	-	-	-	-	-	-	-	(0.24)	(0.24)
Total comprehensive income	-	-	-	-	-	-	(871.92)	(0.24)	(872.16)
Transferred to Retained earnings	-	-	-	-	-	-	(0.24)	0.24	-
Transactions with owners, recorded directly in equity	-	-	6,868.42	-	-	-	-	-	6,868.42
Contributions by and distributions to owners	-	-	-	-	-	43.44	-	-	43.44
Shares issued for cash (refer to note 42)	-	-	-	-	-	-	-	-	2.04
Share based payment expense	-	-	-	2.04	-	-	-	-	(443.11)
Change in reserve of ESOP Trust	-	-	(443.11)	-	-	-	-	-	(1.26)
Share issue expenses	-	-	2.14	-	-	(3.40)	-	-	(638.49)
Share options exercised	(638.62)	-	0.13	-	-	-	-	-	-
Conversion of CCPS to equity	(638.62)	-	6,427.58	2.04	-	40.04	(0.24)	0.24	5,831.04
Total contributions by and distributions to owners	-	-	23,247.34	(234.62)	70.40	176.77	(2,796.21)	-	24,207.44
Balance as at 31 March 2018	-	3,743.76	23,247.34	(234.62)	70.40	176.77	(2,796.21)	-	24,207.44

₹ in Millions

# Statement of Changes in Equity

for the year ended 31 March 2018

## B. Other equity (contd..)

### The description of the nature and purpose of each reserve within equity is as follows:

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013. During the year ended 31 March 2018, the Company had completed the initial public offer (IPO), pursuant to which fresh issue related expenses has been adjusted against securities premium.

The Company has established share based payment for eligible employees of the Company and its subsidiaries Also refer note 39 for further details on these plans.

General reserve is used from time to time to transfer profits from retained earnings for appropriate purposes.

### Treasury Shares

The Company has created the DM Healthcare Employees Welfare Trust ("the Trust") for providing share based payment to its employees. The Company treats the Trust as its extension and shares held by the Trust are treated as treasury shares. When the treasury shares are issued to the employees by the Trust, the amount received is recognised as an increase in equity and the resultant gain / (loss) is transferred to / from securities premium.

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date attached

### for B R and Associates

Chartered Accountants

Firm registration number: 128901W

### Rushank Muthreja

Partner

Membership No.: 211386

for and on behalf of the Board of Directors of

### Aster DM Healthcare Limited

CIN: U85110KL2008PLC021703

### Dr. Azad Moopen

Managing Director

DIN 00159403

Dubai

21 May 2018

### Sreenath Reddy

Chief Financial Officer

Bangalore

21 May 2018

### T J Wilson

Director

DIN 02135108

Dubai

21 May 2018

### Rajesh A

Company Secretary

Membership no. : F7106

Kochi

21 May 2018

# Cash Flow Statement

for the year ended 31 March 2018

	Year ended 31 March 2018	Year ended 31 March 2017
₹ in Millions		
<b>Cash flows from operating activities</b>		
<b>Loss before exceptional item and tax</b>	<b>(871.92)</b>	<b>(3,124.83)</b>
Adjustments for		
Depreciation and amortisation	590.77	675.74
Finance costs	539.54	2,283.30
Loss on fair valuation of put option	1.70	-
Dividend income from mutual funds	-	(4.16)
Dividend on non-current investments	(32.10)	(64.16)
Interest income under the effective interest method	(23.41)	(18.43)
Interest income	(18.49)	(13.88)
Allowances for credit losses on financial assets	6.92	13.50
Unrealised foreign exchange loss	(0.08)	(0.52)
Equity settled share based payments	26.75	2.22
Gain on sale of property, plant and equipment (net)	(1.94)	-
Loss/(gain) on sale of Investment (net)	18.16	(186.08)
<b>Operating loss before working capital changes</b>	<b>235.90</b>	<b>(437.30)</b>
Increase in trade receivables	(67.72)	(115.06)
Decrease/(increase) in inventories	37.51	(51.65)
Increase in loans and advances	(231.77)	(295.33)
Increase in liabilities and provisions	117.35	494.50
<b>Cash used in operations</b>	<b>91.27</b>	<b>(404.84)</b>
Taxes paid, net of refund received	(120.97)	(101.88)
<b>Net cash used in operating activities (A)</b>	<b>(29.70)</b>	<b>(506.72)</b>
<b>Cash flows from investing activities</b>		
Investments in subsidiaries	-	(2,403.71)
Proceeds from sale of investments in subsidiaries	578.24	1,614.95
Investments in liquid mutual fund units	-	(190.00)
Disposal of liquid mutual fund units	-	571.59
Interest received	17.24	9.75
Dividend received	32.10	64.16
Acquisition of intangible assets	(11.44)	(13.34)
Acquisition of property, plant and equipment	(799.93)	(2,166.24)
Proceeds from sale of property, plant and equipment	1.94	-
<b>Net cash generated from/(used) in investing activities (B)</b>	<b>(181.85)</b>	<b>(2,512.84)</b>

# Cash Flow Statement

for the year ended 31 March 2018

₹ in Millions

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity share capital	7,250.78	78.95
Share issue expenses paid during the year	(328.11)	-
Interest paid (including borrowing cost capitalised)	(662.25)	(275.50)
Long term secured loans repaid during the year	(5,646.56)	-
Long term secured loans availed	429.29	-
Short term secured loans (repaid)/availed, net	(92.64)	2,414.30
<b>Net cash generated from financing activities ( C )</b>	<b>950.51</b>	<b>2,217.75</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>738.96</b>	<b>(801.81)</b>
Effect of exchange rate differences on translation of foreign currency cash and cash equivalents	(0.01)	(0.08)
<b>Cash and cash equivalents at the beginning of the year</b>	<b>99.55</b>	<b>901.44</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>838.50</b>	<b>99.55</b>

(Refer to note 11 - Cash and cash equivalents)

The accompanying notes form an integral part of the standalone cash flow statement

As per our report of even date attached

for **B S R and Associates**

Chartered Accountants

Firm registration number: 128901W

**Rushank Muthreja**

Partner

Membership No.: 211386

Bangalore  
21 May 2018

for and on behalf of the Board of Directors of

**Aster DM Healthcare Limited**

CIN: U85110KL2008PLC021703

**Dr. Azad Moopen**

Managing Director

DIN 00159403

Dubai  
21 May 2018

**Sreenath Reddy**

Chief Financial Officer

Dubai  
21 May 2018

**T J Wilson**

Director

DIN 02135108

Dubai  
21 May 2018

**Rajesh A**

Company Secretary

Membership no. : F7106

Kochi  
21 May 2018

# Notes to the Standalone Financial Statements

## 1. Company overview

Aster DM Healthcare Limited ('the Company') primarily carries on the business of rendering healthcare and allied services in India. The Company was converted into a public limited company with effect from 1 January 2015. The Company is a subsidiary of Union Investments Private Limited, Mauritius which is also the ultimate holding Company (till 22 February 2018). The Company listed its shares in Bombay Stock Exchange Limited and National Stock Exchange Limited in India on 26 February 2018.

The Company owns and operates certain hospitals and also enters into management agreements with hospitals under which the Company acquires the operating control of the hospitals. The Company has subsidiaries in United Arab Emirates ('UAE'), Oman, Kingdom of Saudi Arabia ('KSA'), Bahrain, Qatar, Kuwait, Jordan, Philippines and India.

## 2. Basis of preparation

### A. Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards ('Ind AS') as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant amended rules prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 21 May 2018.

Details of the Company's accounting policies are included in Note 3.

### B. Functional and presentation currency

These standalone financial statements are presented in Indian Rupees (INR), which is also the Company's functional currency. All amounts are presented in Indian Rupees in millions, except share data, unless otherwise stated.

### C. Basis of measurement

The standalone financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivatives instruments)	Fair value
Liabilities for equity-settled share-based payment arrangements	Fair value
Net defined benefit liability	Present value of defined benefit obligations

### D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the notes:

- Note 37- lease classification

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

- Note 4 and 5 - measurement of useful life and residual value of property, plant and equipment and intangible assets;
- Note 36 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 29 - recognition of deferred tax asset: availability of future taxable profit against which tax losses carried forward can be used;
- Note 30 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 35 - impairment of financial assets.

### E. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

# Notes to the Standalone Financial Statements

- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 39: share-based payment arrangements.
- Note 35: financial instruments.

## F. Recent Accounting Pronouncements

Ind AS 115, Revenue from Contract with Customers

On 28 March 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two methods of transition:

- Retrospective approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch up approach).

The effective date for adoption of Ind AS 115 is financial period beginning on or after 1 April 2018.

The company will adopt the standard on 1 April 2018 by using cumulative catch up transition method and accordingly, comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The effect of adoption of Ind AS 115 is not expected to be material.

## 3. Significant accounting policies

### 3.1 Property, plant and equipment

#### i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under other non-current assets. The cost of property, plant and equipment not ready for its intended use at each balance sheet date are disclosed as capital work-in-progress.

#### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

# Notes to the Standalone Financial Statements

## iii. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the profit or loss. Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is lower. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Class of assets	Previous useful life	Revised useful life
Buildings	60	60
Plant and equipment	5	15
Medical equipment*	10	10-13
Motor vehicles *	5	5
Computer equipment	3	3
Servers and networks	6	6
Furniture and fixtures *	5	5-10
Electrical equipment	5	10

\* For the above mentioned classes of assets, based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

**Change in estimated useful life:** With effect from 1 April 2017, based on the technical evaluation, the Company has revised the estimated useful lives of certain categories of property, plant and equipment. The change in accounting estimate is applied prospectively in accordance with Ind AS 8, 'Accounting policies, changes in accounting estimates and errors' and has an impact on the depreciation expense. The financial impact due to the change in the estimate is disclosed in Note 4. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

## 3.2 Intangible assets

Intangibles assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use and is included in depreciation and amortisation in profit or loss.

The estimated useful lives are as follows:

Class of assets	Years
Software	3
Trademarks	3

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

## 3.3 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises purchase price, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. The Company uses the weighted average method to determine the cost of inventory consisting of medicines and medical consumables.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable values is made on an item-by-item basis.

## 3.4 Impairment

### i. Impairment of financial instruments

The Company recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Company assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Company is exposed to credit risk.



# Notes to the Standalone Financial Statements

## Measurement of expected credit losses

Expected credit losses are a probability weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Company in accordance with the contract and the cash flows that the Company expects to receive).

## Presentation of allowance for expected credit losses in the balance sheet

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

## Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Company determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off.

## ii. Impairment of non- financial assets

The Company's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is

any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

## 3.5 Employee benefits

### Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

### Post-employment benefits

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in other comprehensive income (OCI). The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

### Other long term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and

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# Notes to the Standalone Financial Statements

prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in other comprehensive income in the period in which they arise.

## Share-based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

## 3.6 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

## 3.7 Revenue

Revenue from medical and healthcare services to patients is recognised as revenue when the related services are rendered unless significant future uncertainties exist. Revenue is also recognised in relation to the services rendered to the patients who are undergoing treatment/ observation on the balance sheet date to the extent of services rendered.

Revenue is recognised net of discounts given to the patients.

Revenue from sale of medical consumables and drugs within the hospital premises is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

'Unbilled revenue' represents value to the extent of medical and healthcare services rendered to the patients who are undergoing treatment/ observation on the balance sheet date and is not billed as at the balance sheet date.

Income from services rendered is recognised based on agreements / arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably.

## 3.8 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

# Notes to the Standalone Financial Statements

## 3.9 Leases

### i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values.

### ii. Assets held under leases

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Balance Sheet.

### iii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight-line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

## 3.10 Recognition of dividend income, interest income or interest expense

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

## 3.11 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the profit or loss. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

# Notes to the Standalone Financial Statements

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

## 3.12 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

## 3.13 Financial instruments

### i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

### ii. Classification and subsequent measurement

#### Financial assets

On initial recognition, a financial asset is classified as measured at either at amortised cost, FVTPL or fair value in other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

#### Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at investment level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for each of such investments and the operation of those policies in practice.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

# Notes to the Standalone Financial Statements

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non recourse features).

## Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

## Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading, or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

### iii. Derecognition

#### Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

### iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has

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# Notes to the Standalone Financial Statements

a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

## v. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit or loss.

### 3.14 Earnings / (loss) per share

The basic earnings / (loss) per share ('EPS') is computed by dividing the net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential

equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

### 3.15 Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

### 3.16 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

# Notes to the Standalone Financial Statements

## 4. Property, plant and equipment and capital work-in-progress

Particulars	Freehold land	Buildings *	Leasehold improvements	Furniture and fixtures	Electrical equipment	Plant and equipment	Computer Equipment	Medical equipment	Servers and Networks	Motor Vehicles	Total (A)	₹ in Millions	
												Capital work-in-progress (B)	Total (A+B)
<b>Gross carrying value</b>													
Balance at 1 April 2016	1,057.77	1,713.92	-	417.46	268.19	459.75	56.14	2,012.02	78.05	40.13	6,103.43	1,304.87	7,408.30
Additions/(transfers)	21.55	96.61	839.81	52.23	14.22	69.32	33.47	1,209.62	1.00	2.17	2,340.00	(675.24)	1,664.76
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2017</b>	<b>1,079.32</b>	<b>1,810.53</b>	<b>839.81</b>	<b>469.69</b>	<b>282.41</b>	<b>529.07</b>	<b>89.61</b>	<b>3,221.64</b>	<b>79.05</b>	<b>42.30</b>	<b>8,443.43</b>	<b>629.63</b>	<b>9,073.06</b>
Balance at 1 April 2017	1,079.32	1,810.53	839.81	469.69	282.41	529.07	89.61	3,221.64	79.05	42.30	8,443.43	629.63	9,073.06
Additions/(transfers)	2.24	745.18	5.15	47.01	28.91	62.69	11.75	249.44	6.46	0.33	1,159.16	(456.06)	703.10
Disposals	-	-	-	-	-	-	-	-	-	9.31	9.31	-	9.31
<b>Balance at 31 March 2018</b>	<b>1,081.56</b>	<b>2,555.71</b>	<b>844.96</b>	<b>516.70</b>	<b>311.32</b>	<b>591.76</b>	<b>101.36</b>	<b>3,471.08</b>	<b>85.51</b>	<b>33.32</b>	<b>9,593.28</b>	<b>173.57</b>	<b>9,766.85</b>
<b>Accumulated Depreciation</b>													
Balance at 1 April 2016	-	36.96	-	112.38	89.09	124.34	22.74	273.65	20.16	14.59	693.91	-	693.91
Depreciation for the year	-	28.99	53.25	88.63	54.75	95.79	23.74	282.51	13.10	6.05	646.81	-	646.81
Disposals	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Balance at 31 March 2017</b>	<b>-</b>	<b>65.95</b>	<b>53.25</b>	<b>201.01</b>	<b>143.84</b>	<b>220.13</b>	<b>46.48</b>	<b>556.16</b>	<b>33.26</b>	<b>20.64</b>	<b>1,340.72</b>	<b>-</b>	<b>1,340.72</b>
Balance at 1 April 2017	-	65.95	53.25	201.01	143.84	220.13	46.48	556.16	33.26	20.64	1,340.72	-	1,340.72
Depreciation for the year	-	32.35	108.86	47.46	19.84	30.89	24.45	278.22	13.69	6.30	562.06	-	562.06
Disposals	-	-	-	-	-	-	-	-	-	9.31	9.31	-	9.31
<b>Balance at 31 March 2018</b>	<b>-</b>	<b>98.30</b>	<b>162.11</b>	<b>248.47</b>	<b>163.68</b>	<b>251.02</b>	<b>70.93</b>	<b>834.38</b>	<b>46.95</b>	<b>17.63</b>	<b>1,893.47</b>	<b>-</b>	<b>1,893.47</b>
<b>Carrying amounts (net)</b>													
<b>At 31 March 2018</b>	<b>1,081.56</b>	<b>2,457.41</b>	<b>682.85</b>	<b>268.23</b>	<b>147.64</b>	<b>340.74</b>	<b>30.43</b>	<b>2,636.70</b>	<b>38.56</b>	<b>15.69</b>	<b>7,699.81</b>	<b>173.57</b>	<b>7,873.38</b>
<b>At 31 March 2017</b>	<b>1,079.32</b>	<b>1,744.58</b>	<b>786.56</b>	<b>268.68</b>	<b>138.57</b>	<b>308.94</b>	<b>43.13</b>	<b>2,665.48</b>	<b>45.79</b>	<b>21.66</b>	<b>7,102.71</b>	<b>629.63</b>	<b>7,732.34</b>

a) Property, plant and equipment and capital work-in-progress includes borrowing cost capitalised in accordance with Ind AS 23 - Borrowing cost aggregating INR 26.82 (31 March 2017 INR 133.14).

b) Capital work in progress represents expenditure towards construction of hospitals at Kochi and Bangalore

c) For details of property, plant and equipment pledged, refer Note 15

d) With effect from 1 April 2017, the Group has revised the useful lives of certain property, plant and equipment. The change in accounting estimate is applied prospectively in accordance with Ind AS 8; Accounting policies, changes in accounting estimates and errors. The effect of these changes on the depreciation charge in the current and future years is as follows:

For the year ended	31 March 2018	31 March 2019	31 March 2020	31 March 2021	31 March 2022
Decrease in depreciation charge	291.28	305.15	198.24	98.53	10.00

\* Includes buildings constructed on land pursuant to the arrangement described in Note 41

# Notes to the Standalone Financial Statements

## 5. Intangible assets

	Computer software	Trade Marks	Total
₹ in Millions			
<b>Gross carrying value</b>			
Balance at 1 April 2016	81.98	0.98	82.96
Additions	13.20	0.14	13.34
Disposals	-	-	-
<b>Balance at 31 March 2017</b>	<b>95.18</b>	<b>1.12</b>	<b>96.30</b>
Balance at 1 April 2017	95.18	1.12	96.30
Additions/transfers	-	-	-
Additions	11.40	0.04	11.44
Disposals	-	-	-
<b>Balance at 31 March 2018</b>	<b>106.58</b>	<b>1.16</b>	<b>107.74</b>
<b>Accumulated amortisation</b>			
Balance at 1 April 2016	26.07	0.57	26.64
Amortisation for the year	28.75	0.18	28.93
<b>Balance at 31 March 2017</b>	<b>54.82</b>	<b>0.75</b>	<b>55.57</b>
Balance at 1 April 2017	54.82	0.75	55.57
Amortisation for the year	28.55	0.16	28.71
<b>Balance at 31 March 2018</b>	<b>83.37</b>	<b>0.91</b>	<b>84.28</b>
<b>Carrying amounts (net)</b>			
<b>At 31 March 2018</b>	<b>23.21</b>	<b>0.25</b>	<b>23.46</b>
<b>At 31 March 2017</b>	<b>40.36</b>	<b>0.37</b>	<b>40.73</b>

## 6. Investments

	As at 31 March 2018	As at 31 March 2017
₹ in Millions		
<b>Non-current investments, unquoted</b>		
<b>Investments in equity instruments of subsidiaries(at cost)</b>		
Aster DM Healthcare (Trivandrum) Private Limited, India 8,009,999 (31 March 2017: 8,009,999) equity shares of INR 10 each	80.10	80.10
DM Med City Hospitals India Private Limited, India 9,999 (31 March 2017: 9,999) equity shares of INR 10 each	0.10	0.10
Prerana Hospital Limited, India 2,626,100 (31 March 2017: 2,626,100) equity shares of INR 10 each	231.93	231.93
Ambady Infrastructure Private Limited, India 1,501,000 (31 March 2017: 1,501,000) equity shares of INR 100 each	191.67	191.67
Affinity Holdings Private Limited, Mauritius 1,000 (31 March 2017 : 1,000) equity shares of USD 1 each	0.05	0.05
Sri Sainatha Multi-Speciality Hospital Private Limited, India 1,000 (31 March 2017 : 1,000) Class A Equity shares of INR 10 each	0.10	0.10
Sri Sainatha Multi-Speciality Hospital Private Limited, India 4,071,188 (31 March 2017 : 3,289,938) Class B Equity shares of INR 10 each	421.58	341.51
Malabar Institute Of Medical Sciences Limited, India 64,198,863 (31 March 2017 : 64,198,863) equity shares of INR 10 each	2,111.70	2,111.70
Dr.Ramesh Cardiac and Multi- Speciality Hospital Private Limited, India 5,500,771 (31 March 2017 : 5,500,771) equity shares of INR 10 each	2,726.78	2,726.79
<b>Investments in preference shares of subsidiaries at amortised cost</b>		
Affinity Holdings Private Limited, Mauritius 225,604,675 (31 March 2017 : 234,589,675) non-cumulative redeemable preference shares of USD 1 each	14,975.07	15,571.47
Prerana Hospital Limited, India 1,531,167 (31 March 2017 : 1,531,167) compulsory convertible preference shares of INR 10 each	119.43	119.43
EMED Human Resources (India) Private Limited, India 5,000 (31 March 2017 : 5,000) equity shares of INR 10 each	0.05	0.05
	<b>20,858.56</b>	<b>21,374.90</b>
Aggregate book value of unquoted investments	20,858.56	21,374.90



# Notes to the Standalone Financial Statements

## 7. Other financial assets

	As at 31 March 2018	As at 31 March 2017
₹ in Millions		
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Rent and other deposits	387.26	354.53
Restricted deposits	9.39	67.12
	<b>396.65</b>	<b>421.65</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Unbilled revenue	61.24	76.38
Interest accrued on fixed deposits with banks	9.43	8.18
Receivable from a subsidiary	-	453.95
Security Deposit*	30.00	-
	<b>100.67</b>	<b>538.51</b>
	<b>497.32</b>	<b>960.16</b>

\*Represents amount deposited with the stock exchange as per Regulation 7 of SEBI ICDR Regulations.

## 8. Other assets

	As at 31 March 2018	As at 31 March 2017
₹ in Millions		
<b>Non-current</b>		
Deferred lease expenses	415.90	451.68
Advances for capital goods	113.86	59.35
	<b>529.76</b>	<b>511.03</b>
<b>Current</b>		
Prepaid expenses	38.88	26.43
Deferred lease expenses	36.21	36.05
Balance with statutory / government authorities	3.15	5.08
Advance against investment in subsidiaries*	-	79.80
Payment to vendors for supply of goods and services	49.85	23.12
Other loans and advances	8.10	101.10
	<b>136.19</b>	<b>271.58</b>
	<b>665.95</b>	<b>782.61</b>

\* Represents advance given for investment in Sri Sainatha Multi-Speciality Hospital Private Limited in financial year 2015 deposited in an escrow account jointly held by the directors of Sri Sainatha Multi-Speciality Hospital Private Limited and the Company. The Company has received equity shares against the amount during the current financial year.

# Notes to the Standalone Financial Statements

## 9. Inventories

	As at 31 March 2018	As at 31 March 2017
₹ in Millions		
(Valued at lower of cost and realisable value)		
Stock in trade including medical consumables	153.92	197.91
Stores and spares	15.43	8.95
	<b>169.35</b>	<b>206.86</b>

\* for details of inventories pledged, refer Note 15

## 10. Trade receivables

	As at 31 March 2018	As at 31 March 2017
₹ in Millions		
<b>Current</b>		
<b>Unsecured</b>		
considered good	306.66	245.85
considered doubtful	20.54	13.63
	<b>327.20</b>	<b>259.48</b>
Allowances for expected credit loss	(21.89)	(14.97)
<b>Net trade receivables</b>	<b>305.31</b>	<b>244.51</b>

Of the above , trade receivables from related parties are as below:

	As at 31 March 2018	As at 31 March 2017
₹ in Millions		
Total trade receivables from related parties	39.36	26.10
Loss allowance	-	-
<b>Net trade receivables</b>	<b>39.36</b>	<b>26.10</b>

For details of trade receivables pledged, refer note 15

The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in Note 35

## 11. Cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017
₹ in Millions		
Balance with banks		
- in current accounts	218.48	128.78
- in deposit accounts	609.40	4.05
Cash on hand	10.62	14.01
<b>Cash and cash equivalents in balance sheet</b>	<b>838.50</b>	<b>146.84</b>
Book overdrafts used for cash management purposes	-	47.29
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>838.50</b>	<b>99.55</b>

(Also refer note 42)

# Notes to the Standalone Financial Statements

## 12. Bank balances

₹ in Millions

	As at 31 March 2018	As at 31 March 2017
Balance in banks for margin money	216.77	43.42
In deposit accounts (with original maturity of more than 3 months)	578.33	-
	<b>795.10</b>	<b>43.42</b>

(Also refer note 42)

## 13. Loans

₹ in Millions

	As at 31 March 2018	As at 31 March 2017
<b>Current</b>		
<b>Unsecured, considered good</b>		
Dues from related parties	638.40	563.01
<b>Considered doubtful, unsecured</b>		
Dues from related parties	134.82	134.82
Less : loss allowance	(134.82)	(134.82)
	<b>638.40</b>	<b>563.01</b>

## 14. Share capital

	As at 31 March 2018		As at 31 March 2017	
	Number of shares (in millions)	Amount	Number of shares (in millions)	Amount
<b>Authorised</b>				
Equity shares of INR 10 each	550.00	5,500.00	550.00	5,500.00
Compulsory convertible preference shares (CCPS) of INR 10 each	66.20	662.00	66.20	662.00
	<b>616.20</b>	<b>6,162.00</b>	<b>616.20</b>	<b>6,162.00</b>
<b>Issued, subscribed and paid-up</b>				
Equity shares of INR 10 each	505.23	5,052.29	403.22	4,032.22
Compulsory convertible preference shares (CCPS) of INR 10 each	-	-	64.01	640.10
	<b>505.23</b>	<b>5,052.29</b>	<b>467.23</b>	<b>4,672.32</b>
<b>Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>				
<b>Equity shares of INR.10 each fully paid-up</b>				
At the beginning of the year	403.22	4,032.22	403.05	4,030.52
Conversion of CCPS to equity (Refer Note (a) below)	63.85	638.49	-	-
Shares issued for cash	38.16	381.58	0.17	1.70
<b>At the end of the year</b>	<b>505.23</b>	<b>5,052.29</b>	<b>403.22</b>	<b>4,032.22</b>
<b>Preference shares of INR 10 each fully paid-up</b>				
<b>Series A compulsory convertible preference share capital</b>				
At the beginning of the year	12.76	127.63	-	-
Conversion of financial liability to equity	-	-	12.76	127.63
Conversion of CCPS to equity (Refer Note (a) below)	(12.76)	(127.63)	-	-
<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>12.76</b>	<b>127.63</b>
<b>RAR compulsory convertible preference share capital</b>				
At the beginning of the year	51.10	510.99	-	-
Conversion of financial liability to equity	-	-	51.10	510.99
Conversion of CCPS to equity (Refer Note (a) below)	(51.10)	(510.99)	-	-
<b>At the end of the year</b>	<b>-</b>	<b>-</b>	<b>51.10</b>	<b>510.99</b>
<b>Total</b>	<b>505.23</b>	<b>5,052.29</b>	<b>467.08</b>	<b>4,670.84</b>

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# Notes to the Standalone Financial Statements

## 14. Share capital (contd..)

(a) 13.85 Series A compulsory convertible preference shares of INR 10 each and 50.16 RAR compulsory convertible preference shares of INR 10 each (aggregate face value of INR 640.10) were issued during the year 2014-15 and 2015-16 respectively, were initially classified as financial liabilities (See Note 15). However, modification to the terms of these instruments in March 2017 led to the extinguishment of the related financial liabilities and the recognition of the same as equity. Subsequently, on 20 November 2017, the Series A and RAR compulsory convertible preference shares have been converted into 12.76 and 51.09 equity shares respectively, in the Company.

(b) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. All equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time and subject to dividend payable to preference shareholder. The voting rights of an equity shareholder on a poll (not on show of hands) is in proportion to the shareholders' share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(c) Rights, preferences and restrictions attached to series A compulsory convertible preference shares

0.00001% Series A, compulsory convertible preference shares (Series A CCPS) of INR 10 each.

Upon expiry of the 9th anniversary of the Completion Date, the Series A CCPS shall be compulsorily converted in to equity shares of the Company as per the manner mentioned in the share subscription agreement.

The Series A CCPS shall confer on the holder the right to receive, in priority to the holders of any other class of shares in the capital of the Company, a preference dividend on the face value of the Series A CCPS, such dividend to be apportioned and paid up on the Series A CCPS during any portion or portions of the period in respect of which the preference dividend is paid.

Rights to receive preference dividend shall be cumulative, and the right to receive the preference dividend shall accrue to the holders of the Series A CCPS whether the preference dividend is declared or not in any year.

The holder of Series A CCPS shall also be entitled to any dividend declared on the equity shares of the Company by the Board on an accrual basis with respect to the Series A CCPS held by such holder on an as if converted basis, ie. based on the actual number of equity shares which the Series A CCPS will be entitled to upon conversion.

On distribution of capital in the event of liquidation, dissolution or winding up of the Company, the distributable amount shall be applied first in paying to the preference shareholders, an amount equal to the sum of subscription price (less any amount that may have been received by the preference shareholders on sale of any of their securities), the preference shareholders purchase price (less any amount that may have been received by preference shareholders on sale of any of their sale shares) and any arrears and accruals of the unpaid preference dividend on the CCPS, dividend on the CCPS on as if converted basis and dividend on the shares and liquidation preference amount subject to the conditions mentioned.

Each holder of a Series A CCPS shall be entitled to convert the Series A CCPS into shares as per the terms mentioned in the agreement. The conversion price will be adjusted based on future bonus issue, issuances arising from exercise of any stock options, share splits, consolidation, reorganization and other situations mentioned in the agreement. The right to convert Series A CCPS shall be exercisable by the holder at any time prior to the expiry of the Series A CCPS term by delivering to the Company a notice in writing of its desire to convert any Series A CCPS, provided that such notice shall specify the number of Series A CCPS that the holder desires to convert.

(d) 'Rights, preferences and restrictions attached to RAR compulsorily convertible preference shares (RAR CCPS)

0.00001% RAR, compulsorily convertible preference shares (RAR CCPS) of INR 10 each were issued during the year ended 31 March 2016.

# Notes to the Standalone Financial Statements

## 14. Share capital (contd..)

The RAR CCPS will compulsorily be converted on the earlier of

- the date upon which the final conversion of outstanding Series A CCPS into equity shares occurs and
- the expiration of the RAR CCPS Term as per the agreement

The right to receive the preference dividend shall accrue to the holders of the RAR CCPS whether the preference dividend is declared or not in any year.

The RAR CCPS shall confer on the holder the right to receive a preference dividend of 0.00001% per annum on the face value of the RAR CCPS. The right to receive preference dividend shall be cumulative. The holders of RAR CCPS shall also be entitled to any dividend declared on the equity shares of the Company by the Board on an accrual basis with respect to the RAR CCPS held by such holder on an as if converted basis, i.e. based on the actual number of equity shares which the RAR CCPS will be entitled to upon conversion. It is clarified that the dividend rights of the holders of RAR CCPS shall be pari-passu to the dividend rights enjoyed by the holders of the Series A CCPS.

On distribution of capital in the event of liquidation, dissolution or winding up of the Company, the distributable amount shall be applied first in paying to the preference shareholders, an amount equal to the sum of subscription price (less any amount that may have been received by the preference shareholders on sale of any of their securities) the preference shareholders purchase price (less any amount that may have been received by preference shareholders on sale of any of their sale shares) and any arrears and accruals of the unpaid preference dividend on the CCPS, dividend on the CCPS on as if converted basis and dividend on the shares and liquidation preference amount subject to the conditions mentioned.

Each holder of a RAR CCPS shall be entitled to convert the RAR CCPS into equity shares as per the terms mentioned in the agreement. The conversion price will be adjusted based on future bonus issue, issuances arising from exercise of any stock options, share splits, consolidation, reorganization and other situations mentioned in the agreement. The right to convert RAR CCPS shall be exercisable by the holder at any time prior to the expiry of the RAR CCPS term by delivering to the Company a notice in writing of its desire to convert any RAR CCPS, provided that such notice shall specify the number of RAR CCPS that the holder desires to convert.

### (e) Employee stock options

Terms attached to stock options granted to employees are described in note 39 regarding employee share based payments.

### (f) Shares held by ultimate holding company/ holding company and their subsidiaries/ associates

	As at 31 March 2018		As at 31 March 2017	
	Number of shares (in millions)	Amount	Number of shares (in millions)	Amount
<b>Equity shares of INR 10 each fully paid-up held by</b>				
Union Investment Private Limited, Mauritius, ultimate holding company (till 22 february 2018)	188.71	1,887.06	207.56	2,075.55

### (g) Details of shareholders holding more than 5% shares of the Company

	As at 31 March 2018		As at 31 March 2017	
	Number of shares (in millions)	%	Number of shares (in millions)	%
<b>Equity shares of INR 10 each fully paid -up held by</b>				
Union Investments Private Limited, Mauritius	188.71	37.35%	207.56	51.48%
Olympus Capital Asia Investments Limited, Mauritius	117.79	23.31%	105.58	26.18%
IVF Trustee Company Private Limited	46.54	9.21%	46.54	11.54%
Rimco (Mauritius) Limited	51.09	10.11%		
<b>Compulsory Convertible Preference shares of INR 10 each fully paid up held by</b>				
Olympus Capital Asia Investments Limited, Mauritius	-	-	9.31	67.20%
Indium IV (Mauritius) Holdings Limited	-	-	4.54	32.80%
<b>RAR Compulsory Convertible Preference shares of INR 10 each fully paid up held by</b>				
Rimco (Mauritius) Limited, Mauritius	-	-	50.16	100.00%

# Notes to the Standalone Financial Statements

## 14. Share capital (contd..)

### (h) Shares reserved for issue under options and contracts

	As at 31 March 2018		As at 31 March 2017	
	Number of shares (in millions)	Amount	Number of shares (in millions)	Amount
Under Employee Stock Option Scheme, 2013 :1,368,232 equity shares of INR10 each, at an exercise price of INR 50 per share (See Note 39)	1.09	54.50	1.37	68.50
Under Employee Stock Option Scheme, 2013 :3,23,000 equity shares of INR 10 each, at an exercise price of INR 10 per share (See Note 39)	0.68	6.80	0.32	3.20
Under Employee Stock Option Scheme, 2013 :3,23,000 equity shares of INR 10 each, at an exercise price of INR 175 per share (See Note 39)	0.24	42.00	-	-
Under Employee Stock Option Scheme, 2013 :3,23,000 equity shares of INR 10 each, at an exercise price of INR 142 per share (See Note 39)	0.48	68.16	-	-
For compulsorily convertible Series A preference shares: 12,763,021 equity shares of INR 10 each	-	-	12.76	127.63
For compulsorily convertible RAR preference shares: 51,098,785 equity shares of INR 10 each	-	-	51.10	510.99

### (i) Details of bonus shares issued for consideration other than for cash during the past 5 years

- During the financial year 2013-14, 249.68 million equity shares and during the financial year 2012-13, 124.72 million equity shares of INR 10 each, fully paid-up, have been allotted as bonus shares by capitalisation of securities premium.

### (j) Details of shares issued for consideration other than for cash during the past 5 years

- During the year 2015-16, 4.91 million shares have been allotted as consideration for swap of shares with the shareholders of Malabar Institute of Medical Science Limited.
- During the year 2015-16, 7.03 million shares have been allotted as per the scheme of amalgamation with Indogulf Hospitals India Private Limited.

### (k) Details of buyback for consideration other than for cash during the past 5 years

- The Company has not bought back any class of equity shares during the period of five years immediately preceding the balance sheet date.

## 15. Borrowings

	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
<b>Non-current</b>		
<b>Secured</b>		
Term loans from banks	266.17	5,470.63
	<b>266.17</b>	<b>5,470.63</b>
<b>Current</b>		
<b>Unsecured</b>		
Temporary overdraft from a bank	-	47.29
Cash credit and overdraft facilities from banks	347.69	489.35
Commercial paper	-	94.27
<b>Secured</b>		
Cash credit and overdraft facilities from banks	402.45	341.79
Short term loans	82.43	-
Current portion of bank term loans	-	10.00
	<b>832.57</b>	<b>982.70</b>
Less: Amount included under 'other financial liabilities'	-	10.00
	<b>832.57</b>	<b>972.70</b>
	<b>1,098.74</b>	<b>6,443.33</b>

Information about the Company's exposure to interest rate and liquidity risks are included in Note 35

# Notes to the Standalone Financial Statements

## 15. Borrowings (contd..)

### A Secured bank loans

Note 1: The term loans from bank (including current portion) includes Indian rupee term loan taken from Federal Bank, which carries interest at 9.30% p.a (linked to 1 year MCLR). These loans are repayable in 96 installments. The term loan is secured by:

- First charge on movable properties (comprising plant and machinery, furniture and fittings, vehicles and other movable assets), present and future, of the Company;
- Equitable mortgage of 8.50 acres of landed property of the Company and 8.81 acres of landed property of DM Med City Hospitals India Private Limited, a wholly owned subsidiary of the Company;
- First charge on entire cashflows of the Aster Medcity project
- Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance bonds that may be provided by any counter party under project agreement or contract and insurance policies in favour of the borrower, related to Aster Medcity Kochi.

Note 2: Term loans from bank includes Indian rupee term loan taken from HDFC Bank which carries interest at applicable base rate plus 1.40% p.a. The loan is repayable in 32 quarterly installments commencing from quarter ending September 2019. The loan is secured by:

- The immovable properties of Ambady Infrastructure Private Limited measuring approximately 11.68 acres at Kochi.
- All movable properties including movable equipment, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets present at Aster CMI, Bangalore, funded through this facility and equity brought in for supporting the facility.
- Current assets, operating cash flows, receivable, commissions, revenues of whatsoever nature and wherever arising, present and future, intangible, goodwill, uncalled capital, present and future, pertaining to Aster CMI, Bangalore.
- Subservient charge on immovable and movable fixed assets, current assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and whatever arising, present and future, intangibles, goodwill, uncalled capital, present and future, pertaining to Aster Medcity, Kochi.
- Corporate guarantee of Ambady Infrastructure Private Limited.

Note 3: There are no continuing defaults in the repayment of the principal loan and interest amounts.

#### Secured overdraft facilities from bank :

Overdraft facilities from banks carry interest ranging between 9.00% -10.70% computed on a monthly basis on the actual amount utilised and are repayable on demand. These are secured by pari passu charge by way of hypothecation of stock and book debts .

### B Changes in liabilities and financial assets arising from financing activities

Particulars	As at 31March 2017	Cash flows	Non cash changes			As at 31 March 2018
			Acquisition	Exchange Movement	Fair Value changes	
Non-current borrowings	5,470.63	(5,204.46)	-	-	-	266.17
Current borrowings	972.70	(140.13)	-	-	-	832.57
<b>Total</b>	<b>6,443.33</b>	<b>(5,344.59)</b>	-	-	-	<b>1,098.74</b>

# Notes to the Standalone Financial Statements

## 16. Other financial liabilities

	As at 31 March 2018	As at 31 March 2017
₹ in Millions		
<b>Current</b>		
Current maturities of long-term borrowings *	-	10.00
Interest accrued but not due on borrowings*	0.73	37.84
Dues to holding company	26.99	10.37
Accrued salaries and benefits	5.64	24.34
Dues to subsidiaries and step-down subsidiaries	42.07	40.02
Dues to creditors for expenses and others	381.40	226.95
Dues to creditors for capital goods	75.90	171.71
Loan pre-closure charges payable	-	61.59
	<b>532.73</b>	<b>582.82</b>

\* The details of interest rates, repayment and other terms are disclosed in Note 15

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 35

## 17. Provisions

	As at 31 March 2018	As at 31 March 2017
₹ in Millions		
<b>Non-current</b>		
<b>Provision for employee benefits</b>		
Net defined benefit liability - Gratuity *	28.44	15.78
Compensated absences	30.16	18.20
	<b>58.60</b>	<b>33.98</b>
<b>Current</b>		
<b>Provision for employee benefits</b>		
Net defined benefit liability - Gratuity *	0.62	0.15
Compensated absences	9.37	6.18
	<b>9.99</b>	<b>6.33</b>
	<b>68.59</b>	<b>40.31</b>

\* Also refer Note 36

## 18. Other liabilities

	As at 31 March 2018	As at 31 March 2017
₹ in Millions		
<b>Non-current</b>		
Lease equalization	550.43	444.10
Deferred government grant *	22.57	-
	<b>573.00</b>	<b>444.10</b>
<b>Current</b>		
Advances from patients	92.92	83.67
Statutory dues payables	55.95	31.19
Deferred government grant *	2.06	-
	<b>150.93</b>	<b>114.86</b>
	<b>723.93</b>	<b>558.96</b>

\* Represents government grant under Export Promotion Capital Goods (EPCG) accounted at fair value as per Ind AS 20 – Accounting for Government Grants and Disclosure of Government Assistance.



# Notes to the Standalone Financial Statements

## 19. Trade payables

₹ in Millions

	As at 31 March 2018	As at 31 March 2017
Trade payables	231.95	320.25
	<b>231.95</b>	<b>320.25</b>

All trade payables are 'current'.

The Company's exposure to currency and liquidity risks related to trade payables is disclosed in Note 35

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ('the Act') based on the information available with the Company are given below:

₹ in Millions

	As at / year ended 31 March 2018	As at / year ended 31 March 2017
The principal amount remaining unpaid to any supplier as at the end of the year	-	-
The interest due on the principal remaining outstanding as at the end of the year	-	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-

## 20. Revenue from operations

₹ in Millions

	Year ended 31 March 2018	Year ended 31 March 2017
Income from hospital services	5,082.46	3,576.73
Income from consultancy services	25.28	23.58
Sale of medicines	113.02	113.00
Other operating income	79.90	81.81
	<b>5,300.66</b>	<b>3,795.12</b>

## 21. Other income

₹ in Millions

	Year ended 31 March 2018	Year ended 31 March 2017
Interest on loan to related parties	0.65	1.02
Interest income under the effective interest method		
Lease deposits	23.41	18.43
Fixed deposits with banks	17.84	12.86
Dividend income from mutual funds	-	4.16
Dividend on non-current investments	32.10	64.16
Gain on sale of investment (net)	-	186.08
Creditors written back	19.33	-
Gain on sale of fixed asset (net)	1.94	-
Other non-operating income	65.81	19.81
	<b>161.08</b>	<b>306.52</b>

# Notes to the Standalone Financial Statements

## 22. Purchases of stock-in-trade

	Year ended 31 March 2018	Year ended 31 March 2017
Medicines and consumables	1,440.81	1,203.76
	<b>1,440.81</b>	<b>1,203.76</b>

₹ in Millions

## 23. Change in inventories of stock-in-trade

	Year ended 31 March 2018	Year ended 31 March 2017
Medicines and medical consumables:		
Opening stock	206.86	150.12
Closing stock	169.35	206.86
	<b>37.51</b>	<b>(56.74)</b>

₹ in Millions

## 24. Employee benefits expense

	Year ended 31 March 2018	Year ended 31 March 2017
Salaries and allowances	915.47	706.20
Contribution to provident and other funds	74.90	63.78
Staff welfare expense	43.65	48.83
Equity settled share based payments	26.75	2.22
	<b>1,060.77</b>	<b>821.03</b>

₹ in Millions

## 25. Finance cost

	Year ended 31 March 2018	Year ended 31 March 2017
Interest on bank borrowings	559.14	568.26
Less : Borrowing cost capitalized	26.82	(133.14)
	532.32	435.12
Interest expense on financial liabilities measured at amortised cost	-	1,783.46
Other borrowing costs	7.22	64.72
	<b>539.54</b>	<b>2,283.30</b>

₹ in Millions

## 26. Depreciation and amortisation

	Year ended 31 March 2018	Year ended 31 March 2017
Depreciation on property, plant and equipment	562.06	646.81
Amortisation on intangible assets	28.71	28.93
	<b>590.77</b>	<b>675.74</b>

₹ in Millions

# Notes to the Standalone Financial Statements

## 27. Other expenses

	Year ended 31 March 2018	Year ended 31 March 2017
		₹ in Millions
Lab outsourcing charges	43.44	45.13
Housekeeping and security	210.40	163.77
Professional fee paid to doctors	1,343.81	1,044.73
Food and beverage	68.50	64.47
Power, water and fuel	151.82	124.18
Rent	52.97	38.77
Operating lease- Hospital operational and management fees	199.19	139.63
Loss on fair valuation of put option	1.70	-
Insurance	10.93	7.58
Repairs and maintenance - plant and machinery	125.53	75.74
Communication	14.03	12.25
Advertising and promotional	117.57	217.23
Rates and taxes	11.32	8.81
Legal, professional and other consultancy	66.97	42.84
Allowances for credit losses on financial assets	6.92	13.50
Travelling and conveyance	42.26	48.52
Water charges	22.15	18.51
Donation and charity	5.66	11.33
Net loss on account of foreign exchange fluctuations	1.33	0.22
Staff recruitment	2.53	10.68
Office expenses	59.14	53.33
Non-recoverable advances written-off	-	44.48
Loss on sale of Investment	18.16	-
Miscellaneous expenses	87.93	113.68
	<b>2,664.26</b>	<b>2,299.38</b>

## 28. Exceptional item

	Year ended 31 March 2018	Year ended 31 March 2017
		₹ in Millions
Gain on extinguishment of financial liabilities *	-	3,591.89

\* Modification of the terms of Series A and RAR Compulsorily Convertible Preference Shares in March 2017 has led to the extinguishment of the related financial liabilities and recognition of equity at the balance sheet date. The difference between the carrying value of the liability and the fair value of the equity instrument at the date of modification, amounting to INR 3,591.81 million has been recognized in statement of profit and loss for the year ended 31 March 2017.

## 29. Income taxes

	As at 31 March 2018	As at 31 March 2017
		₹ in Millions
<b>Income tax assets/(liability)</b>		
Income tax assets	264.94	143.97
Current income tax liabilities	-	-
<b>Net income tax assets/(liability) at the end</b>	<b>264.94</b>	<b>143.97</b>

# Notes to the Standalone Financial Statements

## 29. Income taxes (contd..)

### (a) Amount recognised in statement of profit and loss

	Year ended 31 March 2018	Year ended 31 March 2017
Current tax : MAT for the year	-	7.39
Deferred tax (including MAT credit entitlement)	-	(7.39)
<b>Tax expense for the year</b>	<b>-</b>	<b>-</b>

₹ in Millions

### (b) Amount recognised in other comprehensive income

	Year ended 31 March 2018			Year ended 31 March 2017		
	Before tax	Tax (expense) benefit	Net of tax	Before tax	Tax (expense) benefit	Net of tax
Re-measurement on defined benefit liability	0.36	(0.12)	0.24	1.06	(0.37)	0.69
	<b>0.36</b>	<b>(0.12)</b>	<b>0.24</b>	<b>1.06</b>	<b>(0.37)</b>	<b>0.69</b>

₹ in Millions

### (c) Reconciliation of effective tax rate

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Profit before tax</b>	<b>(871.92)</b>	<b>467.06</b>
Statutory income tax rate	34.61%	34.61%
Tax expenses /(asset)	(301.77)	161.65
Income chargeable at special rates	301.77	(161.65)
Incomes exempt from tax	(11.11)	(23.65)
Non-deductable expenses/ permanent differences	(28.14)	(571.18)
Additional deduction on investment allowance	(186.93)	(154.64)
Other temporary differences	94.60	190.48
Un-recognised deferred tax assets	131.58	558.99
<b>Income tax expense</b>	<b>-</b>	<b>-</b>

₹ in Millions

### (d) Recognised deferred tax assets and liabilities

#### (i) Deferred tax assets and liabilities are attributable to the followings:

Particulars	As at 31 March 2018	As at 31 March 2017
	<b>Deferred tax asset</b>	
MAT credit entitlement receivable	7.39	7.39
Unabsorbed business loss including from specified business	1,543.35	1,411.19
<b>Total deferred tax asset</b>	<b>1,550.74</b>	<b>1,418.58</b>
<b>Deferred tax liability</b>		
On account of fair valuation of land *	(158.99)	(158.99)
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(1,543.35)	(1,411.19)
<b>Total deferred tax liability</b>	<b>(1,702.34)</b>	<b>(1,570.18)</b>
<b>Deferred tax liability (net)</b>	<b>(158.99)</b>	<b>(158.99)</b>
<b>Deferred tax assets</b>	<b>7.39</b>	<b>7.39</b>

₹ in Millions

\* The deferred tax liability arising on the fair valuation recognised based on tax rates applicable to the long-term capital gains.



# Notes to the Standalone Financial Statements

## 30. Contingent liabilities and commitments

Particulars	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
<b>Contingent liabilities</b>		
Claims against the Company not acknowledged as debts		
- Income tax related matters (Note 1)	200.77	172.19
- KVAT related matters (Note 2)	12.80	12.80
Export commitments under EPCG scheme (Note 3)	871.58	991.04
Corporate guarantees	1,010.85	1,007.98
Letter of Credit	5.30	-
Bank guarantees	328.43	255.30
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for.	88.36	209.81

**Note 1 :** The Company has received income tax assessment orders for AY 2014-15 & 2015-16 wherein the assessing officer has disallowed Foreign Tax Credit claimed amounting to INR 200.77 million as per provisions of Section 90/90A of Income Tax Act 1961 and the disallowance under section 14A. The management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made on the financial statements. The Company has filed an appeal against the demand received.

**Note 2 :** The Company has received a Kerala Value Added Tax (KVAT) demand for the FY 2014-15 wherein the assessing officer raised a demand for INR 12.80 million against the Company, on account of difference in returns filed with audited accounts / report. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demand received.

**Note 3 :** The Company has obtained duty free / concessional duty licenses for import of capital goods by undertaking export obligations under the EPCG scheme. As at 31 March 2018, export obligations remaining to be fulfilled amounts to INR 871.58 (31 March 2017: INR.991.04). In the event that export obligations are not fulfilled, the Company would be liable to pay the levies. The Company's bankers have provided bank guarantees aggregating INR 251.68 (31 March 2017 INR 245.83) to the customs authorities in this regard.

**Note 4 :** The company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liability where applicable, in its financial statements. The company does not expect the outcome of these proceedings to have a materially adverse effect on its financial position. The company does not expect any reimbursement in respect of the above contingent liabilities.

**Note 5 :** The group has given bank guarantee in respect of certain contingent liabilities listed above.

## 31. Earnings/(loss) per share

### A. Basic earnings/(loss) per share

The calculation of profit/loss attributable to equity share holders and weighted average number of equity shares outstanding for the purpose of basic earnings per share calculations are as follows:

#### i) Net profit/(loss) attributable to equity share holders (basic)

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
(Loss)/profit for the year, attributable to the equity share holders	(871.92)	467.06

# Notes to the Standalone Financial Statements

## 31. Earnings/(loss) per share (Contd..)

### ii) Weighted average number of equity shares (basic)

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Opening balance (Refer note 14)	399.48	398.62
Effect of share options exercised	0.03	0.38
Effect of fresh issue of shares for cash	3.97	0.16
Convertible preference shares (Refer Note 14 and Note 15)	63.85	63.86
Weighted average number of equity shares of INR 10 each for the year	467.33	463.02
Earnings / (loss) per share, basic	(1.87)	1.01

### B. Diluted earnings/(loss) per share

The calculation of profit/loss attributable to equity share holders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares is as follows:

#### i) Net profit/(loss) attributable to equity share holders diluted

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Net profit/(loss) for the year, attributable to the equity share holders	(871.92)	467.06

#### ii) Weighted average number of equity shares (basic)

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Weighted average number of equity shares of INR 10 each for the year (basic)	467.33	463.02
Effect of exercise of share options	-	0.93
Weighted average number of equity shares of INR 10 each for the year (diluted)	467.33	463.95
Earnings / (loss) per share, basic	(1.87)	1.01

The conversion of employee stock options outstanding under the scheme, if made, would have the effect of reducing the loss per share for the year ended 31 March 2018 and would therefore be anti-dilutive. Hence, such conversion has not been considered for the purpose of calculating dilutive earnings per share.

## 32. Auditors' remuneration (included under legal and professional charges, net of service tax)

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Statutory audit	2.30	1.60
Tax audit	0.15	0.10
Other matters	9.60	12.75
	<b>12.05</b>	<b>14.45</b>

# Notes to the Standalone Financial Statements

## 33. Related parties

### A. Related Party relationships

Names of related parties and description of relationship with the Company:

#### I) Enterprises where control exist

(a) Holding and ultimate holding Company	Union Investments Private Limited, Mauritius (till 22 February 2018)
(b) Subsidiaries and step down subsidiaries	
1 Ambady Infrastructure Private Limited, India	30 Eurohealth Systems FZ LLC, UAE
2 Aster DM Healthcare (Trivandrum) Private Limited (formerly known as DM Eye Care (Delhi) Private Limited, India)	31 IBN Alhaitham Pharmacy LLC, UAE*
3 DM Medcity Hospitals India Private Limited, India	32 Aster Ramesh Duhita LLP
4 Malabar Institute of Medical Sciences Limited, India	33 Maryam Pharmacy LLC, UAE*
5 Prerana Hospital Limited, India	34 Medcare Hospital LLC, UAE
6 Sri Sainatha Multi Speciality Hospital Private Limited, India	35 Aster DCC Pharmacy LLC
7 Harley Street LLC	36 Medshop Garden Pharmacy LLC, UAE
8 Harley Street Pharmacy LLC	37 Med Shop Drugs Store LLC, UAE
9 Harley Street Medical Centre LLC	38 Modern Dar Al Shifa Pharmacy LLC, UAE
10 Alfa Drug Stores LLC, UAE	39 New Aster Pharmacy DMCC, UAE
11 Al Rafa Holdings Limited, UAE	40 Rafa Pharmacy LLC, UAE
12 Aster IVF and Women Clinic LLC (formerly known as Aster Milann Fertility & Women Care Centre LLC, UAE)	41 Shindagha Pharmacy LLC, UAE
13 Al Rafa Investments Limited, UAE	42 Symphony Healthcare Management Services LLC, UAE
14 Al Rafa Medical Centre LLC , UAE	43 Union Pharmacy LLC, UAE
15 Al Shafar Pharmacy LLC (AUH), UAE	44 Harley Street Dental LLC
16 Asma Pharmacy LLC, UAE	45 Zabeel Pharmacy LLC, UAE*
17 Aster Al Shafar Pharmacies Group LLC, UAE	46 Affinity Holdings Private Limited, Mauritius
18 Aster DM Healthcare FZC , UAE	47 Orange Pharmacies LLC, Jordan
19 Aster Grace Nursing and Physiotherapy LLC, UAE	48 Aster Kuwait for medicine and Medical Supplies Company W.L.L (Formerly known as Aster Kuwait General Trading Co LLC, Kuwait)
20 Aster Medical Centre Khalidiya LLC, UAE *	49 Aster DM Healthcare SPC, Bahrain
21 Aster Opticals LLC, UAE	50 Dr. Moopens Healthcare Management Services WLL, Qatar
22 Aster Pharmacies Group LLC, UAE	51 Welcare Polyclinic WLL, Qatar
23 Aster Pharmacy LLC, AUH, UAE	52 Aster DM Healthcare INC, Philippines
24 Dar Al Shifa Medical Centre LLC, UAE	53 Al Raffah Hospital LLC, Oman
25 Al Raffah Pharmacies Group LLC	54 Al Raffah Medical Centre LLC, Oman
26 DM Pharmacies LLC, UAE	55 Sanad Al Rahma for Medical Care LLC, Kingdom of Saudi Arabia
27 DM Healthcare LLC, UAE	56 Dr.Ramesh Cardiac & Multi Speciality Hospital Private Limited
28 Dr. Moopens Healthcare Management Services LLC, UAE	57 Dr.Moopen's Aster Hospital W.L.L
29 Dr. Moopens Medical Clinic LLC, UAE (formerly known as Dr.Moopen's Medical Poly Clinic LLC)	

\* represents subsidiaries which are in the process of being wound up.

Although the percentage of voting rights as a result of legal holding by the Company is not more than 50% in certain entities listed above, the Company controls the composition of the board of directors or equivalent of those entities so as to obtain economic benefits from their activities.



# Notes to the Standalone Financial Statements

## 33. Related parties (Contd..)

(c) Associates	EMED Human Resources (India) Private Limited, India MIMS Infrastructure and Properties Private Limited, India Aries Holdings FZC, UAE AAQ Healthcare Investment LLC
<b>II) Other related parties with whom the Company had transactions during the year</b>	
(a) Entities under common control/ Entities over which the Company has significant influence (Others)	DM Education & Research Foundation (also known as DM Foundation, India) Aster DM Foundation India
(b) Key managerial personnel and their relatives (KMP)	Dr. Azad Moopen ( Chairman and Managing Director) Mr. Sreenath Reddy (Chief Financial Officer) Mr. Rajesh A ( Company Secretary ) Daniel James Snyder (Independent Director) Harsh C Mariwala (Independent Director) M Madhavan Nambiar (Independent Director) Ravi Prasad (Independent Director) Rajagopal Sukumar (Independent Director) Suresh M. Kumar (Independent Director)

### a) Related party transactions

Nature of transactions	₹ in Millions	
	Related party transactions	
	Year ended 31 March 2018	Year ended 31 March 2017
<b>Short term loans and advance repayment received</b>		
Sri Sainatha Multi-Specialty Hospital Private Limited	-	0.16
Aster DM Healthcare (Trivandrum) Private Limited	1.97	507.08
Ambady Infrastructure Private Limited	0.16	49.83
DM Med City Hospitals India Private Limited	6.36	159.45
EMED Human Resources (India) Private Limited	6.19	4.28
<b>Short-term loans and advances given</b>		
Ambady Infrastructure Private Limited	-	52.79
DM Med City Hospitals India Private Limited	21.19	171.44
EMED Human Resources (India) Private Limited	0.30	3.61
Aster DM Healthcare (Trivandrum) Private Limited	32.83	582.65
<b>Expenses incurred on behalf of subsidiaries / associates</b>		
DM Med City Hospitals India Private Limited	2.32	0.33
Ambady Infrastructure Private Limited	0.40	0.20
Aster DM Healthcare FZC	0.65	1.29
Aster DM Healthcare (Trivandrum) Private Limited	5.64	1.72
EMED Human Resources (India) Private Limited	1.77	1.61
Dr. Moopens Healthcare Management Services LLC	1.16	5.11
Aster Pharmacies Group LLC	-	3.92
Dr.Ramesh Cardiac and Multi- Speciality Hospital Private Limited	0.03	-
Sri Sainatha Multi-Specialty Hospital Private Limited	0.80	-
Prerana Hospital Limited	1.05	-
Malabar Institute of Medical Sciences Limited	4.00	0.03
<b>Expenses incurred by subsidiaries / associates on behalf of company</b>		
Dr. Moopens Healthcare Management Services LLC	2.47	9.84
AL Raffah Hospital LLC	1.32	6.32
Aster DM Healthcare FZC	0.66	-
Sri Sainatha Multi-Specialty Hospital Private Limited	0.05	-
DM Education & Research Foundation	0.60	-
Wayanad Infrastructure Private Limited	0.65	-

# Notes to the Standalone Financial Statements

## 33. Related parties (contd..)

### a) Related party transactions (contd..)

Nature of transactions	₹ in Millions	
	Related party transactions	
	Year ended 31 March 2018	Year ended 31 March 2017
Malabar Institute of Medical Sciences Limited	0.24	0.11
<b>Collection by subsidiaries on behalf of company</b>		
Dr. Moopen's Healthcare Management Services LLC	0.69	-
DM Education & Research Foundation	18.68	-
<b>Received from subsidiary</b>		
Affinity Holdings Private Limited, Mauritius	453.95	-
<b>Investments / advance against investments</b>		
Affinity Holdings Private Limited, Mauritius	-	467.26
Malabar institute of Medical Sciences Limited	-	3.34
Aster DM Healthcare (Trivandrum) Private Limited	-	80.00
Dr.Ramesh Cardiac & Multi Speciality Hospital Private Limited	-	1,855.33
<b>Sale of Investments</b>		
Affinity Holdings Private Limited, Mauritius	578.24	2,068.90
<b>Income from consultancy services</b>		
Prerana Hospital Limited	13.48	12.64
DM Education & Research Foundation	11.80	10.95
<b>Income from hospital services</b>		
DM Education & Research Foundation	12.68	44.97
Dr.Moopen's Healthcare Management Services W.L.L, Qatar	0.08	-
Aster DM Foundation	5.97	1.04
<b>Dividend received</b>		
Malabar Institute of Medical Sciences Limited	32.10	64.16
<b>Managerial remuneration</b>		
Short Term Employee benefits	26.22	27.68
<b>Donation given</b>		
Aster DM Foundation	4.21	8.75
<b>Lease rental for land</b>		
DM Med City Hospitals India Private Limited	9.98	9.98
DM Education & Research Foundation	7.37	7.37
<b>Guarantee commission expense</b>		
Ambady Infrastructure Private Limited	1.18	1.25
DM Med City Hospitals India Private Limited	1.54	1.61
<b>Guarantee commission received</b>		
Prerana Hospital Limited	1.87	1.92
Aster DM Healthcare (Trivandrum) Private Limited	3.23	1.95
<b>Interest on loan to related parties</b>		
EMED Human Resources (India) Private Limited	0.65	1.02
<b>Other expenses</b>		
EMED Human Resources (India) Private Limited	2.66	3.52
DM Education & Research Foundation	54.93	86.23
<b>Interest income under the effective interest method on lease deposit</b>		
DM Education & Research Foundation	5.74	5.36
DM Med City Hospitals India Private Limited	6.95	6.44
<b>Employee stock option expense recharged</b>		
Aster DM Healthcare FZC	16.69	48.44

# Notes to the Standalone Financial Statements

## 33. Related parties (contd..)

### b) Balance receivable / (payable) as at the year end

₹ in Millions

Nature of transactions	31 March 2018	31 March 2017
<b>Financial assets- loans (current)- Dues from related parties</b>		
Aster DM Healthcare (Trivandrum) Private Limited	284.58	244.26
Prerana Hospital Limited	4.81	1.72
Aster DM Healthcare FZC	221.77	205.08
Aster Pharmacies Group LLC	3.92	3.92
Sri Sainatha Multi-Specialty Hospital Private Limited	0.76	-
Dr.Ramesh Cardiac and Multi- Speciality Hospital Private Limited	0.03	-
DM Med City Hospitals India Private Limited	186.63	171.46
Ambady Infrastructure Private Limited	61.92	62.86
EMED Human Resources (India) Private Limited	5.06	8.53
Malabar Institute of Medical Science Limited	3.74	-
<b>Other financial liabilities (current)-Dues to holding company</b>		
Union Investments Private Limited	(26.99)	(10.37)
<b>Other financial liabilities (current) - Dues to subsidiaries</b>		
Dr. Moopens Healthcare Management Services LLC	(29.15)	(28.49)
AL Raffah Hospital LLC	(12.92)	(11.54)
Malabar Institute of Medical Science Limited	-	(0.01)
<b>Other financial liabilities (current) - Dues to creditors for expenses</b>		
DM Education & Research Foundation	(3.01)	(3.45)
Wayanad Infrastructure Private Limited	(0.65)	-
EMED Human Resources (India) Private Limited	(0.12)	(3.23)
<b>Other financial assets (current) - Receivable from subsidiary</b>		
Affinity Holdings Private Limited	-	453.95
<b>Trade receivables</b>		
Prerana Hospital Limited	39.02	24.81
Dr.Moopen's Healthcare Management Services W.L.L, Qatar	0.34	0.26
Aster DM Foundation, India	-	1.03
<b>Other non current assets - Deferred lease expenses</b>		
DM Education & Research Foundation	51.09	58.46
DM Med City Hospitals India Private Limited	95.48	105.02
<b>Other current assets - Deferred lease expenses</b>		
DM Education & Research Foundation	7.37	7.37
DM Med City Hospitals India Private Limited	9.54	9.54
<b>Other financial assets- (non current) Rent and other deposits</b>		
DM Education & Research Foundation	87.72	81.98
DM Med City Hospitals India Private Limited	86.38	79.43
<b>Guarantee given</b>		
Prerana Hospital Limited	373.45	377.85
Aster DM Healthcare (Trivandrum) Private Limited	637.40	630.13
<b>Guarantee received</b>		
Ambady Infrastructure Private Limited	1,746.67	1,746.67
DM Med City Hospitals India Private Limited	1,006.81	1,006.81

# Notes to the Standalone Financial Statements

## 34. Segmental reporting

Ind AS 108 'Operating Segment' ('Ind AS 108') establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the 'management approach' as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). All operating segments' operating results are reviewed regularly by the Company's CODM to make decisions about resources to be allocated to the segments and assess their performance.

The Company has structured its business broadly into two verticals – Hospitals and others. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Income and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as unallocable and directly charged against total income. The assets of the Company are used interchangeably between segments, and the management believes that it is currently not practical to provide segment disclosures relating to total assets and liabilities since a meaningful segregation is not possible.

### A. Business segments

The business segments of the Company are as follows:

i) Hospitals

iii) Others - Comprising consultancy division which is into providing healthcare consultancy and clinics.

Particulars	₹ in Millions					
	As at / year ended 31 March 2018			As at / year ended 31 March 2017		
	Hospital	Others	Total	Hospital	Others	Total
<b>A. Business segment information</b>						
<b>Segment revenue</b>						
External revenue	5,220.06	80.60	5,300.66	3,750.90	44.22	3,795.12
<b>Total segment revenue</b>	<b>5,220.06</b>	<b>80.60</b>	<b>5,300.66</b>	<b>3,750.90</b>	<b>44.22</b>	<b>3,795.12</b>
Segment profit (loss) before income tax	(182.60)	(13.39)	(195.99)	(947.36)	(16.97)	(964.33)
Segment profit (loss) before income tax includes :						
Other income, excluding finance income	80.04	-	80.04	15.95	-	15.95
Depreciation and amortisation	569.48	7.01	576.49	658.23	5.42	663.65
<b>Segment Assets</b>	<b>9,167.72</b>	<b>71.78</b>	<b>9,239.50</b>	<b>9,028.77</b>	<b>58.65</b>	<b>9,087.42</b>
Segment asset include :						
Capital expenditure during the year	842.52	10.39	852.91	1,622.66	33.78	1,656.44
<b>Segment Liabilities</b>	<b>2,101.90</b>	<b>1.82</b>	<b>2,103.72</b>	<b>7,426.73</b>	<b>4.63</b>	<b>7,431.36</b>

# Notes to the Standalone Financial Statements

## 34. Segmental reporting (contd..)

### B. Reconciliation of information on reportable segments to Ind AS measures

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
<b>i) Profit before tax</b>		
Total (loss) before tax for reportable segments	(182.60)	(947.36)
Profit (loss) before tax for other segments	(13.39)	(16.97)
	<b>(195.99)</b>	<b>(964.33)</b>
<b>Unallocated amounts :</b>		
Other income, Excluding finance income	39.15	258.26
Interest income	11.20	32.31
Interest expense	(539.54)	(2,283.30)
Depreciation and amortisation	(14.27)	(12.10)
Gain on extinguishment of financial liability	-	3,591.89
Other expenses	(172.47)	(155.67)
<b>Profit (loss) before tax</b>	<b>(871.92)</b>	<b>467.06</b>
<b>ii) Assets</b>		
Total assets of reportable segments	9,167.72	9,028.77
Assets of other segments	71.78	58.65
Unallocated Assets	23,698.16	23,159.32
<b>Total assets</b>	<b>32,937.66</b>	<b>32,246.74</b>
<b>iii) Liabilities</b>		
Total liabilities of reportable segments	2,101.90	7,426.73
Liabilities of other segments	1.82	4.63
Unallocated Liabilities	1,574.21	1,534.60
<b>Total liabilities</b>	<b>3,677.93</b>	<b>8,965.96</b>

### C. Geographical segments

Geographical information analyses the company's revenue and non current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customers and segment assets which have been based on the geographical location of the assets.

#### (i) Revenue from operations

	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
India	5,300.66	3,795.12
Others	-	-
	<b>5,300.66</b>	<b>3,795.12</b>

#### (ii) Total Assets

	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
India	32,937.03	32,246.10
Others	0.63	0.64
	<b>32,937.66</b>	<b>32,246.74</b>

### D. Major customer

No major customer has contributed more than 10% of the Group's total revenue.

# Notes to the Standalone Financial Statements

## 35. Financial Instruments- Fair values and risk management

### A Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

31 March 2018

Particulars	Note	Carrying amount			Fair value			Total
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Level 1	Level 2	Level 3	
<b>Assets</b>								
<b>Financial assets not measured at fair value</b>								
Cash and Cash equivalents	11	838.50	-	-	-	-	-	838.50
Other bank balances	12	795.10	-	-	-	-	-	795.10
Investments	6	20,858.56	-	-	-	-	-	20,858.56
Trade receivables	10	305.31	-	-	-	-	-	305.31
Loans	13	638.40	-	-	-	-	-	638.40
Other financial assets	7	497.32	-	-	-	-	-	497.32
<b>Total</b>		<b>23,933.19</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>23,933.19</b>
<b>Liabilities</b>								
<b>Financial liabilities measured at fair value</b>								
Derivatives		-	863.00	-	-	-	-	863.00
<b>Financial liabilities not measured at fair value</b>								
Trade payables	19	-	-	231.95	-	-	-	231.95
Borrowings	29	-	-	1,098.74	-	-	-	1,098.74
Other financial liabilities	16	-	-	532.73	-	-	-	532.73
<b>Total</b>		<b>-</b>	<b>863.00</b>	<b>1,863.42</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>2,726.42</b>
								<b>863.00</b>

₹ in Millions

# Notes to the Standalone Financial Statements

## 35. Financial Instruments- Fair values and risk management (contd..)

31 March 2017

₹ in Millions

Particulars	Note	Carrying amount			Fair value			Total
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Level 1	Level 2	Level 3	
<b>Assets</b>								
<b>Financial assets not measured at fair value</b>								
Cash and Cash equivalents	11	146.84	-	-	-	-	-	146.84
Other bank balances	12	43.42	-	-	-	-	-	43.42
Investments	6	15,690.90	-	-	-	-	-	15,690.90
Trade receivables	10	244.51	-	-	-	-	-	244.51
Loans	13	563.01	-	-	-	-	-	563.01
Other financial assets	7	960.16	-	-	-	-	-	960.16
<b>Total</b>		<b>17,648.84</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17,648.84</b>
<b>Liabilities</b>								
<b>Financial liabilities measured at fair value</b>								
Derivatives		-	861.30	-	-	-	861.30	861.30
<b>Financial liabilities not measured at fair value</b>								
Trade payables	19	-	-	320.25	-	-	-	320.25
Borrowings	15	-	-	6,453.33	-	-	-	6,453.33
Other financial liabilities	16	-	-	572.82	-	-	-	572.82
<b>Total</b>		<b>-</b>	<b>861.30</b>	<b>7,346.40</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,207.70</b>
								<b>861.30</b>

# Notes to the Standalone Financial Statements

## 35. Financial Instruments- Fair values and risk management (contd..)

### B Measurement of fair values

The following methods and assumptions were used to estimate the fair values:

- The fair values of the units of mutual fund schemes are based on net asset value at the reporting date.
- The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies.
- The fair value of the derivative put option is determined using Monte Carlo simulation. The significant unobservable inputs used in the fair value measurement are risk free rate, volatility and management projected EBITDA growth rates.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis. The discount rates used is based on management estimates.

### Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values of derivative put option.

	₹ in Millions
Balance as at 31 March 2017	<b>861.30</b>
Net change in fair value (unrealised)	1.70
Balance as at 31 March 2018	<b>863.00</b>

### Sensitivity analysis

For the fair values of put option, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

	₹ in Millions	
	Profit or loss	
	Increase	Decrease
<b>As at 31 March 2018</b>		
Volatility (5% movement)	2.30	4.00
EBITDA growth rates (10% movement)	174.60	(161.40)
Risk free rate (1% movement)	(47.70)	65.60

	₹ in Millions	
	Profit or loss	
	Increase	Decrease
<b>As at 31 March 2017</b>		
Volatility (5% movement)	7.30	(11.90)
EBITDA growth rates (10% movement)	260.40	(220.90)
Risk free rate (1% movement)	(74.50)	75.30



# Notes to the Standalone Financial Statements

## 35. Financial Instruments- Fair values and risk management (contd..)

### C Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, market risk and liquidity risk.

#### i) Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Company's audit and risk management committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Company. The committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad-hoc reviews of risk management controls and procedures, the results of which are reported to the audit and risk management committee.

#### ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Company establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to 305.31 million (31 March 2017: 244.51 million) and unbilled revenue amounting to 61.24 million (31 March 2017: 76.38 million). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Allowance for credit loss	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
Balance at the beginning	14.97	1.47
Impairment loss recognised	6.92	13.50
<b>Balance at the end</b>	<b>21.89</b>	<b>14.97</b>

No single customer accounted for more than 10% of the revenue as of 31 March 2018 and 31 March 2017. There is no significant concentration of credit risk.

Credit risk on cash and cash equivalent and other bank balances is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units.

#### iii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

# Notes to the Standalone Financial Statements

## 35. Financial Instruments- Fair values and risk management (contd..)

### iii) Liquidity risk (contd..)

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2018:

Particulars	₹ in Millions		
	Less than 1 year	More than 1 year	Total
Trade payables	231.95	-	231.95
Current borrowings	832.57	-	832.57
Non current borrowings (including current maturities)	-	266.17	266.17
Derivatives	-	863.00	863.00
Other financial liabilities	532.73	-	532.73
<b>Total</b>	<b>1,597.25</b>	<b>1,129.17</b>	<b>2,726.42</b>

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2017:

Particulars	₹ in Millions		
	Less than 1 year	More than 1 year	Total
Trade payables	320.25	-	320.25
Current borrowings	972.70	-	972.70
Non current borrowings (including current maturities)	10.00	5,470.63	5,480.63
Derivatives	-	861.30	861.30
Other financial liabilities	582.82	-	582.82
<b>Total</b>	<b>1,885.77</b>	<b>6,331.93</b>	<b>8,217.70</b>

### iv) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

#### Foreign currency risk

The Company is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the functional currency of the Company. The functional currency of company is INR. The currencies in which these transactions are primarily denominated is AED, EUR, OMR and US dollar

The summary quantitative data about the Company's exposure to currency risk (based on notional amounts) as reported to the management is as follows.

As at 31 March 2018	₹ in Millions			
	AED	EUR	OMR	USD
Other current financial liabilities	29.15	15.81	12.92	77.37
Other financial assets	-	-	-	-
Cash and cash equivalents	0.63	-	-	-
<b>Net assets/(liabilities)</b>	<b>(28.52)</b>	<b>(15.81)</b>	<b>(12.92)</b>	<b>(77.37)</b>

As at 31 March 2017	₹ in Millions			
	AED	EUR	OMR	USD
Other current financial liabilities	28.19	-	11.57	-
Other financial assets	-	-	-	453.23
Cash and cash equivalents	0.63	-	-	1.06
<b>Net assets/(liabilities)</b>	<b>(27.56)</b>	<b>-</b>	<b>(11.57)</b>	<b>454.29</b>

# Notes to the Standalone Financial Statements

## 35. Financial Instruments- Fair values and risk management (contd..)

### iv) Market risk (contd..)

#### Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments.

₹ in Millions

Particulars	Impact on profit or (loss)		Impact on equity, net of tax	
	As at	As at	As at	As at
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
<b>AED Sensitivity</b>				
INR/ AED - Increase by 1%	(0.29)	(0.29)	(0.29)	(0.29)
INR/ AED - Decrease by 1%	0.29	0.29	0.29	0.29
<b>EUR Sensitivity</b>				
INR/ EUR - Increase by 1%	(0.16)	-	(0.16)	-
INR/ EUR - Decrease by 1%	0.16	-	0.16	-
<b>OMR Sensitivity</b>				
INR/ OMR - Increase by 1%	0.13	0.12	0.13	0.12
INR/ OMR - Decrease by 1%	(0.13)	(0.12)	(0.13)	(0.12)
<b>USD Sensitivity</b>				
INR/ USD - Increase by 1%	(0.77)	4.54	(0.77)	4.54
INR/ USD - Decrease by 1%	0.77	(4.54)	0.77	(4.54)

#### Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The interest rate on the Company's financial instruments is based on market rates. The Company monitors the movement in interest rates on an ongoing basis.

#### (a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

₹ in Millions

Financial liabilities (bank borrowings)	As at	As at
	31 March 2018	31 March 2017
Variable rate long term borrowing including current maturities	266.17	5,480.63

#### Sensitivity

₹ in Millions

Particulars	Impact on profit or (loss)		Impact on equity, net of tax	
	As at	As at	As at	As at
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
<b>Sensitivity</b>				
1% increase in MCLR rate	(2.66)	(54.81)	(2.66)	(54.81)
1% decrease in MCLR rate	2.66	54.81	2.66	54.81

The interest rate sensitivity is based on the closing balance of secured term loans from banks.

# Notes to the Standalone Financial Statements

## 36. Employee benefits

The Company has a defined benefit gratuity plan as per the Payment of Gratuity Act, 1972 ('Gratuity Act'). Under the Gratuity Act, employee who has completed five years of service is entitled to specific benefit. The level of benefit provided depends on the employee's length of service and salary at retirement/termination age.

A Based on an actuarial valuation, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
Defined benefit obligation liability	29.06	15.93
Plan assets	-	-
Net defined benefit liability	29.06	15.93
Leave encashment	39.53	24.38
<b>Total employee benefit liability</b>	<b>68.59</b>	<b>40.31</b>

### B Reconciliation of present value of defined benefit obligation

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Balance at beginning of the year	15.93	8.12
Benefit paid	(0.01)	(0.35)
Current service cost	(10.56)	(6.50)
Past Service Cost	(1.30)	-
Interest cost	(1.04)	(0.60)
Actuarial gain/(loss) recognised in other comprehensive income		
- changes in demographic assumptions	-	0.28
- changes in financial assumptions	(0.49)	(2.33)
- experience adjustments	0.25	0.99
<b>Balance at the end of the year</b>	<b>29.06</b>	<b>15.93</b>
<b>Net Defined Benefit liability</b>	<b>29.06</b>	<b>15.93</b>

### C (i) Expenses recognised in the Profit & Loss Account

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Current Service cost	10.56	6.50
Past Service Cost	1.30	-
Interest cost	1.04	0.60
<b>Net gratuity cost</b>	<b>12.90</b>	<b>7.10</b>

### (ii) Remeasurements recognised in other comprehensive income

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Actuarial gain/ (loss) on defined benefit obligation	(0.24)	(1.06)
	<b>(0.24)</b>	<b>(1.06)</b>

# Notes to the Standalone Financial Statements

## 36. Employee benefits

### D Defined Benefit Obligation

#### (i) Assumptions used to determine benefit obligations:

Principal actuarial assumptions at the reporting date (expressed as weighted average)

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Discount rate	7.30%	6.50%
Future salary growth	8.00%	7.00%
Attrition rate	Below 35 years : 35% p.a. 35 yrs & above : 6% p.a.	Below 35 years : 35% p.a. 35 yrs & above : 6% p.a.

The weighted-average assumptions used to determine net periodic benefit cost for the year ended 31 March 2018 and year ended 31 March 2017 as set out below

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Discount rate	7.30%	6.50%
Future salary growth	8.00%	7.00%
Weighted average duration of defined benefit obligation	5	3

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India.

The Company assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plans.

#### (ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

Particulars	₹ in Millions			
	As at 31 March 2018		As at 31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(2.22)	2.35	(1.26)	1.46
Future salary growth (1% movement)	2.45	(2.23)	1.44	(1.27)
Withdrawal rate (1% movement)	(0.72)	0.75	(0.46)	0.48

Although the analysis does not take account of the full distribution of the cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumption shown.

# Notes to the Standalone Financial Statements

## 37. Operating leases

The Company is obligated under cancellable operating leases for office, hospital premises and residential premises which are renewable at the option of both the lessor and lessee.

The Company is obliged under non-cancellable operating leases for hospital operations and management fees (revenue share) and operating leases for office and residential premises. Future minimum lease payments due under non-cancellable operating leases are as follows:

Particulars	₹ in Millions	
	31 March 2018	31 March 2017
Payable in less than one year	67.85	61.69
Payable between one to five years	307.77	290.03
Payable after more than five years	3,869.78	3,949.52

### Amounts recognised in profit or loss

Particulars	₹ in Millions	
	31 March 2018	31 March 2017
Cancellable lease	3.91	8.76
Non-cancellable lease	248.25	169.64

## 38. Capital management

The Company's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio.

For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of 31 March 2018 and 31 March 2017 was as follows:

Particulars	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
Total equity attributable to the equity shareholders of the Company	29,259.73	23,280.78
<b>As a percentage of total capital</b>	96%	78%
Long-term borrowings including current maturities*	266.17	5,480.63
Short-term borrowings	832.57	972.70
<b>Total borrowings</b>	1,098.74	6,453.33
<b>As a percentage of total capital</b>	4%	22%
<b>Total capital (Equity and Borrowings)</b>	30,358.47	29,734.11

# Notes to the Standalone Financial Statements

## 39. Share based payments

### A Description of share-based payment arrangements- Share option plans (equity-settled)

The Company has issued stock options under the DM Healthcare Employees Stock Option Plan 2013 ('DM Healthcare ESOP 2013' or '2013 Plan') during the financial year ended 31 March 2013. The 2013 Plan covers all non- promoter directors and employees of the Company and its subsidiaries (collectively referred to as 'eligible employees'). Under this plan, holders of vested options are entitled to purchase shares at the market price of the shares at respective date of grant of options. The Compensation Committee granted the options on the basis of performance, criticality and potential of the employees as identified by the management.

The Company has issued different categories of options on 2 March 2013, 1 April 2014, 1 April 2015, 22 November 2016, 6 June 2017 and 01 March 2018 on different terms viz; incentive options, milestone options, performance options and loyalty options.

The Company has computed the fair value of the options for the purpose of accounting of employee compensation cost/ expense over the vesting period of the options.

The fair value of the option is calculated using the Black-Scholes Option Pricing model. Accordingly fair value of the various options granted is stated below:

Option Type	Grant date	Number of instruments	Exercise price	Vesting conditions	Contractual life of options
Incentive option	2 March 2013	344,280	50	At the end of 1 year based on performance	5 years from the date of grant
Incentive option	1 April 2014	344,280	50		
Incentive option	1 April 2015	360,526	50		
Incentive option	22 November 2016	410,385	50	50% at the end of first year and 25% each at the end of second & third year based on performance.	
Incentive option	7 June 2017	148,000	174.75	25% at the end of each financial year over a period of 4 years based on performance.	
Milestone option	2 March 2013	715,986	50	25% at the end of each financial year over a period of 4 years based on performance.	
Milestone option	1 April 2014	254,537	50		
Milestone option	1 April 2015	27,493	50		
Milestone option	22 November 2016	138,000	50	50% at the end of first year and 25% each at the end of second & third year each based on performance.	
Milestone option	7 June 2017	111,000	175	25% at the end of each financial year over a period of 4 years based on performance.	
Performance options	1 March 2018	482,200	142	25% at the end of each financial year over a period of 4 years based on performance.	
Performance options	1 March 2018	183,829	50	25% at the end of each financial year over a period of 4 years based on performance.	
Loyalty option	2 March 2013	420,000	10	100% vesting at the end of 1 year from date of grant.	
Loyalty option	1 April 2014	9,000	10		
Loyalty option	1 April 2015	15,000	10		
Loyalty option	22 November 2016	176,000	10	80% vesting on completion of 6 years' service and 20% vesting on completion of 9 years' service subject to minimum vesting period of 1 year from date of grant.	
Loyalty option	7 June 2017	285,000	10		
Loyalty option	1 March 2018	146,800	10	75% vesting on completion of 6 years' service and 25% vesting on completion of 9 years' service subject to minimum vesting period of 1 year from date of grant.	

# Notes to the Standalone Financial Statements

## 39. Share based payments (contd..)

### B Measurement of fair value

The Company has computed the fair value of the options for the purpose of accounting of employee compensation cost/ expense over the vesting period of the options. The fair value of the option is calculated using the Black-Scholes Option Pricing model. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Option Type	Incentive option					
Date of grant	7 June 2017	22 November 2016	1 April 2015	1 April 2014	2 March 2013	
Fair value at grant date	Rs 87.20	Rs 173.09	Rs 216.86	Rs 77.07	Rs 40.90	
Share price at grant date	Rs 233.00	Rs 216.71	Rs 259.65	Rs 132.56	Rs 170.00	
Exercise Price	Rs 174.75	Rs 50.00	Rs 50.00	Rs 50.00	Rs 50.00	
Expected volatility	0.001%	0.001%	0.001%	0.001%	Nil	
Expected life	2.75 years	2.25 years	2 years	2 years	1.96 years	
Expected dividends	Nil	Nil	Nil	Nil	Nil	
Risk- free interest rate	6.64%	6.08%	7.79%	8.89%	7.95%	

Option Type	Milestone option					
Date of grant	7 June 2017	22 November 2016	1 April 2015	1 April 2014	2 March 2013	
Fair value at grant date	Rs 87.20	Rs 173.31	Rs 219.21	Rs 78.50	Rs 48.68	
Share price at grant date	Rs 232.75	Rs 216.71	Rs 259.65	Rs 132.56	Rs 170.00	
Exercise Price	Rs 175.00	Rs 50.00	Rs 50.00	Rs 50.00	Rs 50.00	
Expected volatility	0.001%	0.001%	0.001%	0.001%	Nil	
Expected life	2.75 years	2.23 years	2.75 years	2.80 years	2.80 years	
Expected dividends	Nil	Nil	Nil	Nil	Nil	
Risk- free interest rate	6.64%	6.08%	7.79%	8.89%	7.95%	

Option Type	Performance options	
Date of grant	1 March 2018	1 March 2018
Fair value at grant date	Rs 133.44	Rs 61.55
Share price at grant date	Rs 173.10	Rs 173.10
Exercise Price	Rs 50.00	Rs 142.00
Expected volatility	16.380%	16.380%
Expected life	2.50 years	2.50 years
Expected dividends	Nil	Nil
Risk- free interest rate	7.76%	7.76%

Option Type	Loyalty option					
Date of grant	1 March 2018	7 June 2017	22 November 2016	1 April 2015	1 April 2014	2 March 2013
Fair value at grant date	Rs 165.47	Rs 226.89	Rs 208.88	Rs 251.09	Rs 124.19	Rs 161.42
Share price at grant date	Rs 173.10	Rs 233.00	Rs 216.71	Rs 259.65	Rs 132.56	Rs 170.00
Exercise Price	Rs 10.00	Rs 10.00	Rs 10.00	Rs 10.00	Rs 10.00	Rs 10.00
Expected volatility	16.380%	0.001%	0.001%	0.001%	0.001%	Nil
Expected life	4.50 years	2.61 years	3.14 years	2 years	2 years	2 years
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil
Risk- free interest rate	6.64%	6.64%	6.08%	7.79%	8.89%	7.95%



# Notes to the Standalone Financial Statements

## 39. Share based payments (contd..)

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

### C Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option plans are as follows.

₹ in Millions

Particulars	31 March 2018	31 March 2017
Outstanding as on 1 April	1.69	1.83
Granted during the year	1.36	0.72
Lapsed / forfeited during the year	0.51	0.08
Exercised during the year	0.03	0.69
Expired during the year	0.02	0.09
Options outstanding at the end of the year	2.49	1.69
Options exercisable at the end of the year	0.99	0.98
Weighted average share price at the date of exercise	68.60	36.01

The options outstanding at 31 March 2018 have an exercise price in the range of INR 10 to INR 175 (31 March 2017: INR 10 to INR 50) and a weighted average remaining contractual life of 3.60 years (31 March 2017: 2.75 years).

### D Expense recognised in statement of profit and loss

For details on the employee benefits expense, see Note 24.

**40** The Company has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with associated enterprises during the financial period and expects such records to be existence latest by the date of filing its income tax return as required by the law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

**41** The Company has entered into joint development agreement on 1 April 2014, with its subsidiary, DM Medcity Hospitals (India) Private Limited ('DM Medcity'), for construction and development of its Medcity hospital project (Phase I and Phase II). Under the agreement the Company is required to make certain payments / deposits to the subsidiary based on which the Company has been given the right to enter into and construct part of the Phase I of the project on lands owned by DM Medcity. The agreement also states that DM Medcity is required to make certain payments / deposits to the Company based on which DM Medcity has been given the right to enter into and construct part of the Phase II of the project on lands owned by the Company. The agreement envisages that Phase I of the project will be owned by the Company and Phase II of the project will be owned by DM Medcity.

**42** During the year ended 31 March 2018, the Company had completed the initial public offer (IPO), pursuant to which 51,586,145 equity shares having face value of INR 10 each were allotted/ allocated, at an issue price of INR 190, consisting of fresh issue of 38,157,894 equity shares and an offer for sale of 13,428,251 equity shares by selling shareholders. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) via Symbol ASTERDM and BSE Limited (BSE) via Scrip Code 540975 on 26 February 2018.

The gross proceeds of fresh issue of equity shares from IPO amounts to INR 7,250 million. The Company's share of fresh issue related expenses of INR 443.11 million has been adjusted against securities premium. Details of utilisation of IPO proceeds are as follows:

₹ in Millions

Particulars	Objects of issue as per prospectus	Utilised upto 31 March 2018	Unutilised amount as at 31 March 2018
Repayment/ prepayment of debt	5,641.56	5,641.56	-
Purchase of medical equipment	1,103.11	-	1,103.11
Fresh issue related expenses	490.10	328.12	161.98
General corporate purposes*	15.23	21.33	(6.10)
<b>Total</b>	<b>7,250.00</b>	<b>5,991.01</b>	<b>1,258.99</b>

\*The excess utilised has been adjusted against fresh issue related expenses.

# Notes to the Standalone Financial Statements

## 43. Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination currency notes as defined in the Ministry of Corporate Affairs notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars			₹ in Millions
	Specified bank notes *	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	8.81	0.62	9.43
(+) Permitted receipts	0.19	81.65	81.84
(-) Permitted payments	-	2.10	2.10
(+) Not permitted receipts	4.11	-	4.11
(-) Not permitted payments	-	-	-
(-) Amount deposited in Banks	13.11	75.82	88.93
<b>Closing cash in hand as on 30 December 2016</b>	<b>-</b>	<b>4.35</b>	<b>4.35</b>

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

44. The previous year figures have been reclassified/ regrouped wherever necessary.

As per our report of even date attached

for **B S R and Associates**  
Chartered Accountants  
Firm registration number: 128901W

**Rushank Muthreja**  
Partner  
Membership No.: 211386

Bangalore  
21 May 2018

for and on behalf of the Board of Directors of  
**Aster DM Healthcare Limited**  
CIN: U85110KL2008PLC021703

**Dr. Azad Moopen**  
Managing Director  
DIN 00159403

Dubai  
21 May 2018

**Sreenath Reddy**  
Chief Financial Officer

Dubai  
21 May 2018

**T J Wilson**  
Director  
DIN 02135108

Dubai  
21 May 2018

**Rajesh A**  
Company Secretary  
Membership no. : F7106

Kochi  
21 May 2018

# Consolidated Independent Auditor's Report

To The Members of **Aster DM Healthcare Limited**

## Report on the Audit of consolidated Ind AS financial statements

We have audited the accompanying consolidated Ind AS financial statements of Aster DM Healthcare Limited (hereinafter referred to as 'the Holding Company'), and its subsidiaries (collectively referred to as 'the Group') and associates, which comprise the consolidated balance sheet as at 31 March 2018, the consolidated statement of profit and loss and the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as 'the consolidated Ind AS financial statements').

## Management's responsibility for the consolidated Ind AS financial statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 (hereinafter referred to as 'the Act') that give a true and fair view of the consolidated state of affairs, consolidated profit/ loss and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Group and its associates and for preventing and detecting frauds and other irregularities; the 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 consolidated Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Ind AS consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the Ind AS consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

## Auditors' responsibility

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit. While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's 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 Group and of its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the consolidated Ind AS financial statements 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 Group and its associates to cease to continue as a going concern.

We believe that the audit evidence obtained by us and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-paragraph 1 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and associates, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its associates as at 31 March 2018, and their consolidated profit and other comprehensive income, consolidated statement of changes in equity and consolidated cash flows for the year ended on that date.

## Other Matters

1. We did not audit the financial statements and other financial information of 39 subsidiaries, whose financial statements reflect total assets of ₹84,138.01 million as at 31 March 2018 (₹48,065.12 million after giving effect to consolidation adjustments), total revenues of ₹65,502.67 million (₹61,078.24 million after giving effect to consolidation adjustments) and net cash inflows amounting to ₹4.32 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹2.95 million for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements, in respect of an associate, whose financial statements/ financial information have not been audited by us. These financial statements / financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates and our report in terms of sub-section (3) of Section 143 of the Act, insofar as it relates to the aforesaid subsidiaries and associates is based solely on the reports of the other auditors.

Certain of these subsidiaries are located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in their respective countries ('local GAAP'). The Company's management has converted the financial statements of such subsidiaries from local GAAP to accounting principles generally accepted in India. This has been done on the basis of a reporting package prepared by the Company which covers accounting and disclosure requirements applicable to the consolidated Ind AS financial statements under the generally accepted accounting principles in India.

The reporting packages made for this purpose have been audited by the other auditors and the audit reports of those other auditors have been furnished to us. Our opinion in so far as it relates to the balances and affairs of such subsidiaries is based on the report of other auditors.

Further, for certain other subsidiaries located outside India, the financial statements and other financial information have been prepared in accordance with local GAAP which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Company's management has converted the financial statements of such subsidiaries from local GAAP to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Company's management. Our opinion in so far as it relates to the balances and affairs of such subsidiaries is based on the report of other auditors and the conversion adjustments prepared by the management of the Company and audited by us.

2. We did not audit the financial statements/ financial information of 14 subsidiaries whose financial statements/ financial information reflect total assets of ₹972.11 million as at 31 March 2018 (₹752.83 million after giving effect to consolidation adjustments), total revenues of ₹176.12 million (₹175.06 million after giving effect to consolidation adjustments) and net cash outflows amounting to ₹5.08 million for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of ₹19.92 million as considered in the consolidated Ind AS financial statements, in respect of 3 associates, whose financial statements/ financial information have not been audited by us. These financial statements/ financial information are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and associates, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements/ financial information. In our opinion and according to the information and explanations given to us by the Management, these financial statements/ financial information are not material to the Group.

Our opinion on the consolidated Ind AS financial statements, and our report on other legal and regulatory requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements/ financial information certified by the Management.

## Report on other legal and regulatory requirements

1. As required by Section 143 (3) of the Act, based on our audit and on consideration of the reports of the other auditors on the separate financial statements and other financial information of subsidiaries and associates, as noted in the 'Other Matters' paragraph, we report, to the extent applicable, that:
  - (a) we have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated Ind AS financial statements;
  - (b) in our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;
  - (c) the consolidated balance sheet, the consolidated statement of profit and loss and other comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements;
  - (d) in our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with relevant rules issued thereunder;
  - (e) on the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of the subsidiary companies and associates incorporated in India, none of the directors of the Holding Company and its subsidiaries and associates incorporated in India, is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) with respect to the adequacy of the internal financial controls with reference to the financial statements of the Holding company and its subsidiary companies and associate incorporated in India and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'; and
  - (g) with respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and associates, as noted in the 'Other Matters' paragraph:
    - i. The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group and its associates - Refer Note 33 to the consolidated Ind AS financial statements;
    - ii. The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2018;
    - iii. There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies and associates incorporated in India during the year ended 31 March 2018; and
    - iv. The disclosures in the consolidated Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, amounts as appearing in the audited consolidated Ind AS financial statements for the period ended 31 March 2017 have been disclosed in Note 44 to the consolidated Ind AS financial statements.

for **B S R and Associates**  
Chartered Accountants  
Firm's registration number: 128901W

**Rushank Muthreja**  
Partner

Membership number: 211386

Bangalore  
21 May 2018

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# Annexure - A to the Independent Auditors' Report

## Report on the internal financial controls under clause (i) of sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')

In conjunction with our audit of the consolidated Ind AS financial statement of Aster DM Healthcare Limited ('the Holding Company'), its subsidiaries and associates as at and for the year ended 31 March 2018, we have audited the internal financial controls with reference to financial statements of the Holding Company, its subsidiaries and associates which are companies incorporated in India, as of that date.

### Management's responsibility for internal financial controls

The respective Board of Directors of the Holding Company, its subsidiaries and the associates, which are incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control with reference to financial statements criteria established by the Holding Company, its subsidiaries and associates incorporated in India considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('Guidance Note') issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to the respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013 ('the Act').

### Auditor's responsibility

Our responsibility is to express an opinion on the Holding Company's and its subsidiaries and associates incorporated in India, internal financial controls with reference to financial statements, based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by the ICAI and deemed to be prescribed under Section 143 (10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to financial statements and their operating

effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the 'Other Matters' paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system with reference to financial statements of the Holding Company, its subsidiaries and associates incorporated in India.

### Meaning of internal financial controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements includes those policies and procedures that: (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

### Inherent limitations of internal financial controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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## Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on consideration of the reports of the other auditors referred to in the Other Matters paragraph below, the Holding Company, its subsidiaries and associates, which are companies incorporated in India, have, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements criteria established by the Holding Company, its subsidiaries and associates incorporated in India considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

## Other matter

Our aforesaid report under sub section (3)(i) of Section 143 of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements in so far as it relates to four subsidiaries and two associates, which are companies incorporated in India, is based on the corresponding reports of the statutory auditors of such companies incorporated in India.

for **B S R and Associates**  
Chartered Accountants  
Firm's registration number: 128901W

Bangalore  
21 May 2018

**Rushank Muthreja**  
Partner  
Membership number: 211386

# Consolidated Balance Sheet

as at 31 March 2018

₹ in Millions

	Note	As at 31 March 2018	As at 31 March 2017
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	29,654.88	27,668.09
Capital work-in-progress	4	4,017.35	2,897.60
Goodwill	5	7,083.39	6,739.84
Other intangible assets	5	644.38	788.95
Equity accounted investees	40	130.48	107.60
Financial assets			
Investments	6	0.01	0.01
Other financial assets	7	1,935.71	2,219.97
Deferred tax assets	28	49.00	30.30
Income tax assets	29	500.55	372.57
Other non-current assets	8	2,136.80	2,523.28
<b>Total non-current assets</b>		<b>46,152.55</b>	<b>43,348.21</b>
<b>Current assets</b>			
Inventories	9	6,270.25	5,255.39
Financial assets			
Investments	6	246.87	215.61
Trade receivables	10	15,463.93	12,876.18
Cash and cash equivalents	11	2,041.68	1,373.21
Other bank balances	12	956.08	147.48
Other financial assets	7	642.22	2,328.60
Other current assets	8	3,068.80	2,528.09
<b>Total current assets</b>		<b>28,689.83</b>	<b>24,724.56</b>
<b>Total assets</b>		<b>74,842.38</b>	<b>68,072.77</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	13	5,052.29	4,032.22
Other equity		23,268.65	14,721.89
<b>Equity attributable to owners of company</b>		<b>28,320.94</b>	<b>18,754.11</b>
<b>Non-controlling interest</b>		<b>3,579.38</b>	<b>3,752.66</b>
<b>Total equity</b>		<b>31,900.32</b>	<b>22,506.77</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
Borrowings	14	15,778.52	18,905.06
Derivatives	36	863.00	861.30
Other financial liabilities	15	181.41	158.56
Provisions	16	1,910.51	1,748.13
Deferred tax liabilities	28	1,423.34	1,436.61
Other non-current liabilities	17	550.43	444.10
<b>Total non-current liabilities</b>		<b>20,707.21</b>	<b>23,553.76</b>
<b>Current liabilities</b>			
Financial liabilities			
Borrowings	14	6,345.21	8,304.44
Trade payables	18	8,456.87	7,824.95
Other financial liabilities	15	6,419.98	5,003.08
Provisions	16	461.49	297.16
Income tax liabilities	29	118.50	253.03
Other current liabilities	17	432.80	329.58
<b>Total current liabilities</b>		<b>22,234.85</b>	<b>22,012.24</b>
<b>Total equity and liabilities</b>		<b>74,842.38</b>	<b>68,072.77</b>
Significant accounting policies	3		

The accompanying notes form an integral part of the consolidated balance sheet

As per our report of even date attached

for **B S R and Associates**  
Chartered Accountants  
Firm registration number: 128901W

**Rushank Muthreja**  
Partner  
Membership No.: 211386

Bangalore  
21 May 2018

for and on behalf of the Board of Directors of  
**Aster DM Healthcare Limited**  
CIN: U85110KL2008PLC021703

**Dr. Azad Moopen**  
Managing Director  
DIN 00159403  
**Sreenath Reddy**  
Chief Financial Officer

Dubai  
21 May 2018

**T J Wilson**  
Director  
DIN 02135108  
**Rajesh A**  
Company Secretary  
Membership no. : F7106

Kochi  
21 May 2018



# Consolidated Statement of Profit and Loss

for the year ended 31 March 2018

₹ in Millions

	Note	Year ended 31 March 2018	Year ended 31 March 2017
<b>Revenue</b>			
Revenue from operations	19	67,211.61	59,312.87
Other income	20	454.35	366.15
<b>Total income</b>		<b>67,665.96</b>	<b>59,679.02</b>
<b>Expenses</b>			
Purchase of medicines and consumables	21	21,604.30	20,021.63
Changes in inventories	22	(1,014.86)	(1,148.36)
Employee benefits expenses	23	22,711.30	20,545.01
Finance costs	24	1,846.42	3,535.99
Depreciation and amortisation expense	25	2,977.44	3,224.44
Other expenses	26	17,783.02	16,573.39
<b>Total expenses</b>		<b>65,907.62</b>	<b>62,752.10</b>
<b>Profit/ (loss) before exceptional items, share of profit/ (loss) of equity accounted investees and tax</b>		<b>1,758.34</b>	<b>(3,073.08)</b>
Exceptional items	27	1,296.42	4,159.06
<b>Profit before share of profit/ (loss) of equity accounted investees and tax</b>		<b>3,054.76</b>	<b>1,085.98</b>
Share of profit/ (loss) of equity accounted investees	40	22.87	(2.29)
<b>Profit before tax</b>		<b>3,077.63</b>	<b>1,083.69</b>
Current tax (including MAT)	29	292.33	106.04
Deferred tax charge/ (credit) (including MAT credit entitlement)	28	(31.51)	2.33
<b>Profit for the year</b>		<b>2,816.81</b>	<b>975.32</b>
<b>Other comprehensive income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement of net defined benefit liability/ (asset), net of tax		82.20	(61.53)
<b>Items that will be reclassified subsequently to profit or loss</b>			
Exchange difference in translating financial statements of foreign operations		21.70	(262.04)
<b>Other comprehensive income / (loss) for the year, net of income tax</b>		<b>103.90</b>	<b>(323.57)</b>
<b>Total comprehensive income for the year</b>		<b>2,920.71</b>	<b>651.75</b>
<b>Profit attributable to</b>			
Owners of the Company		2,688.76	1,017.60
Non-controlling interests		128.05	(42.28)
<b>Profit for the year</b>		<b>2,816.81</b>	<b>975.32</b>
<b>Other comprehensive income / (loss) attributable to</b>			
Owners of the Company		96.16	(281.17)
Non-controlling interests		7.74	(42.40)
<b>Other comprehensive income / (loss) for the year</b>		<b>103.90</b>	<b>(323.57)</b>
<b>Total comprehensive income attributable to</b>			
Owners of the Company		2,784.92	736.43
Non-controlling interests		135.79	(84.68)
<b>Total comprehensive income for the year</b>		<b>2,920.71</b>	<b>651.75</b>
<b>Earnings per share</b> (equity share of face value of Rs.10 each)	32		
Basic earnings per share		5.75	2.20
Diluted earnings per share		5.74	2.19
Significant accounting policies	3		

The accompanying notes form an integral part of the consolidated balance sheet

As per our report of even date attached

for **B S R and Associates**  
Chartered Accountants  
Firm registration number: 128901W

**Rushank Muthreja**  
Partner  
Membership No.: 211386

Bangalore  
21 May 2018

for and on behalf of the Board of Directors of  
**Aster DM Healthcare Limited**  
CIN: U85110KL2008PLC021703

**Dr. Azad Moopen**  
Managing Director  
DIN 00159403  
**Sreenath Reddy**  
Chief Financial Officer

Dubai  
21 May 2018

**T J Wilson**  
Director  
DIN 02135108  
**Rajesh A**  
Company Secretary  
Membership no. : F7106

Kochi  
21 May 2018

# Consolidated Statement of Changes in Equity

for the year ended 31 March 2018

## A. Equity share capital

	Note	Equity shares	Amount
Balance as at 1 April 2016	13	403.05	4,030.52
Changes in equity share capital during 2016-17		0.17	1.70
Balance As at 31 March 2017		403.22	4,032.22
Changes in equity share capital during 2017-18		102.01	1,020.07
Balance As at 31 March 2018		505.23	5,052.29

## B. Other equity

Particulars	Attributable to owners of the Company										Attributable to non-controlling interest	Total	
	Reserves and surplus												
	Compulsory convertible preference shares	Other components of equity	Securities Premium	Capital Reserve	General Reserve	Retained earnings	Other Reserves	Treasury shares	Exchange difference in translating financial statements of foreign operations	Remeasurement of net defined benefit plan			Total attributable to owners of the Company
Balance as at 1 April 2016	-	3,743.76	4,065.69	1,006.32	70.40	(8,478.41)	552.10	(280.44)	455.61	-	1,135.03	2,493.23	3,628.26
<b>Total comprehensive income for the year ended 31 March 2017</b>													
Profit/ (loss) for the year	-	-	-	-	-	1,017.60	-	-	(219.62)	-	1,017.60	(42.28)	975.32
Other comprehensive income, net of tax	-	-	-	(7.40)	-	-	-	-	(54.15)	(54.15)	(281.17)	(42.40)	(323.57)
<b>Total comprehensive income</b>	-	3,743.76	4,065.69	998.92	70.40	(7,460.81)	552.10	(280.44)	235.99	(54.15)	1,871.46	2,408.55	4,280.01
Transferred to retained earnings	-	-	-	-	-	(54.15)	-	-	54.15	-	-	-	-
<b>Transactions with owners, recorded directly in equity</b>													
<b>Contributions by and distributions to owners</b>													
Conversion of financial liability to equity [refer Note 13 A(a)]	638.62	-	12,665.97	-	-	-	-	-	-	-	13,304.59	-	13,304.59
Shares issued for cash	-	-	52.31	-	-	-	-	-	-	-	52.31	-	52.31
Addition/ transfer during the year	-	-	-	-	-	(6.80)	-	-	-	-	-	-	-
Share based payment	-	-	-	-	-	6.80	-	-	-	-	-	-	-
Share options exercised	-	-	35.79	-	-	50.66	-	-	-	-	50.66	-	50.66
Change in reserve of ESOP Trust	-	-	-	-	-	(54.64)	-	-	-	-	(18.85)	-	(18.85)
<b>Changes in ownership interests without loss of control</b>													
Acquisition of NCI (refer note 39)	-	-	-	-	-	(563.57)	-	-	-	-	(563.57)	1,428.82	865.25
Dividend paid to NCI shareholders by subsidiaries (including dividend distribution tax)	-	-	-	-	-	(18.49)	-	-	-	-	(18.49)	(84.71)	(103.20)
<b>Total contributions by and distributions to owners</b>	638.62	-	12,754.07	-	-	(643.01)	2.82	(43.78)	235.99	54.15	12,850.43	1,344.11	14,194.54
Balance as at 31 March 2017	638.62	3,743.76	16,819.76	998.92	70.40	(8,103.82)	554.92	(236.66)	-	-	14,721.89	3,752.66	18,474.55

# Consolidated Statement of Changes in Equity

for the year ended 31 March 2018

## B. Other equity (contd..)

Particulars	Attributable to owners of the Company						Total						
	Compulsory convertible preference shares	Other components of equity	Securities Premium Reserve	Capital Reserve	Reserves and surplus	Attributable to non-controlling interest							
		General Reserve	Treasury shares	Other Reserves	Retained earnings	Exchange difference in translating financial statements of foreign operations	Items of other comprehensive income	Remeasurement of net defined benefit plan	Total attributable to owners of the Company				
<b>Balance as at 1 April 2017</b>	<b>638.62</b>	<b>3,743.76</b>	<b>16,819.76</b>	<b>998.92</b>	<b>70.40</b>	<b>(236.66)</b>	<b>554.92</b>	<b>(8,103.82)</b>	<b>235.99</b>	<b>-</b>	<b>14,721.89</b>	<b>3,752.66</b>	<b>18,474.55</b>
<b>Total comprehensive income for the year ended 31 March 2018</b>													
Profit/ (loss) for the year	-	-	-	-	-	-	-	2,688.76	-	-	-	128.05	2,816.81
Other comprehensive income, net of tax	-	-	-	0.62	-	-	-	-	19.82	75.72	-	7.74	103.90
<b>Total comprehensive income</b>	<b>638.62</b>	<b>3,743.76</b>	<b>16,819.76</b>	<b>999.54</b>	<b>70.40</b>	<b>(236.66)</b>	<b>554.92</b>	<b>(5,415.06)</b>	<b>255.81</b>	<b>75.72</b>	<b>17,506.81</b>	<b>3,888.45</b>	<b>21,395.26</b>
Transferred to retained earnings	-	-	-	-	-	-	-	75.72	-	(75.72)	-	-	-
<b>Transactions with owners, recorded directly in equity</b>													
<b>Contributions by and distributions to owners</b>													
Shares issued for cash (refer note 43)	-	-	6,868.42	-	-	-	-	-	-	-	6,868.42	-	6,868.42
Change in reserve of ESOP Trust	-	-	-	2.04	-	-	-	-	-	-	2.04	-	2.04
Conversion of CCPS to equity	(638.62)	-	0.13	-	-	-	-	-	-	-	(638.49)	-	(638.49)
Share based payment	-	-	-	-	-	-	43.44	-	-	-	43.44	-	43.44
Share options exercised	-	-	2.14	-	-	-	(3.40)	-	-	-	(1.26)	-	(1.26)
Share issue expenses (refer note 43)	-	-	(443.11)	-	-	-	-	-	-	-	(443.11)	-	(443.11)
<b>Changes in ownership interests without loss of control</b>													
Acquisition of NCI (refer Note 39)	-	-	-	-	-	-	-	(59.95)	-	-	(59.95)	(38.70)	(98.65)
Acquisition of subsidiaries (refer Note 39)	-	-	-	-	-	-	-	-	-	-	-	20.22	20.22
Dividend paid to NCI shareholders by subsidiaries (including dividend distribution tax)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total contributions by and distributions to owners</b>	<b>(638.62)</b>	<b>-</b>	<b>6,427.58</b>	<b>-</b>	<b>-</b>	<b>2.04</b>	<b>40.04</b>	<b>6.52</b>	<b>(75.72)</b>	<b>(75.72)</b>	<b>5,761.84</b>	<b>(309.07)</b>	<b>5,452.77</b>
<b>Balance as at 31 March 2018</b>	<b>-</b>	<b>3,743.76</b>	<b>23,247.34</b>	<b>999.54</b>	<b>70.40</b>	<b>(234.62)</b>	<b>594.96</b>	<b>(5,408.54)</b>	<b>255.81</b>	<b>-</b>	<b>23,268.65</b>	<b>3,579.38</b>	<b>26,848.03</b>

The description of the nature and purpose of each reserve within equity is as follows:

### Securities premium

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013. During the year ended 31 March 2018, the Company had completed the initial public offer (IPO), pursuant to which fresh issue related expenses has been adjusted against securities premium (refer note 43).

### Capital reserve

This reserve represents the difference between the value of net asset transferred to the Group in the course of business combinations and the consideration paid for such business combinations.

# Consolidated Statement of Changes in Equity

for the year ended 31 March 2018

## B. Other equity (contd..)

### General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriate purposes.

### Exchange difference in translating financial statements of foreign operations

In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, (1 April 2015), in respect of all foreign operations to be nil at the date of transition. From 1 April 2015 onwards such exchange differences are recognised through other comprehensive income.

### Treasury shares

The Company has created the DM Healthcare Employees Welfare Trust ("the Trust") for providing share based payment to its employees. The Company treats the Trust as its extension and shares held by the Trust are treated as treasury shares. When the treasury shares are issued to the employees by the Trust, the amount received is recognised as an increase in equity and the resultant gain / (loss) is transferred to / from securities premium.

### Other reserves include :

#### Share options outstanding account

The Company has established share based payment for eligible employees of the Company and its subsidiaries Also refer note 41 for further details on these plans.

### Statutory reserve

The statutory reserve represents the statutory reserves of the LLC / WLL companies in the Group created according to Article 255 of the UAE Commercial Companies Law, Qatar Commercial Companies Law No. 5 of 2002, Article (176) of Kingdom of Saudi Arabia Companies System, The Bahrain Commercial Companies Law 2001 and Article 154 of the Sultanate of Oman's Commercial Law of 1974, (31 March 2018: ₹418.20 ; 31 March 2017: ₹418.20).

The accompanying notes form an integral part of these consolidated statement of changes in equity.

As per our report of even date attached

#### for **B S R and Associates**

Chartered Accountants

Firm registration number: 128901W

#### **Rushank Muthreja**

Partner

Membership No.: 211386

for and on behalf of the Board of Directors of

#### **Aster DM Healthcare Limited**

CIN: U85110KL2008PLC021703

#### **Dr. Azad Moopen**

Managing Director

DIN 00159403

#### **Sreenath Reddy**

Chief Financial Officer

Dubai

21 May 2018

#### **T J Wilson**

Director

DIN 02135108

#### **Rajesh A**

Company Secretary

Membership no. : F7106

Kochi

21 May 2018

# Consolidated Statement of Cash Flow

for the year ended 31 March 2018

₹ in Millions

	Year ended 31 March 2018	Year ended 31 March 2017
<b>Cash flows from operating activities</b>		
Profit/ (loss) before exceptional items, share of profit/ (loss) of equity accounted investees and tax	1,758.34	(3,073.08)
<b>Adjustments for</b>		
Depreciation and amortisation	2,977.44	3,224.44
Impairment loss on non-current assets	-	4.56
Profit on sale of property, plant and equipment	(13.37)	(0.72)
Gain on sale of investment	(7.96)	(1.82)
Allowance for credit loss on financial assets	1,095.83	1,947.68
Dividend income	-	(7.34)
Equity settled share based payments	43.44	50.66
Finance costs	1,846.42	3,535.99
Unrealised foreign exchange loss	9.92	0.22
Interest income under the effective interest method on lease deposit	(23.03)	(16.63)
Interest income on bank deposits	(25.01)	(23.00)
<b>Operating profit before working capital changes</b>	<b>7,662.02</b>	<b>5,640.96</b>
<b>Working capital changes</b>		
Increase in inventories	(999.08)	(1,240.43)
Increase in trade receivable	(1,252.56)	(2,164.11)
(Increase)/decrease in loans and advances	(1,507.58)	107.32
Increase in liabilities and provisions	1,995.50	1,706.83
<b>Cash generated from operations</b>	<b>5,898.30</b>	<b>4,050.57</b>
Income tax paid, net	(524.78)	(442.66)
<b>Net cash generated from operating activities (A)</b>	<b>5,373.52</b>	<b>3,607.91</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment	(5,170.68)	(9,246.26)
Acquisition of other intangible assets	(25.38)	(73.24)
Proceeds from sale of property, plant and equipment	49.14	58.94
Interest received	24.60	39.00
Investments in liquid mutual fund units	(653.30)	(368.59)
Proceeds from sale of liquid mutual fund units	630.00	571.59
Investment/ advance for investment in shares of associates and others	199.88	(887.43)
Dividend received	-	3.18
Acquisition of subsidiary, net of cash and cash equivalents acquired	(279.54)	(1,624.52)
<b>Net cash used in investing activities (B)</b>	<b>(5,225.28)</b>	<b>(11,527.33)</b>

# Consolidated Statement of Cash Flow

for the year ended 31 March 2018

	Year ended 31 March 2018	Year ended 31 March 2017
₹ in Millions		
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity share capital (net of share issue expenses)	6,806.89	78.10
Secured loans availed/ (repaid), net	(4,176.71)	8,763.97
Acquisition of non-controlling interest	(98.65)	(456.60)
Dividend paid to non-controlling interest by subsidiaries, including tax	(299.84)	(103.20)
Finance charges paid	(1,774.89)	(1,744.29)
<b>Net cash generated from financing activities ( C )</b>	<b>456.80</b>	<b>6,537.98</b>
<b>Net increase/ (decrease) in cash and cash equivalents (A+B+C)</b>	<b>605.04</b>	<b>(1,381.44)</b>
<b>Cash and cash equivalents at the beginning of the year*</b>	1,310.12	2,526.71
Effect of exchange rate changes on cash and cash equivalents	1.25	164.85
<b>Cash and cash equivalents at the end of the year*</b>	<b>1,916.41</b>	<b>1,310.12</b>
(refer note 11- Cash and cash equivalents)		
Significant accounting policies	3	

\* Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of Group's cash management.

The accompanying notes form an integral part of the consolidated balance sheet

As per our report of even date attached

for **B S R and Associates**  
Chartered Accountants  
Firm registration number: 128901W

**Rushank Muthreja**  
Partner  
Membership No.: 211386

Bangalore  
21 May 2018

for and on behalf of the Board of Directors of  
**Aster DM Healthcare Limited**  
CIN: U85110KL2008PLC021703

**Dr. Azad Moopen**  
Managing Director  
DIN 00159403  
**Sreenath Reddy**  
Chief Financial Officer

Dubai  
21 May 2018

**T J Wilson**  
Director  
DIN 02135108  
**Rajesh A**  
Company Secretary  
Membership no. : F7106

Kochi  
21 May 2018

# Notes to the Consolidated Financial Statements

## 1. Company overview

Aster DM Healthcare Limited ('the Company') primarily carries on the business of rendering healthcare and allied services in India. The Company was converted into a public limited company with effect from 1 January 2015. The Company is a subsidiary of Union Investments Private Limited, Mauritius which is also the ultimate holding company (till 22 February 2018). The Company listed its shares in Bombay Stock Exchange Limited and National Stock Exchange Limited in India 26 February 2018.

These consolidated financial statements of the Company as at and for the year ended 31 March 2018 comprise the Company and its subsidiaries (collectively referred to as 'Group') and the Group's interest in Associates. The group is primarily involved in the operations of healthcare facilities, retail pharmacies, and providing consultancy in areas relating to healthcare. The group has operations in UAE, Oman, Kingdom of Saudi Arabia (KSA), Qatar, Kuwait, Jordan, Philippines, Bahrain and India.

## 2. Basis of preparation

### A. Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, notified under Section 133 of Companies Act, 2013, (the 'Act'), read with relevant rules issued thereunder.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 21 May 2018.

Details of the Group's accounting policies are included in note 3.

### B. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency, and have been rounded off to nearest millions, unless otherwise indicated.

### C. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

Items	Measurement basis
Certain financial assets and liabilities (including derivatives instruments)	Fair value
Contingent consideration in business combination	Fair value
Liabilities for equity-settled share-based payment arrangements	Fair value
Net defined benefit liability	Fair value of plan asset less present value of defined benefit obligations

### D. Use of estimates and judgements

In preparing these consolidated financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

#### Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the notes:

- Note 34- lease classification
- Note 38- consolidation: whether the Group has de facto control over an investee

#### Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

- Note 4 and 5 - measurement of useful life and residual value of property, plant and equipment and intangible assets;
- Note 5 - Impairment of non-financial assets;
- Note 26 - Impairment of non-financial assets.
- Note 28 - recognition of deferred tax asset: availability of future taxable profit against which tax losses carried forward can be used;
- Note 31 - measurement of defined benefit obligations: key actuarial assumptions;
- Note 33 - recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 36 - impairment of financial assets;
- Note 39 - acquisition of subsidiary: fair value of consideration transferred (including contingent consideration)

# Notes to the Consolidated Financial Statements

## E. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. Significant valuation issues are reported to the Group's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 41: share-based payment arrangements
- Note 36: financial instruments
- Note 39: acquisition of subsidiary
- Note 4: fair value of property, plant and equipment and intangible assets

## F. Recent accounting pronouncements

Ind AS 115, Revenue from contracts with customers:

On 28 March 2018, the MCA notified the Ind AS 115. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity

expects to be entitled in exchange for those goods or services. Further, the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two methods of transition:

- Retrospective approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
- Retrospectively with cumulative effect of initially applying the standard recognised at the date of initial application (Cumulative catch up approach).

The effective date for adoption of Ind AS 115 is financial period beginning on or after 1 April 2018.

The Group will adopt the standard on 1 April 2018 by using cumulative catch up transition method and accordingly, comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The effect of adoption of Ind AS 115 is not expected to be material.

## 3. Significant accounting policies

### 3.1 Basis of consolidation

#### i. Business Combination:

Business combinations (other than common control business combinations) on or after 1 April 2015

As part of transition to Ind AS, the Group has elected to apply the relevant Ind AS, viz. Ind AS 103, Business Combinations, to only those business combinations that occurred after 1 April 2015. In accordance with Ind AS 103, the Group accounts for these business combinations using the acquisition method when control is transferred to the Group (see Note 3.1 (ii)). The consideration transferred for the business combination is generally measured at fair value as at the date the control is acquired (acquisition date), as are the net identifiable assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on bargain purchase is recognised in OCI and accumulated in equity as capital reserve if there exist clear evidence of the underlying reason for classifying the business combination as resulting in bargain purchase; otherwise the gain is recognised directly in equity as capital reserve. Transaction cost are expensed as incurred, except to the extent related to debt or equity securities.



# Notes to the Consolidated Financial Statements

The consideration transferred does not include amounts related to the settlement of pre-existing relationships with the acquiree. Such amounts are generally recognised in the statement of profit and loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured subsequently and settlement is accounted for within equity. Other contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the statement of profit and loss.

If business combination is achieved in stages, any previous held equity interest in the acquiree is re-measured to its acquisition date fair value and any resulting gain or loss is recognised in the statement of profit or loss or OCI, as appropriate.

Business combination prior to 1 April 2015.

In respect of such business combinations, goodwill represents the amount recognised under the Group's previous accounting framework under Indian GAAP.

## ii. Subsidiaries:

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has right to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

## iii. Non-controlling interests (NCI)

NCI are measured at their proportionate share of the acquiree's net identifiable assets at the date of acquisition.

Changes in the Group's equity interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

## iv. Loss of control:

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other component of equity. Any interest retained in the

former subsidiary is measured at fair value at the date the control is lost. Any resulting gain or loss is recognised in the statement of profit and loss.

## v. Equity accounted investees:

The Group's interest in equity accounted investees comprise interest in associates.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interest in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investment.

## vi. Transactions eliminated on consolidation:

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions are eliminated. Unrealised gain arising from transaction with equity accounted investees are eliminated against the investment to the extent the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The subsidiaries and associates consolidated under the Group comprise the entities listed in Note 38.

## 3.2 Foreign currency

### i. Foreign currency transactions:

Transactions in foreign currencies are translated into the functional currency of the Group companies at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in statement of profit and loss.

# Notes to the Consolidated Financial Statements

## ii. Foreign operations:

The assets and liabilities of foreign operations (subsidiaries and associates), including goodwill and fair value adjustments arising on acquisition, are translated into at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into at the exchange rates at the dates of the transactions.

In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e. 1 April 2015, in respect of all foreign operations to be nil at the date of transition. From 1 April 2015 onwards, such exchange differences are recognised in OCI and accumulated in equity (as exchange difference on translating the financial statements of foreign operations), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed off in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the statement of profit and loss as part of the gain or loss on disposal. If the Group disposes off part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes off only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to the statement of profit and loss.

## 3.3 Property, plant and equipment

### i. Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses, if any

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labour, any other costs directly attributable to bringing the item to working condition for its

intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in the statement of profit and loss.

Advances paid towards the acquisition of property, plant and equipment, outstanding at each balance sheet date are shown under other non-current assets. The cost of property, plant and equipment not ready for its intended use at each balance sheet date are disclosed as capital work-in-progress.

### ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

### iii. Depreciation

Depreciation on property, plant and equipment are provided on the straight-line method over the useful lives of the assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is lower. Freehold land is not depreciated.

**Change in estimated useful life:** With effect from 1 April 2017, based on the technical evaluation, the Group has revised the estimated useful lives of certain categories of property, plant and equipment. The change in accounting estimate is applied prospectively in accordance with Ind AS 8, 'Accounting policies, changes in accounting estimates and errors' and has an impact on the depreciation expense. The financial impact due to the change in the estimate is disclosed in note 4.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Class of assets	Previous useful life	Revised useful life
Buildings	3 to 60	3 to 60
Plant and machinery	5 to 15	5 to 15
Medical equipment*	5 to 10	8 to 13
Motor vehicles *	5 to 8	5 to 8
Computer equipment	3	3
Furniture and fixtures*	5 to 10	5 to 10

# Notes to the Consolidated Financial Statements

\*For the above mentioned classes of assets, the Group believes that the useful lives as given above best represent the useful lives of these assets based on internal assessment and supported by technical advice, where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

## 3.4 Goodwill and Intangible assets

### Intangible assets other than goodwill:

Intangible assets are stated at cost less accumulated amortisation and impairment. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available for its use and is included in depreciation and amortisation in consolidated statement of profit and loss.

### Goodwill:

For measurement of goodwill that arise on business combination [see note 3.1(i)]. subsequent measurement is at cost less any accumulated impairment loss.

The estimated useful lives of intangible assets other than goodwill are as follows:

Class of assets	Years
Software	3 to 6
Trademarks	5
Trade name	5
Right to use	5
'Payor' relationship	10

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of profit and loss as incurred.

## 3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises purchase price, cost of conversion and other cost

incurred in bringing the inventories to their present location and condition. The Group uses the weighted average method to determine the cost of inventory consisting of medicines and medical consumables.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable values is made on an item-by-item basis.

## 3.6 Impairment

### i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward- looking information.

### Measurement of expected credit losses:

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

# Notes to the Consolidated Financial Statements

## **Presentation of allowance for expected credit losses in the balance sheet:**

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

## **Write-off:**

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off.

## **ii. Impairment of non- financial assets**

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount i.e. the higher of the fair value less cost to sell and the value-in-use is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the consolidated statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

## **3.7 Employee benefits**

### **Short-term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

### **Post-employment benefits**

#### **Defined contribution plans**

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

#### **Defined benefit plans**

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

# Notes to the Consolidated Financial Statements

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses and returns on plan assets (excluding interest) are recognised in other comprehensive income (OCI).

The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

## **Other long term employee benefits - Compensated absences**

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Re-measurements gains or losses are recognised in profit or loss in the period in which they arise.

## **Share-based payment transactions**

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

## **3.8 Provisions (other than employee benefits)**

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

## **3.9 Revenue**

Revenue from medical and healthcare services to patients is recognised as revenue when the related services are rendered unless significant future uncertainties exist. Revenue is also recognised in relation to the services rendered to the patients who are undergoing treatment/ observation on the balance sheet date to the extent of services rendered. Revenue is recognised net of discounts given to the patients.

Revenue from sale of medical consumables and drugs within the hospital premises is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.

Revenue from sale of pharmacy products is recognised on sale of medicine and similar products to the buyer. The amount of revenue recognised is net of sales returns and exclusive of sales tax and discounts given to patients.

'Unbilled revenue' represents value to the extent of medical and healthcare services rendered to the patients who are undergoing treatment/ observation on the balance sheet date and is not billed as at the balance sheet date.

# Notes to the Consolidated Financial Statements

Income from services rendered is recognised based on agreements / arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably.

## 3.10 Leases

### i. Determining whether an arrangement contains a lease:

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values

### ii. Asset held under leases:

Assets held under leases that transfers to the Group substantially all the risks and rewards of ownership are classified as finance lease. The leases assets are measured initially at an amount equal to the lower of their fair value and the present value of minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under lease that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating lease) are not recognised in the Group's balance sheet.

### iii. Lease payments

Payments made under operating leases are generally recognised in consolidated statement of profit and loss on a straight- line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance lease charges and the reduction of outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Lease income from operating leases is recognised in the consolidated statement of profit and loss on a straight line basis over the lease term unless

another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income are recognised as expense.

## 3.11 Recognition of dividend income, interest income or interest expense

Dividend income is recognised in consolidated statement of profit and loss on the date on which the right to receive payment is established.

Interest on deployment of surplus funds is recognized using the time proportionate method, based on the transactional interest rates.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

## 3.12 Earnings / (loss) per share

The basic earnings / (loss) per share ('EPS') is computed by dividing the consolidated net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

## 3.13 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset

# Notes to the Consolidated Financial Statements

which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

## 3.14 Income tax

Income tax comprises current and deferred tax. It is recognised in consolidated statement of profit and loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

### i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the profit or loss. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

### ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

## 3.15 Financial instruments

### i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

### ii. Classification and subsequent measurement

#### Financial assets

On initial recognition, a financial asset is classified as measured at either at amortised cost, FVTPL or fair value through other comprehensive income (FVOCI)

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Group changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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# Notes to the Consolidated Financial Statements

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

## Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and

- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL

## Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non recourse features).



# Notes to the Consolidated Financial Statements

## Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in the statement of profit and loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in the statement of profit and loss. Any gain or loss on derecognition is recognised in the statement of profit and loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in the statement of profit and loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not re-classified to the statement of profit and loss.

## Financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost or FVTPL. A financial liability is classified as at FVTPL if it is classified as held for trading or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

### iii. Derecognition

#### Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Group enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

#### Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire.

The Group also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in the statement of profit and loss.

### iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

### v. Derivative financial instruments

The Group holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in the statement of profit and loss.

### 3.16 Government grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

### 3.17 Cash flow statement

Cash flows are reported using the indirect method, whereby consolidated profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.

### 3.18 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

# Notes to the Consolidated Financial Statements

## 4. Property, plant and equipment and capital work-in-progress

Particulars	₹ in Millions										
	Freehold land	Buildings	Leasehold improvements	Furniture and fixtures	Plant and machinery	Computer equipment	Medical equipment	Motor vehicles	Total (A)	Capital work-in-progress (B)	Total (A+B)
<b>Gross carrying value</b>											
Balance at 1 April 2016	7,344.76	3,704.16	3,196.97	2,663.82	1,319.41	433.96	7,819.83	374.82	26,857.73	3,581.29	30,439.02
Additions/ (transfers)	835.09	951.70	2,611.67	706.15	452.74	320.19	2,976.34	44.88	8,898.76	(644.51)	8,254.25
Acquisition through business combinations	-	603.93	285.70	41.05	188.21	3.39	639.00	25.86	1,787.14	-	1,787.14
Disposals	-	-	(5.64)	(0.18)	(11.19)	(0.40)	(40.68)	(9.79)	(67.88)	-	(67.88)
Exchange difference on translation	(15.23)	(21.07)	(162.16)	(60.14)	(27.28)	(14.80)	(160.98)	(8.57)	(470.23)	(39.18)	(509.41)
<b>Balance at 31 March 2017</b>	<b>8,164.62</b>	<b>5,238.72</b>	<b>5,926.54</b>	<b>3,350.70</b>	<b>1,921.89</b>	<b>742.34</b>	<b>11,233.51</b>	<b>427.20</b>	<b>37,005.52</b>	<b>2,897.60</b>	<b>39,903.12</b>
Balance at 1 April 2017	8,164.62	5,238.72	5,926.54	3,350.70	1,921.89	742.34	11,233.51	427.20	37,005.52	2,897.60	39,903.12
Additions/ (transfers)	7.46	1,852.41	909.95	222.97	248.64	165.72	1,352.19	29.87	4,789.21	1,107.84	5,897.05
Acquisition through business combinations	-	-	4.15	0.14	0.29	1.59	14.70	-	20.87	-	20.87
Disposals	-	-	(16.68)	(0.56)	(1.36)	(2.75)	(32.60)	(14.12)	(68.07)	-	(68.07)
Exchange difference on translation	1.28	9.34	16.54	5.49	2.93	1.85	11.97	0.82	50.22	11.91	62.13
<b>Balance at 31 March 2018</b>	<b>8,173.36</b>	<b>7,100.47</b>	<b>6,840.50</b>	<b>3,578.74</b>	<b>2,172.39</b>	<b>908.75</b>	<b>12,579.77</b>	<b>443.77</b>	<b>41,797.75</b>	<b>4,017.35</b>	<b>45,815.10</b>
<b>Accumulated depreciation</b>											
Balance at 1 April 2016	-	351.72	1,322.66	1,142.33	636.48	213.85	2,661.00	155.66	6,483.70	-	6,483.70
Depreciation for the year	-	171.10	655.72	575.06	274.60	163.24	1,170.35	94.08	3,104.15	-	3,104.15
Disposals	-	-	(5.64)	(0.13)	(7.69)	(0.40)	(33.75)	(8.81)	(56.42)	-	(56.42)
Exchange difference on translation	-	(7.02)	(52.41)	(31.60)	(14.52)	(7.06)	(75.29)	(6.10)	(194.00)	-	(194.00)
<b>Balance at 31 March 2017</b>	<b>-</b>	<b>515.80</b>	<b>1,920.33</b>	<b>1,685.66</b>	<b>888.87</b>	<b>369.63</b>	<b>3,722.31</b>	<b>234.83</b>	<b>9,337.43</b>	<b>-</b>	<b>9,337.43</b>
Balance at 1 April 2017	-	515.80	1,920.33	1,685.66	888.87	369.63	3,722.31	234.83	9,337.43	-	9,337.43
Depreciation for the year	-	303.47	716.31	453.44	149.55	213.26	908.70	61.93	2,806.66	-	2,806.66
Disposals	-	-	(7.28)	(0.12)	(0.33)	(0.86)	(12.86)	(11.00)	(32.45)	-	(32.45)
Exchange difference on translation	-	1.36	8.41	4.63	5.80	1.59	8.68	0.76	31.23	-	31.23
<b>Balance at 31 March 2018</b>	<b>-</b>	<b>820.63</b>	<b>2,637.77</b>	<b>2,143.61</b>	<b>1,043.89</b>	<b>583.62</b>	<b>4,626.83</b>	<b>286.52</b>	<b>12,142.87</b>	<b>-</b>	<b>12,142.87</b>
<b>Carrying amounts (net)</b>											
<b>At 31 March 2018</b>	<b>8,173.36</b>	<b>6,279.84</b>	<b>4,202.73</b>	<b>1,435.13</b>	<b>1,128.50</b>	<b>325.13</b>	<b>7,952.94</b>	<b>157.25</b>	<b>29,654.88</b>	<b>4,017.35</b>	<b>33,672.23</b>
<b>At 31 March 2017</b>	<b>8,164.62</b>	<b>4,722.92</b>	<b>4,006.21</b>	<b>1,665.04</b>	<b>1,033.02</b>	<b>372.71</b>	<b>7,511.20</b>	<b>192.37</b>	<b>27,668.09</b>	<b>2,897.60</b>	<b>30,565.69</b>

a) For details of property, plant and equipment pledged, refer Note 14.

b) Property, plant and equipment and capital work-in-progress includes borrowing cost capitalised in accordance with Ind AS 23 - Borrowing cost aggregating ₹26.82 (31 March 2017: ₹.133.14).

c) With effect from 1 April 2017, the Group has revised the useful lives of certain property, plant and equipment. The change in accounting estimate is applied prospectively in accordance with Ind AS 8; 'Accounting policies, changes in accounting estimates and errors'. The effect of these changes on the depreciation charge in the current and future years is as follows:

For the year ended	31 March 2018	31 March 2019	31 March 2020	31 March 2021	31 March 2022
Decrease in depreciation charge	640.58	613.03	460.26	248.05	164.93

# Notes to the Consolidated Financial Statements

## 4. Property, plant and equipment and capital work-in-progress (contd..)

### A Plant and equipment held under finance lease

The group has acquired medical equipment and building under finance lease agreement. The lease provides the Group with the option to purchase the equipment at the end of lease term at a beneficial price. The leased equipment secures the related lease obligation.

The gross and net carrying amount of the medical equipment and building acquired under finance lease and included in the above are as follows:

Particulars	₹ in Millions			
	Medical equipment		Building	
	As at 31 March 2018	As at 31 March 2017	As at 31 March 2018	As at 31 March 2017
Cost	25.00	25.00	1,101.56	-
Accumulated depreciation	9.32	7.57	58.75	-
<b>Net carrying amount</b>	<b>15.68</b>	<b>17.43</b>	<b>1,042.81</b>	<b>-</b>

## 5. Goodwill and other intangible assets

Particulars	₹ in Millions					
	Goodwill on consolidation	Brand name, tradename and trademark	Payor relationship	Software	Other intangibles	Total
<b>Gross carrying value</b>						
Balance at 1 April 2016	4,465.13	1.03	-	235.05	187.13	4,888.34
Additions	-	0.14	-	26.23	46.87	73.24
Acquisition through business combinations (refer note 39)	2,428.00	476.06	130.05	4.08	-	3,038.19
Disposals	-	-	-	(1.31)	(46.73)	(48.04)
Exchange difference on translation	(103.57)	(5.50)	(0.67)	(3.04)	(6.85)	(119.63)
<b>Balance at 31 March 2017</b>	<b>6,789.56</b>	<b>471.73</b>	<b>129.38</b>	<b>261.01</b>	<b>180.42</b>	<b>7,832.10</b>
Balance at 1 April 2017	6,789.56	471.73	129.38	261.01	180.42	7,832.10
Additions	-	0.14	-	22.99	2.25	25.38
Acquisition through business combinations (refer note 39)	333.38	-	-	0.94	-	334.32
Disposals	-	-	-	(1.10)	-	(1.10)
Exchange difference on translation	10.26	0.28	0.03	0.32	0.57	11.46
<b>Balance at 31 March 2018</b>	<b>7,133.20</b>	<b>472.15</b>	<b>129.41</b>	<b>284.16</b>	<b>183.24</b>	<b>8,202.16</b>
<b>Accumulated amortisation and impairment losses</b>						
Balance at 1 April 2016	46.27	0.59	-	55.07	85.68	187.61
Impairment / Amortisation for the year	4.56	37.11	10.50	62.27	10.41	124.85
Disposals	-	-	-	(1.28)	-	(1.28)
Exchange difference on translation	(1.11)	(0.37)	(0.04)	(1.50)	(4.85)	(7.87)
<b>Balance at 31 March 2017</b>	<b>49.72</b>	<b>37.33</b>	<b>10.46</b>	<b>114.56</b>	<b>91.24</b>	<b>303.31</b>
Balance at 1 April 2017	49.72	37.33	10.46	114.56	91.24	303.31
Impairment / Amortisation for the year	-	48.15	10.99	65.12	46.52	170.78
Disposals	-	-	-	(0.95)	-	(0.95)
Exchange difference on translation	0.09	0.13	-	0.31	0.72	1.25
<b>Balance at 31 March 2018</b>	<b>49.81</b>	<b>85.61</b>	<b>21.45</b>	<b>179.04</b>	<b>138.48</b>	<b>474.39</b>
<b>Carrying amount (net)</b>						
<b>At 31 March 2018</b>	<b>7,083.39</b>	<b>386.54</b>	<b>107.96</b>	<b>105.12</b>	<b>44.76</b>	<b>7,727.77</b>
<b>At 31 March 2017</b>	<b>6,739.84</b>	<b>434.40</b>	<b>118.92</b>	<b>146.45</b>	<b>89.18</b>	<b>7,528.79</b>

# Notes to the Consolidated Financial Statements

## 5. Goodwill and other intangible assets (contd..)

Impairment testing for cash-generating units containing goodwill.

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the Goodwill is measured for internal management purposes, which is not higher than the Group's operating segments.

The aggregate carrying amount of goodwill allocated to each unit are as follows :

	As at 31 March 2018	As at 31 March 2017
Medcare Hospital LLC, UAE	1,044.92	1,043.06
Sanad Al Rahma for Medical Care LLC, KSA	1,013.74	1,011.94
Dr. Ramesh Cardiac and Multispeciality Hospitals Private Limited, India	1,749.70	1,749.70
Al Raffah Hospital, Oman	390.84	390.14
Harley Street Group , UAE	726.27	655.19
Malabar Institute of Medical Sciences Limited, India	400.59	400.59
Pharmacies - GCC states	1,226.03	962.08
Others	531.30	527.14
	<b>7,083.39</b>	<b>6,739.84</b>

₹ in Millions

Goodwill was tested for impairment annually in accordance with the Group's procedure for determining the recoverable value of such assets. For the purpose of impairment testing, goodwill is allocated to a cash generating unit ("CGU") representing the lowest level within the Group at which the goodwill is monitored for internal management purposes, and which is not higher than the Group's operating segment. The recoverable amount of the CGU is the higher of fair value less cost to sell ("FVLCTS") and its value in use ("VIU"). The FVLCTS of the CGU is determined based on the market capitalisation approach, using the turnover and earnings multiples derived from observed market data. The VIU is determined based on discounted cash flow projections. Key assumptions on which the Group has based its determination of VIUs include:

- Estimated cash flow for five years based on formal approved internal management budgets with extrapolation of remaining period, wherever such budgets were shorter than the five years period.
- Terminal value arrived by extrapolating last forecasted year cash flows to perpetuity using long-term growth rates. These long-term growth rates take into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry.

The key assumptions used in the estimation of recoverable amount are set out below. The values assigned to the key assumptions represents management's assessment of future trends in the relevant industries and have been based on historic data from both internal and external sources.

	As at 31 March 2018
Discount rate	16.8% - 20.0%
Terminal value growth rate	2.0% - 3.0%
Weighted average cost of capital (WACC) before tax - equity	15.5% - 22.0%
Weighted average cost of capital (WACC) before tax - debt	6.0%

₹ in Millions

The Company has performed sensitivity analysis around the base assumptions and have concluded that no reasonable changes in key assumptions would cause the recoverable amount of the CGU to be less than the carrying value.

# Notes to the Consolidated Financial Statements

## 6. Investments

₹ in Millions

	As at 31 March 2018	As at 31 March 2017
<b>Non-current investments</b>		
Equity shares		
Shares at FVTPL		
Janata Sahakari Bank Limited, Pune (1,000 equity shares of ₹10 each)	0.01	0.01
	<b>0.01</b>	<b>0.01</b>
<b>Current investments</b>		
Investment in liquid mutual funds, unquoted at FVTPL	246.87	215.61
	<b>246.88</b>	<b>215.62</b>
Aggregate book value of quoted and unquoted investments	246.88	215.62
Aggregate market value of quoted and unquoted investments	-	-

## 7. Other financial assets

₹ in Millions

	As at 31 March 2018	As at 31 March 2017
<b>Non-current</b>		
<b>Unsecured, considered good</b>		
Rent and other deposits	406.12	380.01
Restricted deposits	325.34	444.63
Interest accrued on fixed deposits with banks	0.03	0.56
Advance given to equity accounted investees	1,134.77	1,257.27
Other financial assets	69.45	137.50
	<b>1,935.71</b>	<b>2,219.97</b>
<b>Current</b>		
<b>Unsecured, considered good</b>		
Rent and other deposits	163.18	278.78
Unbilled revenue	459.92	2,032.77
Interest accrued on fixed deposits with banks	10.62	9.68
Other financial assets	8.50	7.37
	<b>642.22</b>	<b>2,328.60</b>
	<b>2,577.93</b>	<b>4,548.57</b>

Note 1: For the details of related party transactions refer note 42.

## 8. Other assets

₹ in Millions

	As at 31 March 2018	As at 31 March 2017
<b>Non-current</b>		
Advances for capital goods	1,049.80	1,835.56
Deferred lease expense	359.96	359.61
Prepayments	727.04	328.11
	<b>2,136.80</b>	<b>2,523.28</b>
<b>Current</b>		
Prepayments	1,384.24	1,233.32
Balances with statutory / government authorities	53.69	6.94
Payment to vendors for supply of goods and services	168.97	100.08
Advance against investment*	-	79.80
Deferred lease expense	26.67	26.51
Other loans and advances	1,435.23	1,081.44
	<b>3,068.80</b>	<b>2,528.09</b>
	<b>5,205.60</b>	<b>5,051.37</b>

\* Represents advance given for investment in Sri Sainatha Multi-Speciality Hospital Private Limited in the financial year 2014-15 deposited in an escrow account jointly held by the directors of Sri Sainatha Multi-Speciality Hospital Private Limited and the Company. The amount has been converted to equity shares of the Company during the current financial year.

# Notes to the Consolidated Financial Statements

## 9. Inventories

	As at 31 March 2018	As at 31 March 2017
₹ in Millions		
(Valued at lower of cost and net realisable value)		
Stock in trade including medical consumables	6,132.08	5,085.27
Stores and spares	138.17	170.12
	<b>6,270.25</b>	<b>5,255.39</b>

## 10. Trade receivables

	As at 31 March 2018	As at 31 March 2017
₹ in Millions		
<b>Current</b>		
<b>Unsecured</b>		
considered good	15,463.93	12,876.18
considered doubtful	3,294.58	3,078.40
	<b>18,758.51</b>	<b>15,954.58</b>
Allowances for expected credit loss	(3,294.58)	(3,078.40)
<b>Net trade receivables</b>	<b>15,463.93</b>	<b>12,876.18</b>
<b>a) Of the above, trade receivables from related parties are as below:</b>		
Total trade receivables from related parties	-	1.04
Loss allowance	-	-
	<b>-</b>	<b>1.04</b>

## 11. Cash and cash equivalents

	As at 31 March 2018	As at 31 March 2017
₹ in Millions		
<b>Balance with banks</b>		
- in current accounts	1,274.60	1,248.28
- in deposit accounts	650.30	26.19
Cash on hand	116.78	98.74
	<b>2,041.68</b>	<b>1,373.21</b>
Less : Book overdraft (refer note 15)	(125.27)	(15.80)
Less : Bank overdraft used for cash management purposes (refer note 14)	-	(47.29)
Cash and cash equivalents in the statement of cash flows	<b>1,916.41</b>	<b>1,310.12</b>

## 12. Other bank balances

	As at 31 March 2018	As at 31 March 2017
₹ in Millions		
Balance in banks for margin money	375.72	79.85
In deposit accounts (with original maturity of more than 3 months)	580.36	67.63
	<b>956.08</b>	<b>147.48</b>

# Notes to the Consolidated Financial Statements

## 13. Share capital

₹ in Millions

Particulars	As at 31 March 2018		As at 31 March 2017	
	Number of shares (in millions)	Amount	Number of shares (in millions)	Amount
<b>Authorised</b>				
Equity shares of ₹10 each	550.00	5,500.00	550.00	5,500.00
Compulsory convertible preference shares ('CCPS') of ₹10 each	66.20	662.00	66.20	662.00
	<b>616.20</b>	<b>6,162.00</b>	<b>616.20</b>	<b>6,162.00</b>
<b>Issued, subscribed and paid-up</b>				
Equity shares of ₹10 each	505.23	5,052.29	403.22	4,032.22
Compulsory convertible preference shares ('CCPS') of ₹10 each	-	-	64.01	640.10
	<b>505.23</b>	<b>5,052.29</b>	<b>467.23</b>	<b>4,672.32</b>
<b>Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>				
<b>Equity shares of ₹.10 each fully paid-up</b>				
At the beginning of the year	403.22	4,032.22	403.05	4,030.52
Conversion of CCPS to equity (Refer Note (a) below)	63.85	638.49	-	-
Shares issued for cash	38.16	381.58	0.17	1.70
<b>At the end of the year</b>	<b>505.23</b>	<b>5,052.29</b>	<b>403.22</b>	<b>4,032.22</b>
<b>Preference shares of ₹10 each fully paid-up</b>				
<b>Series A compulsory convertible preference share capital</b>				
At the beginning of the year	12.76	127.63	-	-
Conversion of financial liability to equity	-	-	12.76	127.63
Conversion of CCPS to equity (Refer Note (a) below)	(12.76)	(127.63)	-	-
At the end of the year	-	-	12.76	127.63
<b>RAR compulsory convertible preference share capital</b>				
At the beginning of the year	51.10	510.99	-	-
Conversion of financial liability to equity	-	-	51.10	510.99
Conversion of CCPS to equity (Refer Note (a) below)	(51.10)	(510.99)	-	-
At the end of the year	-	-	51.10	510.99
<b>Total</b>	<b>505.23</b>	<b>5,052.29</b>	<b>467.08</b>	<b>4,670.83</b>

(a) 13.85% Series A compulsory convertible preference shares of ₹10 each and 50.16 RAR compulsory convertible preference shares of ₹10 each (aggregate face value of ₹640.10) were issued during the year 2014-15 and 2015-16 respectively, were initially classified as financial liabilities. However, modification to the terms of these instruments in March 2017 led to the extinguishment of the related financial liabilities and the recognition of the same as equity. Subsequently, on 20 November 2017, the Series A and RAR compulsory convertible preference shares have been converted into 12.76 and 51.09 equity shares respectively, in the Company.

(b) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. All equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time and subject to dividend payable to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) is in proportion to the shareholders' share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(c) Rights, preferences and restrictions attached to Series A compulsory convertible preference shares

0.00001% Series A, compulsory convertible preference shares (Series A CCPS) of ₹10 each.

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# Notes to the Consolidated Financial Statements

## 13. Share capital (contd..)

Upon expiry of the 9th anniversary of the Completion Date, the Series A CCPS shall be compulsorily converted in to equity shares of the Company as per the manner mentioned in the share subscription agreement.

The Series A CCPS shall confer on the holder the right to receive, in priority to the holders of any other class of shares in the capital of the Company, a preference dividend on the face value of the Series A CCPS, such dividend to be apportioned and paid up on the Series A CCPS during any portion or portions of the period in respect of which the preference dividend is paid.

Rights to receive preference dividend shall be cumulative, and the right to receive the preference dividend shall accrue to the holders of the Series A CCPS whether the preference dividend is declared or not in any year.

The holder of Series A CCPS shall also be entitled to any dividend declared on the equity shares of the Company by the Board on an accrual basis with respect to the Series A CCPS held by such holder on an as if converted basis, i.e. based on the actual number of equity shares which the Series A CCPS will be entitled to upon conversion.

On distribution of capital in the event of liquidation, dissolution or winding up of the Company, the distributable amount shall be applied first in paying to the preference shareholders, an amount equal to the sum of subscription price (less any amount that may have been received by the preference shareholders on sale of any of their securities) , the preference shareholders purchase price (less any amount that may have been received by preference shareholders on sale of any of their sale shares) and any arrears and accruals of the unpaid preference dividend on the CCPS, dividend on the CCPS on as if converted basis and dividend on the shares and liquidation preference amount subject to the conditions mentioned.

Each holder of a Series A CCPS shall be entitled to convert the Series A CCPS into shares as per the terms mentioned in the agreement. The conversion price will be adjusted based on future bonus issue, issuances arising from exercise of any stock options, share splits, consolidation, reorganization and other situations mentioned in the agreement. The right to convert Series A CCPS shall be exercisable by the holder at any time prior to the expiry of the Series A CCPS term by delivering to the Company a notice in writing of its desire to convert any Series A CCPS, provided that such notice shall specify the number of Series A CCPS that the holder desires to convert.

### (d) Rights, preferences and restrictions attached to RAR compulsorily convertible preference shares (RAR CCPS)

0.00001% RAR, compulsorily convertible preference shares 'RAR CCPS' of ₹10 each were issued during the year ended 31 March 2016.

The RAR CCPS will compulsorily be converted on the earlier of

- the date upon which the final conversion of outstanding Series A CCPS into equity shares occurs and
- the expiration of the RAR CCPS Term as per the agreement

The right to receive the preference dividend shall accrue to the holders of the RAR CCPS whether the preference dividend is declared or not in any year.

The RAR CCPS shall confer on the holder the right to receive a preference dividend of 0.00001% per annum on the face value of the RAR CCPS. The right to receive preference dividend shall be cumulative. The holders of RAR CCPS shall also be entitled to any dividend declared on the equity shares of the Company by the Board on an accrual basis with respect to the RAR CCPS held by such holder on an as if converted basis, i.e. based on the actual number of equity shares which the RAR CCPS will be entitled to upon conversion. It is clarified that the dividend rights of the holders of RAR CCPS shall be pari-passu to the dividend rights enjoyed by the holders of the Series A CCPS.

On distribution of capital in the event of liquidation, dissolution or winding up of the Company, the distributable amount shall be applied first in paying to the preference shareholders, an amount equal to the sum of subscription price (less any amount that may have been received by the preference shareholders on sale of any of their securities) the preference shareholders purchase price (less any amount that may have been received by preference shareholders on sale of any of their sale shares) and any arrears and accruals of the unpaid preference dividend on the CCPS, dividend on the CCPS on as if converted basis and dividend on the shares and liquidation preference amount subject to the conditions mentioned.

Each holder of a RAR CCPS shall be entitled to convert the RAR CCPS into equity shares as per the terms mentioned in the agreement. The conversion price will be adjusted based on future bonus issue, issuances arising from exercise of any stock options, share splits, consolidation, reorganization and other situations mentioned in the agreement. The right to convert RAR CCPS shall be exercisable



# Notes to the Consolidated Financial Statements

## 13. Share capital (contd..)

by the holder at any time prior to the expiry of the RAR CCPS term by delivering to the Company a notice in writing of its desire to convert any RAR CCPS, provided that such notice shall specify the number of RAR CCPS that the holder desires to convert.

### (e) Employee stock options

Terms attached to stock options granted to employees are described in note 41 regarding employee share based payments.

### (f) Shares held by ultimate holding company/ holding company and their subsidiaries/ associates

	As at 31 March 2018		As at 31 March 2017	
	Number of shares (in millions)	Amount	Number of shares (in millions)	Amount
<b>Equity shares of ₹10 each fully paid-up held by</b> Union Investment Private Limited, Mauritius, ultimate holding company (till 22 February 2018)	188.71	1,887.06	207.56	2,075.55

### (g) Details of shareholders holding more than 5% shares of the Company

	As at 31 March 2018		As at 31 March 2017	
	Number of shares (in millions)	%	Number of shares (in millions)	%
<b>Equity shares of ₹10 each fully paid -up held by</b> Union Investments Private Limited, Mauritius	188.71	37.35%	207.56	51.47%
Olympus Capital Asia Investments Limited, Mauritius	117.79	23.32%	105.58	26.18%
IVF Trustee Company Private Limited	46.54	9.21%	46.54	11.54%
Rimco (Mauritius) Limited	51.09	10.11%	-	-
<b>Compulsory Convertible Preference shares of ₹10 each fully paid up held by</b> Olympus Capital Asia Investments Limited, Mauritius	-	-	9.31	67.20%
Indium IV (Mauritius) Holdings Limited	-	-	4.54	32.80%
<b>RAR Compulsory Convertible Preference shares of ₹10 each fully paid up held by</b> Rimco (Mauritius) Limited, Mauritius	-	-	50.16	100.00%

### (h) Shares reserved for issue under options and contracts

	As at 31 March 2018		As at 31 March 2017	
	Number of shares (in millions)	Amount	Number of shares (in millions)	Amount
Under Employee Stock Option Scheme, 2013 :1,368,232 equity shares of ₹10 each, at an exercise price of ₹50 per share (See note 41)	1.09	54.50	1.37	68.50
Under Employee Stock Option Scheme, 2013 :3,23,000 equity shares of ₹10 each, at an exercise price of ₹10 per share (See note 41)	0.68	6.80	0.32	3.20
Under Employee Stock Option Scheme, 2013 :3,23,000 equity shares of ₹10 each, at an exercise price of ₹175 per share (See note 41)	0.24	42.00	-	-
Under Employee Stock Option Scheme, 2013 :3,23,000 equity shares of ₹10 each, at an exercise price of ₹142 per share (See note 41)	0.48	68.16	-	-
For compulsorily convertible Series A preference shares: 12,763,021 equity shares of ₹10 each	-	-	12.76	127.63
For compulsorily convertible RAR preference shares: 51,098,785 equity shares of ₹10 each	-	-	51.10	510.99

# Notes to the Consolidated Financial Statements

## 13. Share capital (contd..)

### (i) Details of bonus shares issued for consideration other than for cash during the past 5 years

- During the financial year 2013-14, 249.68 million equity shares and during the financial year 2012-13, 124.72 million equity shares of ₹10 each, fully paid-up, have been allotted as bonus shares by capitalisation of securities premium.

### (j) Details of shares issued for consideration other than for cash during the past 5 years

- During the year 2015-16, 4.91 million shares have been allotted as consideration for swap of shares with the shareholders of Malabar Institute of Medical Science Limited.
- During the year 2015-16, 7.03 shares have been allotted as per the scheme of amalgamation with Indogulf Hospitals India Private Limited.

### (k) Details of buyback for consideration other than for cash during the past 5 years

- The Company has not bought back any class of equity shares during the period of five years immediately preceding the balance sheet date.

## 13 B. Analysis of accumulated other comprehensive income, net of tax

### a. Items of other comprehensive income

	Year ended 31 March 2018	Year ended 31 March 2017
Remeasurement of net defined benefit liability/ (asset)	82.20	(61.53)
Exchange difference in translating financial statements of foreign operations	21.70	(262.04)

### i) Remeasurement of net defined benefit liability/ (asset)

	As at 31 March 2018	As at 31 March 2017
Remeasurement of net defined benefit liability/ (asset)	82.20	(61.53)
Non-controlling share of remeasurement of net defined benefit liability/ (asset)	(6.48)	7.38
Transferred to retained earnings	(75.72)	54.15
<b>Closing balance</b>	<b>-</b>	<b>-</b>

### ii) Exchange difference in translating financial statements of foreign operations

	As at 31 March 2018	As at 31 March 2017
Opening balance	235.99	455.61
Exchange difference in translating financial statements of foreign operations	21.70	(262.04)
Exchange difference in translating financial statements of foreign operations on capital reserve	(0.62)	7.40
Exchange difference in translating non-controlling interest	(1.26)	35.02
<b>Closing balance</b>	<b>255.81</b>	<b>235.99</b>

# Notes to the Consolidated Financial Statements

## 13. Share capital (contd..)

### b. Disaggregation of changes in items of other comprehensive income

	Attributable to owners of the Company		Total attributable to owners of the Company	Attributable to non-controlling interest	Total other comprehensive income
	Exchange difference in translating financial statements of foreign operations	Remeasurement of net defined benefit liability/ (asset)			
<b>Year ended 31 March 2017</b>					
Exchange difference in translating financial statements of foreign operations	(227.02)	-	(227.02)	(35.02)	(262.04)
Remeasurement of net defined benefit liability/ (asset)	-	(54.15)	(54.15)	(7.38)	(61.53)
	<b>(227.02)</b>	<b>(54.15)</b>	<b>(281.17)</b>	<b>(42.40)</b>	<b>(323.57)</b>
<b>Year ended 31 March 2018</b>					
Exchange difference in translating financial statements of foreign operations	20.44	-	20.44	1.26	21.70
Remeasurement of net defined benefit liability/ (asset)	-	75.72	75.72	6.48	82.20
	<b>20.44</b>	<b>75.72</b>	<b>96.16</b>	<b>7.74</b>	<b>103.90</b>

#### Notes:

#### i) Exchange difference in translating financial statements of foreign operations

These comprise of all exchange differences arising from the translation of financial statements of foreign operations.

#### ii) Remeasurement of net defined benefit liability/ (asset)

Remeasurement of net defined benefit liability/ (asset) comprises actuarial gains and losses and return on plan asset (excluding interest income).

## 14. Borrowings

	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
<b>Non-current</b>		
<b>Secured</b>		
Term loans from banks	14,699.96	18,892.59
Long-term maturities of finance lease obligations	1,078.56	12.47
	<b>15,778.52</b>	<b>18,905.06</b>
<b>Current</b>		
<b>Unsecured</b>		
Temporary overdraft from a bank	-	47.29
Cash credit and overdraft facilities from banks	550.43	489.35
Commercial paper	-	94.27
<b>Secured</b>		
Cash credit and overdraft facilities from banks	5,712.35	7,322.70
Short term loans	82.43	345.17
Loan from others	-	5.66
	<b>6,345.21</b>	<b>8,304.44</b>
Amount included under other financial liabilities (refer note 15)	1,392.01	367.42
	<b>23,515.74</b>	<b>27,576.92</b>

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# Notes to the Consolidated Financial Statements

## 14. Borrowings (contd..)

Information about the Company's exposure to interest rate and liquidity risks are included in note 36.

The bank facilities have the following securities:

### a) Parent

- Equitable mortgage on certain immovable properties of the Company and of certain Indian subsidiaries of the Company.
- Corporate guarantee of DM Med City Hospitals India Private Limited and Ambady Infrastructures Private Limited.
- Charge on movable properties (comprising plant and machinery, furniture and fittings, vehicles and other movable assets), present and future, of the Company
- First charge on entire cashflows of the Aster Medcity project (to be routed through the escrow account).
- Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance bonds that may be provided by any counter party under any project agreement or contract in favour of the borrower and insurance policies.
- Demand promissory note provided as continuing security.
- Commercial mortgage on immovable assets, medical equipments, machineries, tools / accessories, furniture and fixtures, inventories and receivables of Aster CMI, Bangalore.
- First and exclusive charge on current assets, operating cash flows, receivable, commissions, revenues of whatsoever nature and wherever arising, present and future, intangible, goodwill, uncalled capital, present and future of Aster CMI, Bangalore.
- There is no continuing default in the repayment of the principal loan and interest amounts.

### b) Indian subsidiaries

- Commercial mortgage on immovable assets, medical equipments, machineries, tools / accessories, furniture and fixtures, inventories and receivables of certain subsidiaries of the Company.
- First, fixed and exclusive charge on the medical equipments, vehicles, fixed deposits, post dated cheques and present and future receivables.
- Equitable mortgage on certain immovable properties, leasehold rights of the Company, fixed deposits and of certain Indian subsidiaries of the Company.
- Corporate guarantee of the holding company.
- Charge on movable properties (comprising plant and machinery, furniture and fittings, vehicles and other movable assets), present and future, of the Company and of its Indian Subsidiaries.
- Assignment of receivables from insurance companies of certain foreign subsidiaries of the Company in favor of the bank.
- Personal guarantees of shareholders / directors and equitable mortgage of two properties belonging to a director of one of the subsidiaries.
- There is no continuing default in the repayment of the principal loan and interest amounts.

### c) Foreign subsidiaries

- Commercial mortgage on medical equipment, machineries, tools / accessories, furniture & fixtures, inventories and receivables;
- Promissory note and bank guarantees
- Insurance of medical equipment, machineries, tool and other accessories, furniture and fixtures, computers and motor vehicles in favour of the bank;
- Corporate guarantee of the subsidiaries and security cheques;

# Notes to the Consolidated Financial Statements

## 14. Borrowings (contd..)

- Insurance of inventories in favour of the bank;
- Assignment of receivables from insurance companies in favour of the bank and assignment of point of sale collection
- Vehicle mortgage
- Pledge of accounts and shares
- Assignment and subordination of shareholders loans;
- Assignment of credit card receivables and insurance receivables and hypothecation of assets of the Group;
- Pledge of equity interest held by Affinity Holdings Private Limited in a subsidiary.

A Terms and conditions of non-current borrowings (including current maturities) are as follows:

₹ in Millions

Particulars	Borrowed by Parent/ subsidiaries	Interest rate	Maturity period	Currency	As at	
					31 March 2018	31 March 2017
Secured loan from banks	Parent	8.95% - 10.70%	2018 - 2019	INR	266.17	5,480.63
Secured loan from banks	Subsidiaries	8.35% - 12.25%	2018 - 2031	INR	2,373.14	2,389.19
Secured loan from banks	Subsidiaries	2.84% - 5.00%	2018 - 2024	AED	174.51	817.71
Secured loan from banks	Subsidiaries	3.23% - 6.00%	2018 - 2021	QAR	470.71	501.94
Secured loan from banks	Subsidiaries	4.45% - 5.05%	2018 - 2024	USD	12,766.86	10,027.11
Secured loan from banks	Subsidiaries	4.25%	2018 - 2019	OMR	9.60	38.59
Finance lease	Subsidiaries	11.52%	2020	INR	12.91	17.31
Finance lease	Subsidiaries	6.00%	2018 - 2042	QAR	1,096.63	-
					<b>17,170.53</b>	<b>19,272.48</b>

B Terms and conditions of current borrowings are as follows:

₹ in Millions

Particulars	Borrowed by Parent/ subsidiaries	Interest rate	Maturity period	Currency	As at	
					31 March 2018	31 March 2017
Unsecured loan from banks	Parent	9.50% - 10%	2018 - 2019	INR	347.69	630.91
Secured loan from banks	Parent	9% - 10.70%	2018 - 2019	INR	484.88	341.79
Secured loan from banks	Subsidiaries	9% - 11.52%	2018 - 2019	INR	107.64	108.74
Secured loan from banks	Subsidiaries	3.7% - 5.00%	2018 - 2019	AED	3,565.56	6,165.52
Secured loan from banks	Subsidiaries	5.00%	2018 - 2019	QAR	47.73	1.49
Secured loan from banks	Subsidiaries	3.50%	2018 - 2019	USD	1,296.22	642.21
Secured loan from banks	Subsidiaries	4.50% - 5.00%	2018 - 2019	OMR	352.73	413.78
Secured loan from banks	Subsidiaries	5.75%	2018 - 2019	JOD	142.76	-
					<b>6,345.21</b>	<b>8,304.44</b>

C Changes in liabilities and financial assets arising from financing activities

₹ in Millions

Particulars	As at 31 March 2017	Cash flows	Non-cash changes			As at 31 March 2018
			Acquisition	Foreign Exchange Movement	Fair Value changes	
Non-current borrowings	19,255.18	(3,228.22)	-	34.03	-	16,060.99
Current borrowings	8,304.44	(1,959.57)	-	0.34	-	6,345.21
Finance lease	17.31	1,084.74	-	7.49	-	1,109.54
<b>Total</b>	<b>27,576.92</b>	<b>(4,103.05)</b>	<b>-</b>	<b>41.86</b>	<b>-</b>	<b>23,515.74</b>

# Notes to the Consolidated Financial Statements

## 14. Borrowings (contd..)

### D Finance leases

₹ in Millions

Particulars	As at 31 March 2018			As at 31 March 2017		
	Future minimum lease payments	Interest element of minimum lease payments	Present value of minimum lease payments	Future minimum lease payments	Interest element of minimum lease payments	Present value of minimum lease payments
Within less than one year	96.99	65.04	30.98	6.59	1.74	4.84
Between 1 and 5 years	463.11	293.85	169.26	14.03	1.56	12.47
After more than 5 years	1,423.72	506.72	909.30	-	-	-
<b>Total</b>	<b>1,983.82</b>	<b>865.61</b>	<b>1,109.54</b>	<b>20.62</b>	<b>3.30</b>	<b>17.31</b>

Above finance lease includes lease agreement entered by subsidiary with AI Estiana Real Estate Development WLL to obtain the hospital building for a period of 25 years

## 15. Other financial liabilities

₹ in Millions

	As at 31 March 2018	As at 31 March 2017
<b>Non-current</b>		
Payable to non-controlling interest on account of business combination	158.84	158.56
Other financial liabilities	22.57	-
	<b>181.41</b>	<b>158.56</b>
<b>Current</b>		
Current maturities of non-current borrowings	1,361.03	362.58
Current maturities of finance lease obligations	30.98	4.84
Book overdraft	125.27	15.80
Interest accrued but not due on borrowings*	11.09	60.50
Dues to holding company	26.99	10.37
Payable to non controlling interest towards account of business combination (refer note 39)	194.58	649.21
Payable to partners in clinics	113.99	171.76
Accrued salaries and benefits	1,531.95	1,489.23
Dues to creditors for expenses and others	2,630.54	1,772.06
Dues to creditors for capital goods	368.33	434.80
Security deposits from employees and from others	25.23	31.93
	<b>6,419.98</b>	<b>5,003.08</b>
	<b>6,601.39</b>	<b>5,161.64</b>

\* The details of interest rates, repayment and other terms are disclosed in note 14

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 36

## 16. Provisions

₹ in Millions

	As at 31 March 2018	As at 31 March 2017
<b>Non-current</b>		
<b>Provision for employee benefits</b>		
Net defined benefit liability - Gratuity	76.28	59.52
Compensated absences [ refer note (a) below ]	43.07	27.03
Net defined benefit liability - post employment benefits	1,791.16	1,661.58
	<b>1,910.51</b>	<b>1,748.13</b>

# Notes to the Consolidated Financial Statements

## 16. Provisions (contd..)

₹ in Millions

	As at 31 March 2018	As at 31 March 2017
<b>Current</b>		
<b>Provision for employee benefits</b>		
Net defined benefit liability - gratuity	10.75	11.75
Compensated absences [ refer note (a) below ]	15.48	10.89
Net defined benefit liability - post employment benefits	326.91	196.57
<b>Other provisions</b>		
Zakat payable* [ refer note (b) below ]	108.35	77.95
<b>Total current provisions</b>	<b>461.49</b>	<b>297.16</b>
<b>Total provisions</b>	<b>2,372.00</b>	<b>2,045.29</b>
* Zakat payable is the amount provided for in accordance with the Saudi Arabian Zakat and Income Tax regulations		
<b>(a) Movement of compensated absences</b>		
Balance at the beginning	37.92	24.14
Provision made during the year (net of benefits paid)	20.63	13.78
Balance at the end	<b>58.55</b>	<b>37.92</b>
<b>(b) Movement of zakat payable</b>		
Balance at the beginning	77.95	229.58
Zakat charges	42.07	-
Payment/ adjustments made during the year	(11.67)	(151.63)
Balance at the end	<b>108.35</b>	<b>77.95</b>

## 17. Other liabilities

₹ in Millions

	As at 31 March 2018	As at 31 March 2017
<b>Non-current</b>		
Lease equalisation reserve	550.43	444.10
	<b>550.43</b>	<b>444.10</b>
<b>Current</b>		
Advances received from customers	168.02	204.12
Statutory dues payables	143.56	106.15
Others	121.22	19.31
	<b>432.80</b>	<b>329.58</b>
	<b>983.23</b>	<b>773.68</b>

## 18. Trade payables

₹ in Millions

	As at 31 March 2018	As at 31 March 2017
Dues to micro and small enterprises	0.28	0.79
Dues to trade creditors other than micro and small enterprises	8,456.59	7,824.16
	<b>8,456.87</b>	<b>7,824.95</b>

# Notes to the Consolidated Financial Statements

## 18. Trade payables (contd..)

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are given below:

	As at / Year ended 31 March 2018	As at / Year ended 31 March 2017
	₹ in Millions	
The principal amount remaining unpaid to any supplier as at the end of the year.	0.28	0.79
The interest due on the principal remaining outstanding as at the end of the year	0.01	0.02
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year.	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	0.09	0.11
The amount of interest accrued and remaining unpaid at the end of the year.	0.53	0.43
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act.	-	-

## 19. Revenue from operations

	Year ended 31 March 2018	Year ended 31 March 2017
	₹ in Millions	
Income from hospital services	47,505.71	41,697.58
Sale of medicines	18,668.04	16,452.51
Income from healthcare consultancy	58.38	33.31
Other operating revenue	979.48	1,129.47
	<b>67,211.61</b>	<b>59,312.87</b>

## 20. Other income

	Year ended 31 March 2018	Year ended 31 March 2017
	₹ in Millions	
Interest income under the effective interest method on		
Fixed deposits with banks	25.01	23.00
Lease deposits	23.03	16.63
Rental income	43.18	36.65
Income from hospital canteen	30.62	30.65
Dividend on non-current investments	-	3.18
Profit on sale of property, plant and equipment	13.37	0.72
Dividend income from mutual funds	-	4.16
Gain on sale of investment	7.96	1.82
Other non-operating income	311.18	249.34
	<b>454.35</b>	<b>366.15</b>

## 21. Purchase of medicines and consumables

	Year ended 31 March 2018	Year ended 31 March 2017
	₹ in Millions	
Medicines and consumables	21,604.30	20,021.63
	<b>21,604.30</b>	<b>20,021.63</b>



# Notes to the Consolidated Financial Statements

## 22. Change in inventories

	Year ended 31 March 2018	Year ended 31 March 2017
₹ in Millions		
<b>Medicines and medical consumables:</b>		
Opening stock	5,255.39	4,107.03
Closing stock	6,270.25	5,255.39
	<b>(1,014.86)</b>	<b>(1,148.36)</b>

## 23. Employee benefits expenses

	Year ended 31 March 2018	Year ended 31 March 2017
₹ in Millions		
Salaries and allowances	21,869.27	19,752.64
Contribution to provident and other funds	230.70	166.66
Equity settled share based payments	43.44	50.66
Staff welfare expenses	567.89	575.05
	<b>22,711.30</b>	<b>20,545.01</b>

## 24. Finance costs

	Year ended 31 March 2018	Year ended 31 March 2017
₹ in Millions		
Interest expense on borrowings from banks	1,725.48	1,434.91
Interest expense on financial liabilities measured at amortised cost	-	1,599.88
Other borrowing costs	120.94	501.20
	<b>1,846.42</b>	<b>3,535.99</b>

## 25. Depreciation and amortisation expense

	Year ended 31 March 2018	Year ended 31 March 2017
₹ in Millions		
Depreciation on property, plant and equipment (refer Note 4)	2,806.66	3,104.15
Amortisation on intangible assets (refer Note 5)	170.78	120.29
	<b>2,977.44</b>	<b>3,224.44</b>

## 26. Other expenses

	Year ended 31 March 2018	Year ended 31 March 2017
₹ in Millions		
Professional fee paid to doctors	5,151.45	4,362.61
Hospital operation and management fees	169.19	139.63
Lab expenses	226.52	195.57
Consumables	99.83	160.71
Power and fuel	863.10	718.38
Housekeeping and security	706.12	739.44
Rent	3,027.40	2,658.36
Insurance	229.36	202.69

# Notes to the Consolidated Financial Statements

## 26. Other expenses (contd..)

	Year ended 31 March 2018	Year ended 31 March 2017
		₹ in Millions
Repairs and maintenance:		
- Buildings	24.09	50.86
- Plant and machinery	190.10	149.58
- Others	791.86	571.10
Rates and taxes	535.59	445.35
Advertising and promotional expenses	1,197.31	1,461.66
Legal, professional and consultancy	336.14	324.52
Printing and stationery	196.19	174.19
Fair value movement in derivative instrument	1.70	-
Communication expense	272.74	235.15
Canteen expense	262.92	234.13
Travelling expense	246.29	227.27
Allowances for expected credit losses on financial assets	1,095.83	1,947.68
Impairment loss on non-current assets (non-financial)	-	4.56
Net loss on account of foreign exchange fluctuations	9.92	0.22
Bank charges	194.93	172.77
Expenditure on corporate social responsibility	10.58	7.19
Miscellaneous expenses	1,943.86	1,389.77
	<b>17,783.02</b>	<b>16,573.39</b>

## 27. Exceptional items

	Year ended 31 March 2018	Year ended 31 March 2017
		₹ in Millions
Net gain on account of extinguishment of financial liabilities (Refer Note A)	-	3,591.89
Contingent consideration written back (Refer Note B)	450.91	2,368.82
Allowance for credit losses on prior year receivables (Refer note C)	-	(1,801.65)
Receipt against prior year allowances for credit losses on receivables (Refer note C)	845.51	-
	<b>1,296.42</b>	<b>4,159.06</b>

- A. Modification of the terms of Series A and RAR Compulsorily Convertible Preference Shares in March 2017 has led to the extinguishment of the related financial liabilities and the recognition of equity with effect from the date of modification. The difference between the carrying value of the liability and the fair value of the equity instrument at the date of modification, amounting to ₹3,591.89 has been recognized in the statement of profit and loss for the year ended 31 March 2017.
- B. During the year ended 31 March 2016, the Company had acquired a portion of the non controlling interest in its controlled subsidiary Sanad Al Rahma for Medical Care LLC, KSA ("Sanad"). The purchase consideration included a contingent consideration payable to the sellers based on future performance of Sanad. The Company carried a liability of ₹3,040.23 as at 31 March 2016 relating to the contingent consideration. Based on the expected performance of Sanad, an independent valuation of the contingent consideration revised the expected liability to ₹194.58 million as at 31 March 2018 (31 March 2017 - ₹671.41). This downward revision of the expected liability has resulted in a gain of ₹450.91 (31 March 2017 - ₹2,368.82) (net of foreign currency translation difference) which has been recognized in the statement of profit and loss.
- C. During the year ended 31 March 2017, Sanad has entered into a settlement agreement with certain large customers from whom significant amounts were due for services provided in earlier years. The settlement has resulted in Sanad writing-off a significant portion of these receivables, resulting in a loss of ₹1,801.65 during the year ended 31 March 2017. During the current year, Sanad has recovered an amount of ₹845.51 out of the previously written off receivables, which has been classified as exceptional income.

# Notes to the Consolidated Financial Statements

## 28. Deferred tax asset/ liabilities

₹ in Millions

	As at 31 March 2018	As at 31 March 2017
Deferred tax asset	49.00	30.30
Deferred tax liabilities	1,423.34	1,436.61
	<b>(1,374.34)</b>	<b>(1,406.31)</b>

### (i) Deferred tax charge/ (benefit) recognised during the year

₹ in Millions

	Year ended 31 March 2018	Year ended 31 March 2017
Origination and reversal of temporary differences	(31.51)	2.33
	<b>(31.51)</b>	<b>2.33</b>

### (ii) Deferred tax assets and liabilities are attributable to the following:

₹ in Millions

	As at 31 March 2018	As at 31 March 2017
<b>Deferred tax asset</b>		
MAT credit entitlement	49.00	28.61
Provision for employee benefits	20.07	1.69
Provision for doubtful debts and advances	7.58	-
Unabsorbed business loss including from specified business	1,551.07	1,418.91
<b>Total deferred tax asset</b>	<b>1,627.72</b>	<b>1,449.21</b>
<b>Deferred tax liability</b>		
On account of fair valuation of land *	(1,130.36)	(1,109.81)
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(1,826.78)	(1,703.91)
Other financial assets (Deposit amortisation)	(44.92)	(41.80)
<b>Total deferred tax liability</b>	<b>(3,002.06)</b>	<b>(2,855.52)</b>
<b>Deferred tax liability (net)</b>	<b>(1,423.34)</b>	<b>(1,436.61)</b>
<b>Deferred tax assets</b>	<b>49.00</b>	<b>30.30</b>

\* The deferred tax liability arising on the fair valuation recognised based on tax rates applicable to the long-term capital gains.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority. The Group has recognised deferred tax assets arising out of tax losses (unabsorbed depreciation) to the extent of net deferred tax liability on account of taxable temporary differences.

# Notes to the Consolidated Financial Statements

## 28. Deferred tax asset/ liabilities (contd..)

₹ in Millions

Movement during the year ended 31 March 2018	As at 31 March 2017	Credit/ (charge) in the statement of profit and loss	Credit/ (charge) in other comprehensive income	On account of business combination	As at 31 March 2018
MAT credit entitlement	28.61	20.39	-	-	49.00
Provision for employee benefits	1.69	18.38	-	-	20.07
Provision for doubtful debts and advances	-	7.58	-	-	7.58
Unabsorbed business loss including from specified business	1,418.91	132.16	-	-	1,551.07
On account of fair valuation of land *	(1,109.81)	(21.02)	0.47	-	(1,130.36)
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(1,703.91)	(122.87)	-	-	(1,826.78)
Other financial assets (Deposit amortisation)	(41.80)	(3.12)	-	-	(44.92)
	<b>(1,406.31)</b>	<b>31.51</b>	<b>0.47</b>	<b>-</b>	<b>(1,374.34)</b>

\* The deferred tax liability arising on the fair valuation recognised based on tax rates applicable to the long-term capital gains.

₹ in Millions

Movement during the year ended 31 March 2017	As at 31 March 2016	Credit/ (charge) in the statement of profit and loss	Credit/ (charge) in other comprehensive income	On account of business combination	As at 31 March 2017
MAT credit entitlement	-	28.61	-	-	28.61
Provision for doubtful debts and advances	3.04	(3.04)	-	-	-
Provision for employee benefits	15.21	(12.18)	(1.34)	-	1.69
Unabsorbed business loss including from specified business	1,469.64	(50.73)	-	-	1,418.91
On account of fair valuation land *	(1,110.90)	-	1.09	-	(1,109.81)
Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act	(1,633.14)	31.10	-	(101.87)	(1,703.91)
Other financial assets (Deposit amortisation)	(45.71)	3.91	-	-	(41.80)
	<b>(1,301.86)</b>	<b>(2.33)</b>	<b>(0.25)</b>	<b>(101.87)</b>	<b>(1,406.31)</b>

\* The deferred tax liability arising on the fair valuation recognised based on tax rates applicable to the long-term capital gains.

### (iii) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

₹ in Millions

Particulars	As at 31 March 2018		As at 31 March 2017	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses (business loss)	7,563.67	2,592.89	9,039.72	3,112.57
Tax losses (capital loss)	94.37	21.35	406.20	92.04
Tax losses (unabsorbed depreciation)	1,160.22	382.11	560.55	185.56
<b>Total</b>	<b>8,818.26</b>	<b>2,996.35</b>	<b>10,006.47</b>	<b>3,390.17</b>

# Notes to the Consolidated Financial Statements

## 28. Deferred tax asset/ liabilities (contd..)

### (iv) Tax losses carried forward

₹ in Millions

Particulars	As at 31 March 2018		As at 31 March 2017	
	Loss	Expiry	Loss	Expiry
Brought forward losses - allowed to carry forward for specified period	1,977.40	various dates	4,282.87	various dates
Brought forward losses from specified business - allowed to carry forward for infinite period	5,680.64	-	5,163.05	-
Brought forward losses - allowed to carry forward for infinite period	1,160.22	-	560.55	-
	<b>8,818.26</b>		<b>10,006.47</b>	

## 29. Income tax asset / liabilities

₹ in Millions

Particulars	As at	As at
	31 March 2018	31 March 2017
Income tax asset	500.55	372.57
Income tax liabilities	118.50	253.03
	<b>382.05</b>	<b>119.54</b>

### (i) Tax expense recognised in the Statement of Profit and Loss

₹ in Millions

Particulars	Year ended	Year ended
	31 March 2018	31 March 2017
Current tax	97.56	77.25
Foreign income taxes	194.77	28.79
<b>Total (A)</b>	<b>292.33</b>	<b>106.04</b>

### (ii) Reconciliation of effective tax rate

₹ in Millions

Particulars	Year ended	Year ended
	31 March 2018	31 March 2017
Profit before tax	3,077.63	1,083.69
Statutory income tax rate	34.61%	34.61%
Tax expenses /(asset)	1,065.17	(375.07)
Income chargeable at special rate	194.77	132.86
Tax on exempt income	(1,264.62)	294.64
Non-deductible expenses / permanent differences	212.08	441.24
Additional deduction on investment allowance	211.47	154.64
Un-recognised deferred tax assets	(126.54)	(542.27)
<b>Income tax expense</b>	<b>292.33</b>	<b>106.04</b>

# Notes to the Consolidated Financial Statements

## 30. Segment information

Ind AS 108 'Operating Segment' ('Ind AS 108') establishes standards for the way that business enterprises report information about operating segments and related disclosures about products and services, geographic areas and major customers. Based on the "management approach" as defined in Ind AS 108, operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Group's performance and allocates resources on overall basis.

The Group has structured its business broadly into four verticals – Hospitals, clinics, retail pharmacies and others. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Income and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as unallocable and directly charged against total income.

The assets of the Group are used interchangeably between segments and the management believes that it is currently not practical to provide segment disclosures relating to certain assets and liabilities since a meaningful segregation is not possible.

### A. Business segments :

The Group has the following business segments based on the information reviewed by Group's CODM :

i) **Hospitals** - comprises of hospitals and in-house pharmacies at the hospitals

ii) **Clinics** - comprises of clinics and in-house pharmacies at the clinics

iii) **Retail Pharmacies** - comprises standalone retail pharmacies

iv) **Others** - comprises of healthcare consultancy services and others

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
<b>Segment revenue</b>		
Hospitals	32,266.97	27,047.32
Clinics	17,769.22	16,229.16
Retail Pharmacies	17,151.34	15,977.65
Others	24.08	58.74
<b>Total</b>	<b>67,211.61</b>	<b>59,312.87</b>
<b>Segment profit before income tax</b>		
Hospitals	1,838.50	777.93
Clinics	1,579.58	315.63
Retail Pharmacies	1,600.32	1,225.03
Others	1.75	3.52
<b>Total</b>	<b>5,020.15</b>	<b>2,322.11</b>
<b>Segment profit before income tax includes :</b>		
<b>Depreciation, amortisation and impairment</b>		
Hospitals	1,903.11	1,815.31
Clinics	731.77	1,084.35
Retail Pharmacies	258.89	190.45
<b>Total</b>	<b>2,893.77</b>	<b>3,090.11</b>
<b>Other income, excluding finance income</b>		
Hospitals	299.57	297.71
Clinics	10.10	9.75
<b>Total</b>	<b>309.67</b>	<b>307.46</b>

# Notes to the Consolidated Financial Statements

## 30. Segment information (contd..)

₹ in Millions

Particulars	As at 31 March 2018	As at 31 March 2017
<b>Segment assets</b>		
Hospitals	48,966.28	41,959.37
Clinics	12,202.08	12,473.44
Retail Pharmacies	9,725.55	9,589.24
Others	10.60	14.83
Unallocated	3,937.87	4,035.89
<b>Total</b>	<b>74,842.38</b>	<b>68,072.77</b>
<b>Segment liabilities</b>		
Hospitals	14,244.50	19,256.75
Clinics	4,765.76	4,226.86
Retail Pharmacies	5,915.22	5,242.54
Unallocated	18,016.58	16,839.85
<b>Total</b>	<b>42,942.06</b>	<b>45,566.00</b>
<b>Capital expenditure</b>		
Hospitals	4,587.12	7,926.38
Clinics	407.15	831.25
Retail Pharmacies	181.94	457.93
Others	19.85	1.40
Unallocated	-	102.54
<b>Total</b>	<b>5,196.06</b>	<b>9,319.50</b>

## B. Reconciliation of information on reportable segments to Ind AS measures

₹ in Millions

Particulars	Year ended 31 March 2018	Year ended 31 March 2017
<b>Profit before tax</b>		
Total profit before tax for reportable segments	5,020.15	2,322.11
Unallocated amounts :		
Other income, excluding finance income	96.64	19.06
Depreciation, amortisation and impairment	(83.67)	(134.33)
Finance income	48.04	39.63
Finance charges	(1,846.42)	(3,535.99)
Exceptional items	1,296.42	4,159.06
Unallocated expenses (net of unallocated income)	(1,476.40)	(1,783.56)
<b>Profit before share of equity accounted investees and tax</b>	<b>3,054.76</b>	<b>1,085.98</b>
Share of profit/ (loss) of equity accounted investees	22.87	(2.29)
<b>Profit before tax</b>	<b>3,077.63</b>	<b>1,083.69</b>
Tax expense	(260.82)	(108.37)
<b>Profit for the year</b>	<b>2,816.81</b>	<b>975.32</b>
Less : Non controlling interest	(128.05)	42.28
<b>Profit attributable to the owners of the Company</b>	<b>2,688.76</b>	<b>1,017.60</b>

# Notes to the Consolidated Financial Statements

## 30. Segment information (contd..)

### C. Geographical segment information :

The Group operates in three principal geographical areas which have been identified based on the location of the customers.

The geographical segments of the Company as identified above are as follows:

i) GCC States - United Arab Emirates, Qatar, Oman, Kingdom of Saudi Arabia, Jordan, Kuwait and Bahrain

ii) India

iii) Rest of the world (including Philippines)

	Year ended 31 March 2018	₹ in Millions Year ended 31 March 2017
<b>Segment revenue</b>		
GCC States	55,506.39	49,791.64
India	11,665.06	9,499.99
Rest of the world	40.15	21.24
<b>Total</b>	<b>67,211.61</b>	<b>59,312.87</b>

	As at 31 March 2018	₹ in Millions As at 31 March 2017
<b>Segment assets</b>		
GCC States	48,471.51	43,876.86
India	26,173.73	24,059.45
Rest of the world	197.14	136.46
<b>Total</b>	<b>74,842.38</b>	<b>68,072.77</b>
<b>Capital expenditure</b>		
GCC States	3,692.48	5,757.77
India	1,428.91	3,522.65
Rest of the world	74.67	39.08
<b>Total</b>	<b>5,196.06</b>	<b>9,319.50</b>

### D. Major customer

No customer has contributed more than 10% of the Group's total revenue.



# Notes to the Consolidated Financial Statements

## 31. Employee benefits:

### a) Defined benefit plan

The Group operates certain post-employment defined benefit plans which is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The Group accrues gratuity as per the provisions of the Payment of Gratuity Act, 1972 and end of service benefits based on the labour laws of relevant geography.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the benefit plans and the amounts recognised in the Group's consolidated financial statements as at balance sheet date:

#### Reconciliation of the projected benefit obligation

	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
Defined benefit liability - Gratuity plan (Plan A)	129.41	108.56
Plan assets	42.37	37.28
<b>Net defined benefit liability</b>	<b>87.04</b>	<b>71.28</b>
Net defined benefit liability - End of service benefits (Plan B)	2,118.06	1,858.15
Liability for compensated absences	58.55	37.92
<b>Total employee benefit liability</b>	<b>2,263.65</b>	<b>1,967.35</b>
Non-current	1,910.51	1,748.13
Current	353.14	219.22

For details about related employee benefit expenses, see note 23

### b) Reconciliation of net defined benefit (assets)/ liability

#### i) Plan A

##### i) Reconciliation of present values of defined benefit obligation

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
Defined benefit obligation as at beginning of the year	108.56	64.70
Benefits paid	(12.35)	(5.81)
Current service cost	31.70	17.14
Interest cost	7.57	5.16
Past Service Cost	1.64	-
Loss (gain) on settlement	(1.22)	-
Acquisition/(disposal) during the year	-	21.50
Actuarial (gains) losses recognised in other comprehensive income		
-changes in demographic assumptions	-	0.61
-changes in financial assumptions	(4.33)	1.21
-experience adjustments	(2.16)	4.05
<b>Defined benefit obligations as at end of the year</b>	<b>129.41</b>	<b>108.56</b>

# Notes to the Consolidated Financial Statements

## 31. Employee benefits: (contd..)

### ii) Reconciliation of the present values of plan assets

	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
<b>Plan assets at beginning of the year</b>	37.28	14.14
Contributions paid into the plan	7.39	1.85
Interest income	2.70	2.34
Benefits paid	(5.22)	(1.56)
Return on plan assets recognised in other comprehensive income	0.22	0.41
Acquisition/(disposal) during the year	-	20.10
<b>Plan assets at the end of the year</b>	<b>42.37</b>	<b>37.28</b>
Net defined benefit liability	<b>87.04</b>	<b>71.28</b>

### ii) Plan B

#### i) Reconciliation of present values of defined benefit obligation

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset)/ liability and its components:

	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
Defined benefit obligation as at beginning of the year	1,858.15	1,573.69
Benefits paid	(217.14)	(120.18)
Current service cost	488.20	476.30
Interest cost	64.78	55.82
Actuarial (gains) losses recognised in other comprehensive income		
-changes in demographic assumptions	-	420.61
-changes in financial assumptions	-	(113.13)
-experience adjustments	(80.98)	(389.09)
Effect of changes in foreign exchange rates	5.05	(45.87)
<b>Defined benefit obligations as at end of the year</b>	<b>2,118.06</b>	<b>1,858.15</b>

### c) Expense recognised in consolidated statement of profit and loss

#### i) Expense recognised in consolidated statement of profit and loss

	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Current service cost	519.90	494.23
Interest cost	72.35	60.98
Interest income	(2.70)	(2.34)
Past service cost	1.64	-
Loss (gain) on settlement	(1.22)	-
	<b>589.97</b>	<b>552.87</b>

# Notes to the Consolidated Financial Statements

## 31. Employee benefits: (contd..)

### ii) Remeasurements recognised in other comprehensive income (excluding tax)

	Year ended 31 March 2018	Year ended 31 March 2017
Actuarial (gain)/ loss on defined benefit obligation	(87.46)	75.74
Return on plan assets excluding interest income	(0.22)	(0.41)
	<b>(87.68)</b>	<b>75.33</b>

₹ in Millions

### d) Plan assets comprises the following

	As at 31 March 2018	As at 31 March 2017
Insurance policy	42.37	37.28

₹ in Millions

### e) Defined Benefit obligation

#### i) Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted average):

	As at 31 March 2018	As at 31 March 2017
<b>Plan A</b>		
Attrition rate	Below 35 years -30% - 35%	Below 35 years -30% - 35%
	Above 35 years 3%-6%	Above 35 years 3%-6%
Discount rate	7% - 8%	6% - 8%
Future salary increases	4.5% - 12%	5% - 12%
<b>Plan B</b>		
Attrition rate	15%	15%
Discount rate	3.50%	3.50%
Future salary increases	2.75% - 3.50%	2.75% - 3.50%

₹ in Millions

Assumptions regarding future mortality experience are set in accordance with the published statistics by the Life Insurance Corporation of India for Plan A. The Group assesses these assumptions with its projected long-term plans of growth and prevalent industry standards. The discount rate is based on the government securities yield.

Gratuity is applicable only to employees drawing a salary in Indian rupees and there are no other foreign defined benefit gratuity plan.

# Notes to the Consolidated Financial Statements

## 31. Employee benefits: (contd..)

### (ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	₹ in Millions			
	As at 31 March 2018		As at 31 March 2017	
	Increase	Decrease	Increase	Decrease
<b>Plan A</b>				
Discount rate (0.5% - 1% movement)	(52.84)	60.40	(8.30)	9.67
Future salary increase (0.5% - 1% movement)	60.43	(52.79)	7.41	(6.77)
Attrition rate (0.5% - 1% movement)	(50.70)	52.82	(4.04)	4.76
<b>Plan B</b>				
Discount rate (1% movement)	(118.00)	132.34	(104.91)	117.70
Future salary increase (1% movement)	131.92	(119.84)	117.30	(106.53)
Attrition rate (1% movement)	3.61	(4.17)	2.84	(3.33)

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

## 32. Earnings per share

### A. Basic earnings per share

The calculation of profit attributable to equity share holders and weighted average number of equity shares outstanding for the purpose of basic earnings per share calculations are as follows:

#### i) Profit attributable to equity share holders (basic)

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Profit for the year, attributable to the equity share holders	2,688.76	1,017.60

#### ii) Weighted average number of equity shares (basic)

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Opening balance	399.48	398.62
Effect of share options exercised	0.03	0.38
Effect of fresh issue of shares for cash	3.97	0.16
Conversion of compulsorily convertible preference shares	63.85	63.86
Weighted average number of equity shares of ₹10 each for the year	467.33	463.02
<b>Earnings per share, basic</b>	<b>5.75</b>	<b>2.20</b>

### B. Diluted earnings per share

The calculation of profit attributable to equity share holders and weighted average number of equity shares, after adjustment for the effects of all dilutive potential equity shares is as follows:

#### i) Profit attributable to equity share holders (diluted)

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Profit for the year, attributable to the equity share holders	2,688.76	1,017.60

# Notes to the Consolidated Financial Statements

## 32. Earnings per share (contd..)

### ii) Weighted average number of equity shares (diluted)

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Weighted average number of equity shares of ₹10 each for the year (basic)	467.33	463.02
Effect of exercise of share options	1.30	0.93
Weighted average number of equity shares of ₹10 each for the year (diluted)	468.63	463.95
<b>Earnings per share, diluted</b>	<b>5.74</b>	<b>2.19</b>

**Note :** Diluted earnings per share = Profit attributable to equity shareholders / weighted average number of diluted potential shares outstanding during the year.

## 33. Contingent liabilities

Particulars	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
<b>Contingent liabilities:</b>		
<b>Claims against the Group not acknowledged as debts in respect of:</b>		
a) Income tax related matters [see note (a) and (b) below]	208.90	172.19
b) KVAT related matters [see note (c) below]	12.81	12.81
c) Disputed provident fund demand pending before appellate authorities [see note (d) below]	8.84	8.84
d) Other matters including claims relating to employees/ ex-employees etc. [see note (e) below]	16.13	16.13
e) Customer claims	45.79	34.33
Export commitments under EPCG scheme [see note (f) ]	871.58	991.04
Letter of credit	5.30	-
<b>Guarantees:</b>		
a) Bank guarantee	343.60	375.64
<b>Commitments:</b>		
a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	2,958.51	1,866.01

### Notes:

- (a) Aster DM, the parent company has received income tax assessment orders for AY 2014-15 and for AY 2015-16 where in the assessing officer has disallowed Foreign Tax Credit claimed amounting to ₹200.77 claimed as per provisions of Section 90/90A of Income Tax Act 1961. The management has taken a legal opinion for the allowance of FTC and has gone for an appeal for the said matter. Management believes that the position taken by it on the matter is tenable and hence no adjustment has been made to financial statements
- (b) A subsidiary company has received income tax assessment orders relating to previous years on account of certain disallowances and adjustments made by the Income tax department.
- (c) The Company has received a Kerala Value Added Tax (KVAT) demand for the FY 2014-15 where in the assessing officer raised a demand for ₹12.81 million against the Company, on account of difference in returns filed with audited accounts / report. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demand received.
- (d) A subsidiary has received demand from the provident fund authorities for ₹8.84 million on account of provident fund contribution in respect of certain trainees employed by the subsidiary. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The subsidiary has filed an appeal against the demands received.
- (e) Employee bonus refers to amount payable to employees as per Payment of Bonus (Amendment) Act 2015 vis-à-vis retrospective application from 1 April 2014 to 31 March 2015. The subsidiary has relied on stay petition granted by the Honorable High Court of Kerala and Honorable High Court Madras against retrospective application of Payment of Bonus (Amendment) Act 2015 from 1 April 2014. Pending disposal of the case, no provision has been made in the books of accounts. The subsidiary has relied on the independent legal opinion in support its position.

# Notes to the Consolidated Financial Statements

## 33. Contingent liabilities (contd..)

- (f) The Company has obtained duty free / concessional duty licenses for import of capital goods by undertaking export obligations under the EPCG scheme. As at 31 March 2018, export obligations remaining to be fulfilled amounts to ₹871.58 million (31 March 2017; ₹991.04 million). In the event that export obligations are not fulfilled, the Company would be liable to pay the levies. The Company's bankers have provided bank guarantees aggregating Rs 251.68 (31 March 2017: ₹245.83 million) to the customs authorities in this regard.
- (g) It is not practicable for the Group to estimate the timings of the cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.
- (h) The Group has reviewed all its pending litigations and proceedings and has made adequate provisions where required and disclosed contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.
- (i) The Group has given Bank Guarantees in respect of certain contingent liabilities listed above.

## 34. Operating lease commitments – leases as lessee

The Company is obligated under cancellable operating leases for office, hospital premises and residential premises which are renewable at the option of both the lessor and lessee.

The Company is obliged under non-cancellable operating leases for hospital operations and management fees (revenue share) and operating leases for office and residential premises. Future minimum lease payments due under non-cancellable operating leases are as follows:

### (i) Future minimum lease payments

The future minimum lease payments to be made under non-cancellable operating lease are as follows.

Particulars	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
Payable in less than one year	2,569.65	1,097.69
Payable between one to five years	5,482.19	3,941.21
Payable after more than five years	15,361.69	13,066.58

### (ii) Amounts recognised in the Statement of Profit and Loss

Particulars	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
Non-cancellable	3,045.19	2,645.99
Cancellable	151.40	152.00

# Notes to the Consolidated Financial Statements

## 35. Capital Management

The Group's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio. For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of 31 March 2018 and 31 March 2017 was as follows:

Particulars	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
Total equity attributable to the equity shareholders of the Company	31,900.32	22,506.77
<b>As a percentage of total capital</b>	<b>58%</b>	<b>45%</b>
Long-term borrowings including current maturities	17,170.53	19,272.48
Short-term borrowings	6,345.21	8,304.44
<b>Total borrowings</b>	<b>23,515.74</b>	<b>27,576.92</b>
<b>As a percentage of total capital</b>	<b>42%</b>	<b>55%</b>
<b>Total capital (equity and borrowings)</b>	<b>55,416.06</b>	<b>50,083.69</b>

# Notes to the Consolidated Financial Statements

## 36. Financial Instruments- Fair values and risk management

### A Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

Particulars	Note	Carrying value		Fair value			Total
		Financial assets at amortised cost	FVTPL	Other financial liabilities at carrying value	Level 1	Level 2	
<b>As at 31 March 2018</b>							
<b>Assets</b>							
<b>Financial assets not measured at fair value *</b>							
Cash and cash equivalents	11	2,041.68	-	2,041.68	-	-	-
Other bank balances	12	956.08	-	956.08	-	-	-
Trade receivables	10	15,463.93	-	15,463.93	-	-	-
Other financial assets	7	2,518.22	-	2,518.22	-	-	-
<b>Financial assets measured at fair value</b>							
Other financial assets	7	-	59.71	59.71	-	-	59.71
Investments	6	-	246.88	246.88	-	-	246.88
<b>Total</b>		<b>20,979.91</b>	<b>306.59</b>	<b>21,286.50</b>	<b>246.88</b>	<b>59.71</b>	<b>306.59</b>
<b>Liabilities</b>							
<b>Financial liabilities not measured at fair value *</b>							
Trade payables	18	-	-	8,456.87	-	-	-
Borrowings	14	-	-	22,123.73	-	-	-
Other financial liabilities (including current maturities of borrowings)	15	-	-	6,406.81	-	-	-
<b>Financial liabilities measured at fair value</b>							
Payable to minority shareholders towards acquisitions (note A.1 below)	15	-	194.58	194.58	-	-	194.58
Derivatives- put option (note A.2 below)		-	863.00	863.00	-	-	863.00
<b>Total</b>		<b>-</b>	<b>1,057.58</b>	<b>36,987.41</b>	<b>-</b>	<b>-</b>	<b>1,057.58</b>

₹ in Millions



# Notes to the Consolidated Financial Statements

## 36. Financial Instruments- Fair values and risk management

₹ in Millions

As at 31 March 2017	Particulars	Note	Carrying value		Fair value			
			Financial assets at amortised cost	FVTPL Other financial liabilities at amortised cost	Total carrying value	Level 1	Level 2	Level 3
<b>Assets</b>								
<b>Financial assets not measured at fair value*</b>								
	Cash and cash equivalents	11	1,373.21	-	1,373.21	-	-	-
	Other bank balances	12	147.48	-	147.48	-	-	-
	Trade receivables	10	12,876.18	-	12,876.18	-	-	-
	Other financial assets	7	4,548.57	-	4,548.57	-	-	-
<b>Financial assets measured at fair value</b>								
	Investments	6	-	215.62	215.62	215.62	-	215.62
	<b>Total</b>		<b>18,945.44</b>	<b>215.62</b>	<b>19,161.06</b>	<b>215.62</b>	-	<b>215.62</b>
<b>Liabilities</b>								
<b>Financial liabilities not measured at fair value*</b>								
	Trade payables	18	-	7,824.95	7,824.95	-	-	-
	Borrowings	14	-	27,209.50	27,209.50	-	-	-
	Other financial liabilities (including current maturities of borrowings)	15	-	4,512.43	4,512.43	-	-	-
<b>Financial liabilities measured at fair value</b>								
	Payable to minority shareholders towards acquisitions (Note A.1 below)	15	-	649.21	649.21	-	649.21	649.21
	Derivatives- put option (Note A.2 below)		-	861.30	861.30	-	861.30	861.30
	<b>Total</b>		<b>-</b>	<b>1,510.51</b>	<b>39,546.88</b>	<b>41,057.39</b>	<b>-</b>	<b>1,510.51</b>

\*The Group has not disclosed the fair values for financial instruments such as cash and cash equivalents, trade receivables, trade payables etc, because their carrying amounts are a reasonable approximation of fair value.

**Note A.1** - During the year 2016, the Group acquired additional 56.2% stake in its subsidiary Sanad Al Rahma for Medical Care LLC ('Sanad') thereby increasing the Group's ownership from 40.8% to 97%. The purchase consideration includes contingent consideration payable as per terms of the contract. The Group has agreed to pay the selling shareholders in three years' time, an additional consideration, based on the EBITDA margins. The fair value of contingent consideration is determined using Monte Carlo Simulation model and is valued at ₹194.58 and ₹649.21 as at 31 March 2018 and 31 March 2017 respectively.

**Note A.2** - The Company has entered into share subscription and share purchase agreement dated 30 April 2016, with Dr Ramesh Cardiac and Multi Speciality Hospital Private Limited (Dr Ramesh Hospital) and its promoter group (non-controlling interest). The non-controlling interest has a put option on 49% of the non-controlling interests' equity ownership in Dr. Ramesh Hospital. The option is exercisable from May 2021 onwards. The put option contains an obligation for the Company to acquire 49% of the non-controlling interests and accordingly the fair value of such put option is determined using Monte Carlo simulation model and other valuation techniques.

# Notes to the Consolidated Financial Statements

## 36. Financial Instruments- Fair values and risk management (contd..)

### B Measurement of fair values

The following methods and assumptions were used to estimate fair values:

- The fair values of the units of mutual fund schemes are based on net asset value at the reporting date.
- The fair value of the put option and contingent consideration payable to non-controlling shareholders is determined using Monte Carlo simulation valuation model.
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis. The discount rates used is based on management estimates.

### Level 3 fair values

The significant unobservable inputs used in the fair value measurement of the level 3 fair values together with a quantitative sensitivity analysis as at 31 March 2018 and 31 March 2017 are as shown below:

### Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values.

Particulars	₹ in Millions	
	Derivatives-put option	Contingent consideration
Balance at 1 April 2016	-	(3,040.23)
Assumed in business combination (refer note 36 (A.2) )	(861.30)	-
<b>Gain included in statement of profit and loss</b>		
Net change in fair value (unrealised) (refer note 27)	-	2,368.82
<b>Gain included in OCI</b>		
Exchange difference in translating financial statements of foreign operations	-	22.20
<b>Balance as at 31 March 2017</b>	<b>(861.30)</b>	<b>(649.21)</b>
Balance at 1 April 2017	(861.30)	(649.21)
<b>Loss included in "other expenses"</b>		
Net change in fair value (unrealised) (refer note 26)	(1.70)	-
<b>Gain included in "exceptional item"</b>		
Net change in fair value (unrealised) (refer note 27 B)	-	450.91
<b>Gain included in OCI</b>		
Exchange difference in translating financial statements of foreign operations	-	(3.72)
<b>Balance as at 31 March 2018</b>	<b>(863.00)</b>	<b>(194.58)</b>

### Sensitivity analysis

For the fair values of put option and contingent consideration, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects.

#### i) Put option

	₹ in Millions	
	As at 31 March 2018	
	Increase	Decrease
Volatility (10% movement)	2.30	4.00
EBITDA growth rates (10% movement)	174.60	(161.40)
Risk free rate (1% movement)	(47.70)	65.60

# Notes to the Consolidated Financial Statements

## 36. Financial Instruments- Fair values and risk management (contd..)

₹ in Millions

	As at 31 March 2017	
	Increase	Decrease
Volatility (10% movement)	7.30	(11.90)
EBITDA growth rates (10% movement)	260.40	(220.90)
Risk free rate (1% movement)	(74.50)	75.30

### ii) Contingent consideration

₹ in Millions

	As at 31 March 2017	
	Increase	Decrease
Volatility (5% movement)	19.38	1.76
EBITDA growth rates (10% movement)	(33.47)	31.71
Risk free rate (1% movement)	(10.57)	(7.05)
Annual revenue growth rate (10% movement)	7.05	(14.09)

## C Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, market risk and liquidity risk.

### i) Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Group's audit and risk management committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit and risk management committee.

### ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.

Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Group establishes an allowance for credit loss that represents its estimate of expected losses in respect of trade and other receivables based on the past and the recent collection trend. The maximum exposure to the credit risk at the reporting date is primarily from trade receivables amounting to ₹15,463.93 million (31 March 2017: ₹12,876.18 million ) and unbilled revenue amounting to ₹459.92 million (31 March 2017: ₹2,032.77 million ).

At 31 March 2018 the carrying amount of Group's most significant customer (Ministry Of Health, Kingdom of Saudi Arabia) is ₹256.89 million (31 March 2017 - ₹2,816.02 million). The movement in allowance for credit loss in respect of trade receivable and unbilled revenue during the year was as follows:

₹ in Millions

Allowance for credit loss	As at	As at
	31 March 2018	31 March 2017
Balance at the beginning	3,365.13	4,905.87
Provision created during the year	250.32	3,749.33
Impairment loss recognised/(reversed)	(320.87)	(5,290.07)
<b>Balance at the end</b>	<b>3,294.58</b>	<b>3,365.13</b>

Credit risk on cash and cash equivalent is limited as the Group generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies.

# Notes to the Consolidated Financial Statements

## 36. Financial Instruments- Fair values and risk management (contd..)

### iii) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The Group believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2018.

Particulars	₹ in Millions		
	Payable within 1 year	More than 1 year	Total
Trade payables	8,456.87	-	8,456.87
Current borrowings	6,345.21	-	6,345.21
Non current borrowings (including current maturities)	1,392.01	15,778.52	17,170.53
Derivatives	-	863.00	863.00
Other financial liabilities	5,027.97	181.41	5,209.38

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2017:

Particulars	₹ in Millions		
	Payable within 1 year	More than 1 year	Total
Trade payables	7,824.95	-	7,824.95
Current borrowings	8,304.44	-	8,304.44
Non current borrowings (including current maturities)	367.42	18,905.06	19,272.48
Derivatives	-	861.30	861.30
Other financial liabilities	4,635.66	158.56	4,794.22

### iv) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices.

#### Foreign currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the respective functional currencies of the Group. The functional currency of company is INR. The currencies in which these transactions are primarily denominated is AED, OMR QAR and SAR.

The summary quantitative data about the Group's exposure to currency risk (based on notional amounts) as reported to the management is as follows.

As at 31 March 2018	₹ in Millions					
	AED	OMR	QAR	SAR	USD	Others
<b>Financial Assets</b>						
Investments	31.41	-	-	-	-	-
Other financial assets (current and non-current)	1,702.26	-	0.07	343.47	-	18.78
Trade Receivables	11,103.30	1,313.67	933.26	1,039.19	-	87.74
Cash and Cash Equivalents and Bank balances	851.46	41.55	15.96	293.38	39.48	65.80
<b>Financial Liabilities</b>						
Borrowings (current and non-current)	3,740.03	362.33	1,615.06	-	14,063.07	142.75
Trade payables	6,311.53	346.35	421.96	393.39	-	218.42
Other financial liabilities (current and non-current)	3,205.00	153.34	177.51	238.32	0.84	113.83

# Notes to the Consolidated Financial Statements

## 36. Financial Instruments- Fair values and risk management (contd..)

₹ in Millions

As at 31 March 2017	AED	OMR	QAR	SAR	USD	Others
<b>Financial Assets</b>						
Investments	10.04	-	1.76	-	-	-
Other financial assets (current and non-current)	2,084.79	-	0.07	1,906.68	-	14.83
Trade Receivables	8,186.59	1,094.70	791.69	1,994.16	-	69.75
Cash and Cash Equivalents and Bank balances	792.63	28.58	98.53	169.55	4.40	67.62
<b>Financial Liabilities</b>						
Borrowings (current and non-current)	6,607.68	451.50	383.68	345.17	10,669.33	148.73
Trade payables	5,863.77	326.00	240.00	419.00	-	202.00
Other financial liabilities (current and non-current)	2,956.65	126.67	213.18	488.36	0.78	50.05

### Sensitivity analysis

The sensitivity of profit or loss and the impact on the other components of equity to changes in exchange rates arising mainly from foreign currency denominated financial instruments is as follows:

₹ in Millions

Particulars	Impact on profit or loss		Impact on net assets	
	Year ended 31 March 2018	Year ended 31 March 2017	Year ended 31 March 2018	As at 31 March 2017
<b>AED Sensitivity</b>				
INR/ AED - Increase by 1%	24.91	35.72	319.92	226.79
INR/ AED - Decrease by 1%	(24.91)	(35.72)	(319.92)	(226.79)
<b>OMR Sensitivity</b>				
INR/ OMR - Increase by 1%	1.91	2.37	3.25	1.30
INR/ OMR - Decrease by 1%	(1.91)	(2.37)	(3.25)	(1.30)
<b>QAR Sensitivity</b>				
INR/ QAR - Increase by 1%	(3.65)	2.05	9.92	13.60
INR/ QAR - Decrease by 1%	3.65	(2.05)	(9.92)	(13.60)
<b>SAR Sensitivity</b>				
INR/ SAR - Increase by 1%	16.13	(28.49)	48.06	(107.77)
INR/ SAR - Decrease by 1%	(16.13)	28.49	(48.06)	107.77

### Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The interest rate on the Group's financial instruments is based on market rates. The Group monitors the movement in interest rates on an ongoing basis.

#### (a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

₹ in Millions

Particulars	As at 31 March 2018	As at 31 March 2017
<b>Financial liabilities (bank borrowings)</b>		
Variable rate long term borrowings including current maturities	21,307.15	18,494.64
<b>Derivative financial instrument</b>		
Interest rate swap	4,533.97	-

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# Notes to the Consolidated Financial Statements

## 36. Financial Instruments- Fair values and risk management (contd..)

### (b) Sensitivity

A reasonably possible change of 100 basis points (BP) in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

₹ in Millions

Particulars	Impact on profit or loss		Impact on equity	
	As at	As at	As at	As at
	31 March 2018	31 March 2017	31 March 2018	31 March 2017
<b>Sensitivity</b>				
100 BP increase in interest rate	(213.07)	(184.95)	(213.07)	(184.95)
100 BP decrease in interest rate	213.07	184.95	213.07	184.95

The interest rate sensitivity is based on the closing balance of secured term loans from banks.

# Notes to the Consolidated Financial Statements

## 37. Non-controlling interest

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements'.

₹ in Millions  
As at / For the year ended 31 March 2018

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of other comprehensive income	Amount	As a % of total comprehensive income	Amount
<b>Parent</b>	91.72%	29,259.73	(30.95%)	(871.92)	(0.23%)	(0.24)	(29.86%)	(872.16)
Aster DM Healthcare Limited								
<b>Subsidiaries</b>								
<b>India</b>								
Aster DM Healthcare (Trivandrum) Private Limited	(0.21%)	(66.16)	(0.08%)	(2.18)	-	-	(0.07%)	(2.18)
DM Med City Hospitals India Private Limited	2.12%	676.10	(0.04%)	(1.25)	-	-	(0.04%)	(1.25)
Prerana Hospital Limited	0.50%	160.83	0.47%	13.35	0.94%	0.98	0.49%	14.33
Ambody Infrastructure Private Limited	2.21%	705.04	0.04%	1.07	-	-	0.04%	1.07
Sri Sainatha Multispecialty Hospitals Private Limited	1.08%	344.26	(0.14%)	(4.00)	2.55%	2.65	(0.05%)	(1.35)
Malabar Institute of Medical Sciences Limited	11.77%	3,755.57	4.48%	126.30	2.18%	2.26	4.40%	128.56
Ramesh Cardiac and Multispecialty Hospitals Private Limited	3.54%	1,129.56	3.80%	106.93	(3.09%)	(3.21)	3.55%	103.72
Aster Ramesh Duhita LLP	0.02%	5.05	0.00%	-	-	-	0.00%	-
<b>Foreign</b>								
Affinity Holdings Private Limited	3.46%	1,104.65	(0.04%)	(1.18)	-	-	(0.04%)	(1.18)
Dar Al Shifa Medical Centre LLC	0.04%	11.98	(0.42%)	(11.73)	-	-	(0.40%)	(11.73)
Al Rafa Medical Centre, LLC	(0.49%)	(155.18)	0.10%	2.81	-	-	0.10%	2.81
Dr. Moopen's Medical Clinic LLC (Formerly known as Dr. Moopens Medical Poly Clinic LLC)	(0.02%)	(6.56)	0.17%	4.88	-	-	0.17%	4.88
Union Pharmacy LLC	0.24%	76.54	(0.64%)	(18.10)	-	-	(0.62%)	(18.10)
Shindaga Pharmacy LLC	0.06%	19.08	(0.33%)	(9.18)	-	-	(0.31%)	(9.18)
Asma Pharmacy LLC	0.05%	15.80	0.15%	4.29	-	-	0.15%	4.29
Rafa Pharmacy LLC	(0.04%)	(12.59)	(0.02%)	(0.49)	-	-	(0.02%)	(0.49)
Modern Dar Al Shifa Pharmacy LLC	0.17%	54.27	(0.75%)	(21.19)	-	-	(0.73%)	(21.19)
Maryam Pharmacy LLC	-	-	-	-	-	-	0.00%	-
Medshop Garden Pharmacy LLC	0.32%	102.16	0.80%	22.60	-	-	0.77%	22.60
Ibn Alhatham Pharmacy LLC	-	-	-	-	-	-	0.00%	-
Aster Pharmacy (AUH)	0.01%	4.57	(0.35%)	(9.89)	-	-	(0.34%)	(9.89)

# Notes to the Consolidated Financial Statements

## 37. Non-controlling interest (contd..)

₹ in Millions

As at / For the year ended 31 March 2018

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of other comprehensive income	Amount	As a % of total comprehensive income	
Dr. Moopen's Healthcare Mgt Services LLC	(0.19%)	(60.62)	(2.18%)	(61.38)	-	(2.10%)	(61.38)	
DM Healthcare LLC	3.20%	1,021.21	38.84%	1,093.93	-	37.45%	1,093.93	
DM Pharmacies LLC	0.38%	121.87	0.89%	25.01	-	0.86%	25.01	
Medshop Drug Stores LLC	1.86%	592.90	6.66%	187.56	-	6.42%	187.56	
Eurohealth Systems FZ LLC	0.24%	76.77	0.44%	12.45	-	0.43%	12.45	
Aster DM Healthcare FZC	63.23%	20,171.23	67.90%	1,912.60	78.48%	68.28%	1,994.14	
Medcare Hospital LLC	20.99%	6,695.84	22.43%	631.76	-	21.63%	631.76	
Aster IVF & Women Care Clinic LLC	(0.30%)	(97.15)	(2.25%)	(63.49)	-	(2.17%)	(63.49)	
(formerly known as Aster Milann Fertility & Women's Wellness Center LLC)								
Al Rafa Hospital LLC - Oman	1.18%	375.22	6.65%	187.42	-	6.42%	187.42	
Dr. Moopen's Healthcare Management Services WLL, Qatar	5.07%	1,617.11	8.43%	237.42	-	8.13%	237.42	
Wellcare Polyclinic WLL	(0.01%)	(4.16)	0.39%	11.09	-	0.38%	11.09	
Sanad Al Rahma for Medical Care LLC	15.75%	5,024.42	37.24%	1,049.10	-	35.92%	1,049.10	
New Aster Pharmacy DMCC (formerly known as New Aster Pharmacy JLT)	0.11%	34.93	0.47%	13.12	-	0.45%	13.12	
Zabeel Pharmacy LLC	0.00%	0.47	-	-	-	0.00%	-	
Aster Al Shafar Pharmacies Group LLC	0.33%	106.08	0.08%	2.19	-	0.07%	2.19	
Symphony Healthcare Management Services LLC	(0.24%)	(77.55)	6.25%	175.98	-	6.03%	175.98	
Aster Pharmacies Group LLC	9.07%	2,892.66	41.58%	1,171.22	-	40.10%	1,171.22	
Alpha Drug Store LLC	1.15%	365.38	8.31%	234.16	-	8.02%	234.16	
Al Raffah Medical Centre LLC	(0.15%)	(49.29)	0.19%	5.48	-	0.19%	5.48	
Aster Kuwait General Trading Co WLL	(0.55%)	(176.64)	(3.34%)	(94.04)	-	(3.22%)	(94.04)	
AL Shafar Pharmacy LLC (AUH)	(0.03%)	(8.54)	(0.09%)	(2.41)	-	(0.08%)	(2.41)	
Orange Pharmacies LLC	(0.56%)	(179.15)	(1.35%)	(38.05)	-	(1.30%)	(38.05)	
Aster DM Healthcare SPC	(1.15%)	(367.67)	(2.42%)	(68.10)	-	(2.33%)	(68.10)	
Aster DM Healthcare INC	(0.31%)	(98.10)	(1.96%)	(55.11)	-	(1.89%)	(55.11)	
Aster Optical's LLC	(0.15%)	(46.44)	(1.42%)	(40.09)	-	(1.37%)	(40.09)	
Al Rafa Investments Limited	(0.02%)	(7.67)	(0.13%)	(3.75)	-	(0.13%)	(3.75)	
Al Rafa Holdings Limited	(0.01%)	(2.25)	(0.06%)	(1.68)	-	(0.06%)	(1.68)	
Aster Grace Nursing & Physiotherapy LLC	0.02%	5.11	0.91%	25.69	-	0.88%	25.69	
Aster Medical Centre LLC	(0.53%)	(169.81)	(1.54%)	(43.39)	-	(1.49%)	(43.39)	



# Notes to the Consolidated Financial Statements

## 37. Non-controlling interest (contd..)

₹ in Millions

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of other comprehensive income	Amount	As a % of total comprehensive income	Amount
Harley Street Medical Center LLC	0.66%	209.17	1.12%	31.49	-	-	1.08%	31.49
Harley street Pharmacy LLC	(0.05%)	(16.92)	0.05%	1.38	-	-	0.05%	1.38
Harley Street LLC	0.01%	1.67	-	-	-	-	0.00%	-
Dr. Moopens Aster Hospital WLL, Qatar	(1.94%)	(620.14)	(22.14%)	(623.67)	-	-	(21.35%)	(623.67)
Harley Street Dental LLC	(0.09%)	(28.97)	0.11%	3.06	-	-	0.10%	3.06
Al Raffah Pharmacies Group LLC	0.00%	0.32	0.01%	0.32	-	-	0.01%	0.32
Aster DCC Pharmacy LLC	0.02%	5.29	-	-	-	-	0.00%	-
		<b>73,821.61</b>		<b>5,248.40</b>		<b>83.98</b>		<b>5,332.38</b>
Associates (Investment as per equity method) (Refer note 40)	0.41%	130.48	0.81%	22.87	0.00%	-	0.78%	22.87
Adjustment arising out of consolidation	(143.04%)	(45,631.15)	(91.68%)	(2,582.51)	11.73%	12.18	(88.00%)	(2,570.33)
Non controlling interest in subsidiaries	11.22%	3,579.38	4.55%	128.05	7.45%	7.74	4.65%	135.79
<b>Consolidated net assets/ Profit after tax</b>	<b>100.00%</b>	<b>31,900.32</b>	<b>100.00%</b>	<b>2,816.81</b>	<b>100.00%</b>	<b>103.90</b>	<b>100.00%</b>	<b>2,920.71</b>

# Notes to the Consolidated Financial Statements

## 37. Non-controlling interest (contd..)

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- General instructions for the preparation of consolidated financial statements.

₹ in Millions

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of other comprehensive income	Amount	As a % of total comprehensive income	Amount
<b>Parent</b>								
Aster DM Healthcare Limited	103.44%	23,280.72	47.89%	467.06	0.21%	(0.69)	71.56%	466.37
<b>Subsidiaries</b>								
<b>India</b>								
Aster DM Healthcare (Trivandrum) Private Limited	(0.28%)	(63.99)	(0.35%)	(3.41)	-	-	(0.52%)	(3.41)
DM Med City Hospitals India Private Limited	3.01%	677.36	(0.90%)	(8.81)	-	-	(1.35%)	(8.81)
Prerana Hospital Limited	0.65%	146.49	(5.03%)	(49.02)	0.34%	(1.11)	(7.69%)	(50.13)
Ambady Infrastructure Private Limited	3.13%	703.97	(0.18%)	(1.80)	-	-	(0.28%)	(1.80)
Sri Sainatha Multispeciality Hospitals Private Limited	1.54%	346.51	(6.82%)	(66.53)	0.28%	(0.89)	(10.34%)	(67.42)
Malabar Institute of Medical Sciences Limited	16.36%	3,681.68	10.24%	99.83	0.15%	(0.50)	15.24%	99.33
Ramesh Cardiac and Multispeciality Hospitals Private Limited	4.56%	1,025.95	2.48%	24.23	0.47%	(1.52)	3.48%	22.71
<b>Foreign</b>								
<b>Affinity Holdings Private Limited</b>								
Dar Al Shifa Medical Centre LLC	4.96%	1,116.73	(1.16%)	(11.36)	-	-	(1.74%)	(11.36)
Al Rafa Medical Centre, LLC	0.11%	23.75	(1.16%)	(11.35)	-	-	(1.74%)	(11.35)
"Dr. Moopen's Medical Clinic LLC (Formerly known as Dr.Moopens Medical Poly Clinic LLC)"	(0.70%)	(157.73)	(2.19%)	(21.41)	-	-	(3.28%)	(21.41)
Union Pharmacy LLC	(0.05%)	(11.45)	(0.45%)	(4.42)	-	-	(0.68%)	(4.42)
Shindaga Pharmacy LLC	0.42%	94.60	(0.22%)	(2.10)	-	-	(0.32%)	(2.10)
Asma Pharmacy LLC	0.13%	28.41	0.29%	2.86	-	-	0.44%	2.86
Rafa Pharmacy LLC	0.06%	14.09	0.33%	3.17	-	-	0.49%	3.17
Modern Dar Al Shifa Pharmacy LLC	(0.05%)	(12.08)	(0.05%)	(0.48)	-	-	(0.07%)	(0.48)
Maryam Pharmacy LLC	0.36%	80.75	2.18%	21.23	-	-	3.26%	21.23
Medshop Garden Pharmacy LLC	(0.19%)	(41.83)	(0.07%)	(0.66)	-	-	(0.10%)	(0.66)
Ibn Alhaitham Pharmacy LLC	0.49%	110.98	3.91%	38.18	-	-	5.86%	38.18
Aster Pharmacy (AUH)	(0.07%)	(16.71)	(0.02%)	(0.21)	-	-	(0.03%)	(0.21)
Dr.Moopen's Healthcare Mgt Services LLC	0.06%	14.50	0.43%	4.19	-	-	0.64%	4.19
DM Healthcare LLC	0.01%	1.18	(15.53%)	(151.45)	-	-	(23.24%)	(151.45)
DM Pharmacies LLC	4.00%	899.69	50.32%	490.75	-	-	75.30%	490.75
	0.55%	122.95	5.17%	50.41	-	-	7.73%	50.41

# Notes to the Consolidated Financial Statements

## 37. Non-controlling interest (contd..)

₹ in Millions

As at / For the year ended 31 March 2017

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of other comprehensive income	Amount	As a % of total comprehensive income	Amount
Medshop Drug Stores LLC	2.58%	580.79	16.35%	159.48	-	-	24.47%	159.48
Eurohealth Systems FZ LLC	0.32%	73.01	2.29%	22.36	-	-	3.43%	22.36
Aster DM Healthcare FZC	81.05%	18,240.80	174.38%	1,700.81	15.80%	(51.14)	253.11%	1,649.67
Medcare Hospital LLC	28.66%	6,449.69	75.53%	736.69	-	-	113.03%	736.69
Aster IVF & Women Care Clinic LLC (formerly known as Aster Milann Fertility & Women's Wellness Center LLC)	(0.15%)	(33.61)	(13.50%)	(131.71)	-	-	(20.21%)	(131.71)
Al Rafa Hospital LLC - Oman	0.83%	187.47	23.47%	228.93	-	-	35.13%	228.93
Dr. Moopens Healthcare Management Services WLL, Qatar	6.12%	1,377.24	20.58%	200.76	-	-	30.80%	200.76
Wellcare Polyclinic WLL	(0.07%)	(15.14)	0.51%	4.96	-	-	0.76%	4.96
Sanad Al Rahma for Medical Care LLC	19.74%	4,443.51	(298.54%)	(2,911.73)	-	-	(446.76%)	(2,911.73)
New Aster Pharmacy DMCC (formerly known as New Aster Pharmacy ILT)	0.14%	32.34	1.20%	11.74	-	-	1.80%	11.74
Zabeel Pharmacy LLC	0.00%	0.47	0.00%	-	-	-	0.00%	-
Aster Al Shafar Pharmacies Group LLC	0.62%	139.66	5.21%	50.77	-	-	7.79%	50.77
Symphony Healthcare Management Services LLC	(1.12%)	(253.08)	0.21%	2.00	-	-	0.31%	2.00
Aster Pharmacies Group LLC	11.06%	2,489.14	92.05%	897.83	-	-	137.76%	897.83
Alpha Drug Store LLC	1.36%	307.16	18.78%	183.14	-	-	28.10%	183.14
Al Raffah Medical Centre LLC	(0.25%)	(56.11)	1.01%	9.89	-	-	1.52%	9.89
Aster Kuwait General Trading Co WLL	(0.37%)	(82.45)	(8.18%)	(79.83)	-	-	(12.25%)	(79.83)
AL Shafar Pharmacy LLC (AUH)	(0.03%)	(6.12)	(0.13%)	(1.27)	-	-	(0.19%)	(1.27)
Orange Pharmacies LLC	(0.63%)	(140.85)	(4.42%)	(43.12)	-	-	(6.62%)	(43.12)
Aster DM Healthcare SPC	(1.33%)	(299.04)	(17.76%)	(173.19)	-	-	(26.57%)	(173.19)
Aster DM Healthcare INC	(0.19%)	(42.92)	(6.95%)	(67.82)	-	-	(10.41%)	(67.82)
Aster Opticals LLC	(0.03%)	(6.35)	(1.23%)	(12.04)	-	-	(1.85%)	(12.04)
Al Rafa Investments Limited	(0.02%)	(3.92)	(0.15%)	(1.51)	-	-	(0.23%)	(1.51)
Al Rafa Holdings Limited	(0.00%)	(0.57)	(0.07%)	(0.68)	-	-	(0.10%)	(0.68)
Aster Grace Nursing & Physiotherapy LLC	(0.09%)	(20.55)	(1.99%)	(19.43)	-	-	(2.98%)	(19.43)
Aster Medical Centre LLC	(0.56%)	(126.19)	(9.77%)	(95.30)	-	-	(14.62%)	(95.30)
Harley Street Medical Center LLC	0.79%	177.36	(6.21%)	(60.61)	-	-	(9.30%)	(60.61)
Harley street Pharmacy LLC	(0.08%)	(18.27)	(0.48%)	(4.73)	-	-	(0.73%)	(4.73)
Harley Street LLC	0.01%	1.67	0.00%	-	-	-	0.00%	-

# Notes to the Consolidated Financial Statements

## 37. Non-controlling interest (contd..)

₹ in Millions

As at / For the year ended 31 March 2017

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of other comprehensive income	Amount	As a % of total comprehensive income	Amount
Al Raffah Pharmacies Group LLC	0.00%	-	0.00%	-	-	-	0.00%	-
		<b>65,461.66</b>		<b>1,475.29</b>		<b>(55.85)</b>		<b>1,419.44</b>
Associates (Investment as per equity method) (Refer Note 40)	0.48%	107.60	(0.23%)	(2.29)	0.00%	-	(0.35%)	(2.29)
Adjustment arising out of consolidation	(208.00%)	(46,815.15)	(46.69%)	(455.40)	69.63%	(225.32)	(104.44%)	(680.72)
Non controlling interest in subsidiaries	16.67%	3,752.66	(4.33%)	(42.28)	13.10%	(42.40)	(12.99%)	(84.68)
<b>Consolidated net assets/ Profit after tax</b>	<b>100.00%</b>	<b>22,506.77</b>	<b>100.00%</b>	<b>975.32</b>	<b>100.00%</b>	<b>(323.57)</b>	<b>100.00%</b>	<b>651.75</b>

# Notes to the Consolidated Financial Statements

## 37. Non-controlling interest (continued)

The following table summarises the financial information relating to subsidiaries which have material non-controlling interest:

### (i) Malabar Institute of Medical Sciences Limited

₹ in Millions

Particulars	As at	As at
	31 March 2018	31 March 2017
Non-current assets	5,490.11	5,303.25
Current assets	495.45	419.28
Non-current liabilities	(1,475.07)	(1,430.34)
Current liabilities	(754.92)	(610.51)
<b>Net assets</b>	<b>3,755.57</b>	<b>3,681.68</b>
<b>NCI</b>	<b>29.00%</b>	<b>29.00%</b>
<b>Carrying amount of non-controlling interests</b>	<b>1,089.12</b>	<b>1,067.69</b>

₹ in Millions

Particulars	Year ended	Year ended
	31 March 2018	31 March 2017
Revenue from operations	3,236.05	3,141.39
Profit for the year	126.30	99.83
Other comprehensive income for the year	2.26	(0.50)
<b>Total comprehensive income for the year</b>	<b>128.56</b>	<b>99.34</b>
<b>Attributable to non-controlling interest</b>		
Profit for the year	36.63	28.95
Other comprehensive income for the year	0.65	(0.14)
<b>Cash flows from:</b>		
Operating activities	365.64	361.71
Investing activities	(340.74)	(559.77)
Financing activities	(36.72)	192.75
<b>Net decrease in cash and cash equivalents</b>	<b>(11.82)</b>	<b>(5.31)</b>

### (ii) Dr. Ramesh Cardiac and Multispeciality Hospitals Private Limited

₹ in Millions

Particulars	As at	As at
	31 March 2018	31 March 2017
Non-current assets	1,289.27	1,269.90
Current assets	591.38	481.45
Non-current liabilities	(410.19)	(461.05)
Current liabilities	(340.90)	(264.47)
<b>Net assets</b>	<b>1,129.56</b>	<b>1,025.83</b>
<b>NCI</b>	<b>49.00%</b>	<b>49.00%</b>
<b>Carrying amount of non-controlling interests</b>	<b>553.48</b>	<b>502.66</b>

# Notes to the Consolidated Financial Statements

## 37. Non-controlling interest (continued)

(ii) Dr. Ramesh Cardiac and Multi Speciality Hospital Private Limited (Contd...)

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from operations	1,910.67	1,538.80
Profit for the year	106.93	27.61
Other comprehensive income for the year	(3.21)	(1.74)
<b>Total comprehensive income for the year</b>	<b>103.72</b>	<b>25.87</b>
<b>Attributable to non-controlling interest</b>		
Profit for the year	52.40	13.53
Other comprehensive income for the year	(1.57)	(0.85)
<b>Cash flows from:</b>		
Operating activities	181.87	97.54
Investing activities	(88.20)	(249.04)
Financing activities	(91.89)	192.48
<b>Net increase in cash and cash equivalents</b>	<b>1.78</b>	<b>40.98</b>

(iii) Medicare Hospital LLC

Particulars	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
Non-current assets	4,498.57	4,566.08
Current assets	7,549.43	7,051.19
Non-current liabilities	(648.06)	516.54
Current liabilities	(4,704.10)	4,651.00
<b>Net assets</b>	<b>6,695.84</b>	<b>16,784.82</b>
<b>NCI</b>	<b>49.00%</b>	<b>49.00%</b>
<b>Carrying amount of non-controlling interests</b>	<b>3,280.96</b>	<b>8,224.56</b>

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Revenue from operations	13,450.41	10,925.17
Profit for the year	631.76	736.68
Other comprehensive income for the year	-	-
<b>Total comprehensive income for the year</b>	<b>631.76</b>	<b>736.68</b>
<b>Attributable to non-controlling interest</b>		
Profit for the year	309.56	360.97
Other comprehensive income for the year	-	-
<b>Cash flows from:</b>		
Operating activities	2,244.83	2,989.68
Investing activities	(465.20)	(3,448.32)
Financing activities	(1,141.05)	(800.79)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>638.59</b>	<b>(1,259.42)</b>

# Notes to the Consolidated Financial Statements

## 38. Group information

### Subsidiaries, step-down subsidiaries and associates of the parent company

#### (a) Subsidiaries and step-down subsidiaries

The consolidated Ind AS financial statements of the Group includes subsidiaries listed in the table below:

₹ in Millions

SI No.	Entity	Country of incorporation	Ownership interest held by Group			
			31 March 2018		31 March 2017	
			Beneficial	Legal *	Beneficial	Legal *
<b>Direct subsidiaries</b>						
1	Aster DM Healthcare (Trivandrum) Private Limited	India	100%	100%	100%	100%
2	DM Med City Hospitals India Private Limited	India	100%	100%	100%	100%
3	Prerana Hospital Limited	India	81%	81%	81%	81%
4	Ambady Infrastructure Private Limited	India	100%	100%	100%	100%
5	Affinity Holdings Private Limited	Mauritius	100%	100%	100%	100%
6	Sri Sainatha Multispeciality Hospitals Private Limited	India	58%	58%	47%	47%
7	Malabar Institute of Medical Sciences Limited	India	71%	71%	71%	71%
8	Dr. Ramesh Cardiac and Multispeciality Hospitals Private Limited	India	51%	51%	51%	51%
<b>Step down subsidiaries</b>						
9	Aster Ramesh Duhita LLP	India	50%	50%	NA	NA
10	Aster DM Healthcare FZC	UAE	100%	100%	100%	100%
11	Aster Day Surgery Centre LLC (formerly known as Aster IVF and Women Clinic LLC )	UAE	82%	49%	82%	49%
12	Al Rafa Medical Centre LLC	UAE	51%	40%	51%	40%
13	Asma Pharmacy LLC	UAE	50%	0%	50%	0%
14	Dar Al Shifa Medical Centre LLC	UAE	51%	40%	51%	40%
15	DM Healthcare LLC	UAE	100%	49%	100%	49%
16	DM Pharmacies LLC	UAE	100%	49%	100%	49%
17	Dr. Moopens Healthcare Management Services LLC	UAE	100%	49%	100%	49%
18	Dr. Moopens Medical Clinic LLC	UAE	71%	40%	71%	40%
19	Eurohealth Systems FZ LLC	UAE	100%	95%	100%	95%
20	Ibn Alhaitham Pharmacy LLC	UAE	100%	49%	100%	49%
21	Maryam Pharmacy LLC	UAE	100%	0%	100%	0%
22	Med Shop Drugs Store LLC	UAE	100%	49%	100%	49%
23	Medcare Hospital LLC	UAE	80%	30%	80%	30%
24	Medshop Garden Pharmacy LLC	UAE	100%	49%	100%	49%
25	Modern Dar Al Shifa Pharmacy LLC	UAE	51%	40%	51%	40%
26	Rafa Pharmacy LLC	UAE	100%	49%	100%	49%
27	Shindagha Pharmacy LLC	UAE	90%	49%	90%	49%
28	Union Pharmacy LLC	UAE	75%	37%	75%	37%
29	Aster Pharmacies Group LLC	UAE	100%	49%	100%	49%
30	Alfa Drug Store LLC	UAE	100%	49%	100%	49%
31	Aster Al Shafar Pharmacies Group LLC	UAE	51%	49%	51%	49%
32	New Aster Pharmacy DMCC	UAE	100%	100%	100%	100%
33	Symphony Healthcare Management Services LLC	UAE	100%	0%	100%	0%
34	Zabeel Pharmacy LLC **	UAE	51%	49%	51%	49%

# Notes to the Consolidated Financial Statements

## 38. Group information

₹ in Millions

SI No.	Entity	Country of incorporation	Ownership interest held by Group			
			31 March 2018		31 March 2017	
			Beneficial	Legal *	Beneficial	Legal *
35	Aster Pharmacy LLC, AUH	UAE	100%	49%	100%	49%
36	Al Shafar Pharmacy LLC, AUH **	UAE	51%	49%	51%	49%
37	Aster Grace Nursing and Physiotherapy LLC	UAE	60%	29%	60%	29%
38	Aster Medical Centre LLC**	UAE	90%	39%	90%	39%
39	Aster Opticals LLC	UAE	60%	49%	60%	49%
40	Al Rafa Investments Limited	UAE	100%	0%	100%	0%
41	Al Rafa Holdings Limited	UAE	100%	0%	100%	0%
42	Harley Street LLC	UAE	60%	9%	60%	9%
43	Harley Street Pharmacy LLC	UAE	60%	9%	60%	9%
44	Harley Street Medical Centre LLC	UAE	60%	9%	60%	9%
45	Al Raffah Hospital LLC	Oman	100%	70%	100%	70%
46	Al Raffah Medical Centre LLC	Oman	100%	70%	100%	70%
47	Dr. Moopen's Healthcare Management Services WLL	Qatar	99%	49%	99%	49%
48	Welcare Polyclinic W.L.L	Qatar	50%	45%	50%	45%
49	Dr. Moopens Aster Hospital WLL	Qatar	99%	49%	NA	NA
50	Sanad Al Rahma for Medical Care LLC	Kingdom of Saudi Arabia	97%	97%	97%	97%
51	Aster Kuwait for Medicine and Medical Supplies Company W.L.L (formerly known as Aster Kuwait General Trading Co WLL)	Kuwait	54%	2%	54%	2%
52	Orange Pharmacies LLC	Jordan	51%	0%	51%	0%
53	Aster DM Healthcare SPC	Bahrain	100%	100%	100%	100%
54	Aster DM Healthcare INC	Philippines	90%	90%	90%	90%
55	Al Raffah Pharmacies Group LLC	Oman	100%	70%	100%	70%
56	Harley Street Dental LLC	UAE	50%	74%	NA	NA
57	Aster DCC Pharmacy LLC	UAE	70%	70%	NA	NA

\* Although the percentage of voting rights as a result of legal holding by the Company is not more than 50% in certain entities listed above, the Company has the power to appoint majority of the Board of Directors of those entities as to obtain substantially all the returns related to their operations and net assets and has the ability to direct that activities that most significantly affect these returns. Consequently, all the entities listed above have been consolidated for the purposes of the preparation of this consolidated financial information.

\*\* represents subsidiaries which are in the process of being wound-up.

### (b) Associates

The consolidated Ind AS financial statements of the Group includes associates listed in the table below:

₹ in Millions

SI No.	Entity	Country of incorporation	% equity interest			
			31 March 2018		31 March 2017	
			Beneficial	Legal *	Beneficial	Legal *
1	EMED Human Resources (India) Private Limited	India	33%	33%	33%	33%
2	MIMS Infrastructure and Properties Private Limited*	India	35%	35%	35%	35%
3	Aries Holdings FZC	UAE	25%	25%	25%	25%
4	AAQ Healthcare Investments LLC	UAE	33%	33%	33%	33%

The principal place of business of all the entities listed above is the same as their respective countries of incorporation.



# Notes to the Consolidated Financial Statements

## 39. Acquisition of Subsidiaries and Non-Controlling Interests (NCI)

### Acquisition of subsidiary

#### i) Acquisition of Harley Street Dental LLC ("Entity").

On 1 October 2017, the Group entered into Share Purchase Agreement to acquire 50% beneficial ownership in Harley Street Dental Centre LLC for a purchase consideration amounting to ₹17.53 million thereby giving it control over the Entity.

The Entity operates a dental clinic in Abu Dhabi. Upon transfer of control, the Group owns economic and beneficial interest in 60% of the net worth and profit/(loss) of the Entity.

#### A Consideration transferred

The following table summarises the acquisition date fair value of consideration transferred:

Particulars	₹ in Millions
Cash	17.53

#### B Identifiable assets acquired and liabilities assumed

Particulars	₹ in Millions
Property, plant and equipment	20.94
Other assets	4.60
Cash and cash equivalent	1.94
<b>Total assets</b>	<b>27.48</b>
Other liabilities	(60.60)
<b>Total liabilities</b>	<b>(60.60)</b>
<b>Net liabilities assumed</b>	<b>(33.12)</b>

#### C Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	₹ in Millions
Consideration transferred	17.53
Fair value of non controlling interest	18.78
Fair value of net liabilities assumed	33.12
<b>Goodwill</b>	<b>69.43</b>

#### ii) Harley Street Pharmacy LLC, Harley Street LLC and Harley Street Medical Center LLC ("Harley Group").

On 28 July 2016, the Group entered into a Share Purchase Agreement to acquire 60 % voting shares in Harley Street Pharmacy LLC, Harley Street LLC and Harley Street Medical Center LLC, giving it control over the Harley Group. Harley Group is engaged in the business of running clinics, pharmacies and other healthcare services. Upon transfer of control, the Group owns economic and beneficial interest in 60% of the net worth and profit/(loss) of the Harley Group. The acquisition is expected to provide the Group with an increased share of medical and healthcare sector through access to the subsidiary's customer base and market share. The Group also expects to reduce costs through economies of scale.

#### A Consideration transferred

The following table summarises the acquisition date fair value of consideration transferred:

Particulars	₹ in Millions
Cash	765.61

# Notes to the Consolidated Financial Statements

## 39. Acquisition of Subsidiaries and Non-Controlling Interests (NCI) (contd..)

### ii) Harley Group (contd..)

#### B Identifiable assets acquired and liabilities assumed

Particulars	₹ in Millions
Property, plant and equipment	488.53
Intangible assets including payor relationships and trade name	184.11
Other assets	235.15
Cash and cash equivalent	96.61
<b>Total assets</b>	<b>1,004.40</b>
Borrowings	(282.54)
Trade payable	(233.33)
<b>Total liabilities</b>	<b>(515.87)</b>
<b>Net identifiable assets acquired</b>	<b>488.53</b>

#### Measurement of fair values

##### Assets acquired Valuation technique

Property, plant and equipment	Cost approach (reproduction cost approach) is adopted for the valuation of identified item of property, plant and equipment. Reproduction cost new or cost of reproduction new ('CRN") contemplates replacing the asset with an identical asset without regard to economic and functional considerations. Reproduction cost new is the cost to reproduce the asset in like kind to obtain an asset that is nearly an exact duplicate of the subject asset.
Payor relationships	The fair value of existing Payor Relationships was estimated using a form of the income approach known as the contributory asset charges ('CAC") method or multi-period excess earnings ('MEEM"). Under MEEM, value is estimated as the present value of the benefits anticipated from ownership of the subject intangible asset in excess of the returns required on the investment in the contributory assets necessary to realize those benefits. It is based on the theory that all operating assets contribute to the profitability of an enterprise. Therefore, if the estimated earnings associated with a specific asset of the Company rely on the use of other company assets, then the estimated excess earnings of the subject asset must include appropriate charges for the use of these contributory assets.
Trade name	The Fair Value of an acquired Trade Name is established using a form of the income approach known as the relief from-royalty method. This method recognizes that because a company owns the Trade Name rather than licensing them, the Company does not have to pay a royalty; usually expressed as a percentage of sales, for their use. The present value of the after-tax cost savings (i.e. royalty relief) at an appropriate discount rate indicates the value of the Trade Name.

#### C Goodwill

Goodwill arising from acquisition has been determined as follows

Particulars	₹ in Millions
Consideration transferred	765.61
Fair value of non controlling interest	401.03
Fair value of net identifiable assets	(488.53)
<b>Goodwill</b>	<b>678.11</b>

# Notes to the Consolidated Financial Statements

## 39. Acquisition of Subsidiaries and Non-Controlling Interests (NCI) (contd..)

### iii) Ramesh Cardiac and Multispecialty Hospitals Private Limited (Ramesh Hospital)

On 30 April 2016, the Group entered into a Share Subscription and Share Purchase Agreement ("SSPA") to acquire 51 % stake in Ramesh Hospital in three separate tranches. The Group also entered into a Shareholders' Agreement which governs the rights and obligations of the shareholders. The transfer of control was established on 17 May 2016.

In May 2016, the Group acquired 29.97% voting shares and power to appoint majority of the board of directors in Ramesh Hospital. As a result, the Group acquired control of the entity. The acquisition is expected to provide the Group with an increased share of medical and healthcare sector through access to the subsidiary's customer base and market share. The Group also expects to reduce costs through economies of scale.

#### A Consideration transferred

The following table summarises the acquisition date fair value of consideration transferred:

Particulars	₹ in Millions
Cash	960.20

#### B Identifiable assets acquired and liabilities assumed

Particulars	₹ in Millions
Property plant and equipment (including CWIP)	1,322.60
Intangible assets including payor relationships and trade name	422.00
Cash and cash equivalents	4.70
Current investment	35.20
Other current assets	178.20
<b>Total Assets</b>	<b>1,962.70</b>
Borrowings	(732.60)
Short term provision	(2.40)
Trade payable	(149.20)
Other current liabilities	(67.20)
<b>Total liabilities</b>	<b>(951.40)</b>
<b>Total net identifiable assets acquired</b>	<b>1,011.30</b>

#### Measurement of fair values

##### Assets acquired Valuation technique

Property, plant and equipment	Cost approach (a combination of reproduction and replacement cost approach) is adopted for the valuation of identified Property, plant and equipment. The cost approach to valuation is based on the concept that an informed purchaser will measure an asset's value by the cost of substituting another asset of comparable utility. The cost approach relies on the replacement cost new, the reproduction cost new or a combination of both to provide an indication of value for the assets. Value indications developed in applying the method are weighted and reconciled with other facts with regards to the type of assets being appraised and the quantity and quality of the data available in order to form a conclusive opinion of fair market value.
Payor relationships	The fair value of existing Payor Relationships was estimated using a form of the income approach known as the contributory asset charges ("CAC") method or multi-period excess earnings ("MEEM"). Under MEEM, value is estimated as the present value of the benefits anticipated from ownership of the subject intangible asset in excess of the returns required on the investment in the contributory assets necessary to realize those benefits. It is based on the theory that all operating assets contribute to the profitability of an enterprise. Therefore, if the estimated earnings associated with a specific asset of the Company rely on the use of other company assets, then the estimated excess earnings of the subject asset must include appropriate charges for the use of these contributory assets.
Trade name	The Fair Value of an acquired Trade Name is established using a form of the income approach known as the relief from-royalty method. This method recognizes that because a company owns the Trade Name rather than licensing it a company does not have to pay royalty; usually expressed as a percentage of sales, for their use. The present value of the after-tax cost savings (i.e. royalty relief) at an appropriate discount rate indicates the value of the Trade Name.

# Notes to the Consolidated Financial Statements

## 39. Acquisition of Subsidiaries and Non-Controlling Interests (NCI) (contd..)

### iii) Ramesh Hospital (contd..)

#### C Goodwill

Goodwill arising from acquisition has been determined as follows

Particulars	₹ in Millions
Consideration transferred	960.20
Fair value of non controlling interest	1,800.80
Fair value of net identifiable assets	(1,011.30)
<b>Goodwill</b>	<b>1,749.70</b>

The non-controlling interest has a put option on 49% of the non-controlling interest's equity ownership in Dr. Ramesh Hospital. The option is exercisable from May 2021. The put option contains an obligation for the Company to acquire 49% of the non-controlling interests and accordingly the fair value of such put option, determined using Monte carlo simulation model along with such other valuation techniques, has been recognised. Consequently, the put option liability of ₹861.3 million at the date of acquisition is reduced from NCI.

D During the year ended 31 March 2017, the Group acquired 1,330,322 additional shares via fresh issue in Ramesh Hospital for ₹452.98 million in cash, thereby increasing its stake in voting shares to 38.60%. The transaction resulted in an increase in non-controlling interest to the tune of ₹215.49 million. The difference of ₹235.15 million represents a decrease in retained earnings.

#### E Acquisition of NCI

In September 2016, the Group acquired 1,337,040 additional shares in Ramesh Hospital for ₹452.28 million in cash, thereby increasing its stake in voting shares to 51%. The Group consequently recognised a decrease in NCI of ₹126.35 million. The difference of ₹325.93 million represents a decrease in retained earnings.

Particulars	₹ in Millions
Carrying amount of non controlling interest acquired	126.35
Consideration paid to non controlling interest	452.28
Decrease in equity attributable to owners of the Company	(325.93)

### iv) Acquisition of NCI in Malabar Institute of Medical Science Limited, India ('MIMS')

During the year ended 31 March 2017, the Group acquired an additional 0.04% interest in Malabar Institute of Medical Science Limited for ₹3.34 millions in cash, increasing its ownership interest from 70.64% to 70.68%. The Group consequently recognised a decrease in NCI of ₹0.85 million. The difference of ₹2.49 Million represents a decrease in retained earnings.

Particulars	₹ in Millions
Carrying amount of non controlling interest acquired	0.85
Consideration paid to non controlling interest	3.34
Decrease in equity attributable to owners of the Company	(2.49)

### v) Al Raffah Pharmacies Group LLC

The Group had formed a new company, Al Raffah Pharmacies Group LLC, in Oman during the year ended 31 March 2017. The company had obtained trade license but had not started commercial operations. Based on the agreement entered between Aster DM Healthcare FZC, UAE (a subsidiary) and two resident individuals of Oman, the beneficial and legal shareholding is agreed at 100% and 70% respectively. During the current year the Company has commenced its operations.

### vi) Acquisition of Pharmacies (Al Hayat Pharmacy, Al Ola Pharmacy LLC and Mankhool Pharmacy LLC)

During the year ended 31 March 2018, the Group acquired standalone pharmacy outlets based in Dubai, UAE for a total consideration of ₹384.96 million and upon acquisition the entities were converted as a branch of one of the subsidiary. The total goodwill recognised amounts to ₹263.95 million on acquisition.

# Notes to the Consolidated Financial Statements

## 39. Acquisition of Subsidiaries and Non-Controlling Interests (NCI) (contd..)

### vii) Acquisition of NCI in Sri Sainatha Multispeciality Hospitals Private Limited

During the year ended 31 March 2018, the Group acquired additional 11.14% stake in Sri Sainatha Multispeciality Hospitals Private Limited for ₹80.52 million in cash, increasing its ownership interest from 46.9% to 58.04%. The Group consequently recognised a decrease in NCI of ₹38.69 million. The difference of ₹41.83 million represents a decrease in retained earnings.

Particulars	₹ in Millions
Carrying amount of non controlling interest acquired	38.69
Consideration paid to non controlling interest	80.52
Decrease in equity attributable to owners of the Company	(41.83)

## 40. Investment in equity accounted investees

The Group has interest in the following companies listed below. The Group's interest in these companies is accounted for using equity method in the consolidated financial statements. The Group has significant influence either by virtue of shareholding being more than 20%, provision of essential technical service or Board representation. However the Group does not have control or joint control over any of these entities.

Name	Country	Legal and beneficial holding	Share of profits/ (losses)		Investment	
			Year ended	Year ended	As at	As at
			31 March 2018	31 March 2017	31 March 2018	31 March 2017
AAQ Healthcare Investments LLC	UAE	33%	(5.32)	(0.14)	(3.68)	1.64
Aries Holdings FZC	UAE	25%	24.84	(1.15)	35.01	10.17
EMED Human Resources (India) Private Limited	India	33%	0.40	0.75	0.46	0.05
MIMS Infrastructure and Properties Private Limited	India	35%	2.95	(1.75)	98.69	95.74
<b>Total</b>			<b>22.87</b>	<b>(2.29)</b>	<b>130.48</b>	<b>107.60</b>

### Summarised financial information :

#### (i) MIMS Infrastructure and Properties Private Limited

The Group has a 35% interest in MIMS Infrastructure And Properties Private Limited, an entity which is not listed on any public exchange. The table below also reconciles the summarised financial information to the carrying amount of the Group's interest in MIMS Infrastructure and Properties Private Limited.

Particulars	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
Non-current assets	226.66	231.74
Current assets	21.73	15.72
Non-current liabilities	-	(6.62)
Current liabilities	(6.54)	(7.51)
<b>Net Assets</b>	<b>241.85</b>	<b>233.33</b>
Ownership held by the group	35%	35%
<b>Group's share of net assets</b>	<b>84.65</b>	<b>81.57</b>

# Notes to the Consolidated Financial Statements

## 40. Investment in equity accounted investees (contd..)

### (i) MIMS Infrastructure and Properties Private Limited (contd..)

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Revenue	18.71	18.87
Profit / (loss) before tax	11.86	(1.55)
Income tax	(3.33)	3.45
Profit / (loss) after tax	8.53	(5.01)
Other Comprehensive Income	-	-
<b>Total Comprehensive Income / (loss)</b>	<b>8.53</b>	<b>(5.01)</b>
Ownership held by the group	35%	35%
<b>Group's share of total comprehensive income</b>	<b>2.95</b>	<b>(1.75)</b>

### (ii) Investment in other associates

The Group also has interest in the other associates as listed in the table above. The table below reconciles the summarised financial information to the carrying amount of the Group's interest in these associates.

Particulars	₹ in Millions	
	As at 31 March 2018	As at 31 March 2017
Non-current assets	3,213.68	2,602.05
Current assets	165.72	48.46
Non-current liabilities	(1,460.85)	(618.61)
Other payables	(1,773.82)	(1,489.50)
Current liabilities	(8.90)	(492.33)
<b>Net Assets</b>	<b>135.83</b>	<b>50.08</b>
<b>Group's share of net assets</b>	<b>33.07</b>	<b>12.79</b>

Particulars	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
Revenue	164.50	6.94
Profit before tax/(loss)	84.77	(2.32)
Income tax	(0.31)	0.56
Profit after tax/(loss)	84.46	(2.88)
Other Comprehensive Income	-	-
<b>Total Comprehensive Income</b>	<b>84.46</b>	<b>(2.88)</b>
<b>Group's share of total comprehensive income</b>	<b>19.92</b>	<b>(0.54)</b>

# Notes to the Consolidated Financial Statements

## 41. Share based payments

### A Description of share based payment arrangements- Share option plans (equity-settled)

The Company has issued stock options under the DM Healthcare Employees Stock Option Plan 2013 ('DM Healthcare ESOP 2013' or '2013 Plan') during the financial year ended 31 March 2013. The 2013 Plan covers all non-promoter directors and employees of the Company and its subsidiaries (collectively referred to as 'eligible employees'). Under this plan, holders of vested options are entitled to purchase shares at the market price of the shares at respective date of grant of options. The Compensation Committee granted the options on the basis of performance, criticality and potential of the employees as identified by the management. The Company has issued different categories of options on 2 March 2013, 1 April 2014, 1 April 2015, 22 November 2016, 6 June 2017 and 1 March 2018 on different terms viz; incentive options, milestone options, performance options and loyalty options. The Company has computed the fair value of the options for the purpose of accounting of employee compensation cost/ expense over the vesting period of the options.

The fair value of the option is calculated using the Black-Scholes Option Pricing model. Accordingly fair value of the various options granted is stated below:

Option Type	Grant date	Number of instruments	Exercise price	Vesting conditions	Contractual life of options
Incentive option	2 March 2013	344,280	50	At the end of 1 year based on performance	5 years from the date of grant
Incentive option	1 April 2014	344,280	50		
Incentive option	1 April 2015	360,526	50		
Incentive option	22 November 2016	410,385	50	50% at the end of first year and 25% each at the end of second & third year based on performance.	
Incentive option	6 June 2017	148,000	174.75	25% at the end of each financial year over a period of 4 years based on performance.	
Milestone option	2 March 2013	715,986	50	25% at the end of each financial year over a period of 4 years based on performance.	
Milestone option	1 April 2014	254,537	50		
Milestone option	1 April 2015	27,493	50		
Milestone option	22 November 2016	138,000	50	50% at the end of first year and 25% each at the end of second & third year each based on performance.	
Milestone option	6 June 2017	111,000	175	25% at the end of each financial year over a period of 4 years based on performance.	
Performance options	1 March 2018	482,200	142	25% at the end of each financial year over a period of 4 years based on performance.	
Performance options	1 March 2018	183,829	50	25% at the end of each financial year over a period of 4 years based on performance.	
Loyalty option	2 March 2013	420,000	10	100% vesting at the end of 1 year from date of grant.	
Loyalty option	1 April 2014	9,000	10		
Loyalty option	1 April 2015	15,000	10		
Loyalty option	22 November 2016	176,000	10	80% vesting on completion of 6 years' service and 20% vesting on completion of 9 years' service subject to minimum vesting period of 1 year from date of grant.	
Loyalty option	6 June 2017	285,000	10		
Loyalty option	1 March 2018	146,800	10	75% vesting on completion of 6 years' service and 25% vesting on completion of 9 years' service subject to minimum vesting period of 1 year from date of grant.	

# Notes to the Consolidated Financial Statements

## 41. Share based payments (contd..)

### B Measurement of fair value

The Company has computed the fair value of the options for the purpose of accounting of employee compensation cost/ expense over the vesting period of the options. The fair value of the option is calculated using the Black-Scholes Option Pricing model. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Option type	Incentive option					
Date of grant	6 June 2017	22 November 2016	1 April 2015	1 April 2014	2 March 2013	
Fair value at grant date (Rs)	87.20	173.09	216.86	77.07	40.90	
Share price at grant date (Rs)	233.00	216.71	259.65	132.56	170.00	
Exercise price (Rs)	174.75	50.00	50.00	50.00	50.00	
Expected volatility	0.001%	0.001%	0.001%	0.001%	Nil	
Expected life	2.75 years	2.25 years	2 years	2 years	1.96 years	
Expected dividends	Nil	Nil	Nil	Nil	Nil	
Risk-free interest rate	6.64%	6.08%	7.79%	8.89%	7.95%	

Option type	Milestone option					
Date of grant	6 June 2017	22 November 2016	1 April 2015	1 April 2014	2 March 2013	
Fair value at grant date (Rs)	87.20	173.31	219.21	78.50	48.68	
Share price at grant date (Rs)	232.75	216.71	259.65	132.56	170.00	
Exercise price (Rs)	175.00	50.00	50.00	50.00	50.00	
Expected volatility	0.001%	0.001%	0.001%	0.001%	Nil	
Expected life	2.75 years	2.23 years	2.75 years	2.80 years	2.80 years	
Expected dividends	Nil	Nil	Nil	Nil	Nil	
Risk-free interest rate	6.64%	6.08%	7.79%	8.89%	7.95%	

Option type	Performance options	
Date of grant	1 March 2018	1 March 2018
Fair value at grant date (Rs)	133.44	61.55
Share price at grant date (Rs)	173.10	173.10
Exercise price (Rs)	50.00	142.00
Expected volatility	16.380%	16.380%
Expected life	2.50 years	2.50 years
Expected dividends	Nil	Nil
Risk-free interest rate	7.76%	7.76%

₹ in Millions

Option type	Loyalty option					
Date of grant	1 March 2018	6 June 2017	22 November 2016	1 April 2015	1 April 2014	2 March 2013
Fair value at grant date (Rs)	165.47	226.89	208.88	251.09	124.19	161.42
Share price at grant date (Rs)	173.10	233.00	216.71	259.65	132.56	170.00
Exercise price (Rs)	10.00	10.00	10.00	10.00	10.00	10.00
Expected volatility	16.380%	0.001%	0.001%	0.001%	0.001%	Nil
Expected life	4.50 years	2.61 years	3.14 years	2 years	2 years	2 years
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil
Risk-free interest rate	6.64%	6.64%	6.08%	7.79%	8.89%	7.95%



# Notes to the Consolidated Financial Statements

## 41. Share based payments (contd..)

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

### C Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option plans are as follows.

Particulars	₹ in Millions	
	31 March 2018	31 March 2017
Outstanding as on 1 April	1.69	1.83
Granted during the year	1.36	0.72
Forfeited during the year	0.51	0.08
Exercised during the year	0.03	0.69
Lapsed during the year	0.02	0.09
Options outstanding at the end of the year	2.49	1.69
Options exercisable at the end of the year	0.99	0.98
Weighted average share price at the date of exercise	68.60	36.01

The options outstanding at 31 March 2018 have an exercise price in the range of ₹10 to ₹175 (31 March 2017: ₹10 to ₹50) and a weighted average remaining contractual life of 3.60 years (31 March 2017: 2.75 years & 31 March 2016: 2.31 years).

### D Expense recognised in statement of profit and loss

For details on the employee benefits expense, see note 23

## 42. Related party disclosures

### (i) Names of related parties and description of relationship with the company

#### A) Enterprises where control exists

- |                                            |                                                                      |
|--------------------------------------------|----------------------------------------------------------------------|
| a) Holding and ultimate holding company    | Union Investments Private Limited, Mauritius (till 22 February 2018) |
| b) Subsidiaries and step down subsidiaries | Refer note 38                                                        |

#### B) Other related parties with whom the group had transactions during the year

- |                                                                                             |                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| a) Entities under common control/ Entities over which the Company has significant influence | DM Education and Research Foundation, India<br>Aster DM Foundation, India<br>Wayanad Infrastructure Pvt Ltd<br>Equity accounted investees (Refer note 40)                                                                                                                                                                                                                                                                                                     |
| b) Key managerial personnel and their relatives                                             | Dr. Azad Moopen ( Chairman and Managing Director)<br>Alisha Moopen (Director)<br>Mr. Sreenath Reddy (Chief Financial Officer)<br>T J Wilson (Director)<br>Mr. Rajesh A ( Company Secretary)<br>Daniel James Snyder (Independent Director)<br>Harsh C Mariwala (Independent Director)<br>M Madhavan Nambiar (Independent Director)<br>Ravi Prasad (Independent Director)<br>Rajagopal Sukumar (Independent Director)<br>Suresh M. Kumar (Independent Director) |

# Notes to the Consolidated Financial Statements

## 42. Related party disclosures (contd..)

### ii) Related party transactions

Nature of transactions	₹ in Millions	
	Year ended 31 March 2018	Year ended 31 March 2017
<b>EMED Human Resources (India) Private Limited</b>		
Short-term loans and advances given	0.30	3.61
Short-term loans and advance repayment received	6.19	4.28
Expenses incurred on behalf of associates	1.77	1.61
Interest on loan to related parties	0.65	1.02
Staff recruitment services rendered by associates	2.66	3.52
<b>DM Education &amp; Research Foundation</b>		
Income from consultancy services	11.80	10.95
Income from hospital services	12.68	44.97
Interest income under the effective interest method on lease deposit	5.74	5.36
Operating lease- Hospital operation and management expense	7.37	9.96
Shared service expenses	54.93	76.27
Expenses incurred by subsidiaries/ associates	0.60	-
Collection by subsidiaries/ associates	18.68	-
<b>Wayanad Infrastructure Pvt Ltd</b>		
Expenses incurred by subsidiaries / associates	0.65	-
<b>Aster DM Foundation India</b>		
Income from hospital services	5.97	1.04
Donation given	4.21	8.75
<b>MIMS Infrastructure and Properties Private Limited</b>		
Dividend received	-	3.18
Expense reimbursement	0.03	0.05
<b>Aries Holdings FZC</b>		
Advance given during the year	209.96	103.06
<b>AAQ Healthcare Investment LLC</b>		
Advance given during the year	-	758.29
Repayment of advances	332.62	-
<b>Managerial remuneration</b>		
<b>Short-term employee benefits</b>		
- Salaries and allowances*	236.35	215.78

\*The aforesaid amount does not include provision for gratuity and leave encashment as the same is determined for the Company as a whole based on an actuarial valuation.

# Notes to the Consolidated Financial Statements

## 42. Related party disclosures (contd..)

### iii) Balance receivable / (payable)

₹ in Millions

Particulars	Related Party balances as at	
	31 March 2018	31 March 2017
<b>EMED Human Resources (India) Private Limited</b>		
Financial assets- loans (current) - Dues from related parties	5.06	8.50
Other financial liabilities (current) - Dues to creditors for expenses	(0.12)	(3.23)
<b>Wayanad Infrastructure Pvt Ltd</b>		
Other financial liabilities (current) - Dues to creditors for expenses	(0.65)	-
<b>Union Investments Private Limited</b>		
Other financial liabilities (current)-Dues to holding company	(26.99)	(10.37)
<b>DM Education &amp; Research Foundation</b>		
Other financial liabilities (current) - Dues to creditors for expenses	(3.01)	(3.45)
Other non current assets - deferred lease expenses	51.09	58.46
Other current assets - deferred lease expenses	7.37	7.37
Other financial assets- (non current) rent and other deposits	87.72	81.98
<b>Aster DM Foundation India</b>		
Trade receivables	-	1.04
<b>Aries Holdings FZC</b>		
Advance given to equity accounted investees	734.37	524.41
<b>AAQ Healthcare Investment LLC</b>		
Advance given to equity accounted investees	400.40	732.86
<b>MIMS Infrastructure and Properties Private Limited</b>		
Other financial assets (current)	0.15	0.13
<b>Key managerial remuneration payable</b>	167.45	-

**43** During the year ended 31 March 2018, the Company had completed the initial public offer (IPO), pursuant to which 51,586,145 equity shares having face value of ₹10 each were allotted/ allocated, at an issue price of ₹190, consisting of fresh issue of 38,157,894 equity shares and an offer for sale of 13,428,251 equity shares by selling shareholders. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE) on 26 February 2018.

The gross proceeds of fresh issue of equity shares from IPO amounts to ₹7,250 million. The Company's share of fresh issue related expenses of ₹443.11 million has been adjusted against securities premium. Details of utilisation of IPO proceeds are as follows:

₹ in Millions

Particulars	Objects of issue as per prospectus	Utilised upto 31 March 2018	Unutilised amount as at 31 March 2018
Repayment/ prepayment of debt	5,641.56	5,641.56	-
Purchase of medical equipment	1,103.11	-	1,103.11
Fresh issue related expenses	490.10	328.12	161.98
General corporate purposes*	15.23	21.33	(6.10)
<b>Total</b>	<b>7,250.00</b>	<b>5,991.01</b>	<b>1,258.99</b>

\*The excess utilised has been adjusted against fresh issue related expenses.

# Notes to the Consolidated Financial Statements

## 44. Disclosure on Specified Bank Notes (SBNs)

During the year ended 31 March 2017, the Company had specified bank notes or other denomination currency notes as defined in the Ministry of Corporate Affairs notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	₹ in Millions		
	Specified bank notes*	Other denomination notes	Total
Closing cash in hand as on 8 November 2016	14.27	2.56	16.83
(+) Permitted receipts	30.09	277.48	307.57
(-) Permitted payments	2.00	10.24	12.24
(+) Not permitted receipts	25.86	-	25.86
(-) Not permitted payments	-	-	-
(-) Amount deposited in Banks	68.22	262.00	330.22
<b>Closing cash in hand as on 30 December 2016</b>	<b>-</b>	<b>7.80</b>	<b>7.80</b>

\* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

**Note:** The above disclosure relates to Indian subsidiaries whose financial statements are included in the consolidated Ind AS financial statements.

**45** The subsidiaries and associates incorporated in India has established a comprehensive system of maintenance of information and documents as required by the transfer pricing legislation under sections 92-92F of the Income Tax Act, 1961. Since the law requires existence of such information and documentation to be contemporaneous in nature, the Company is in the process of updating the documentation for the international transactions entered into with associated enterprises during the financial period and expects such records to be existence latest by the date of filing its income tax return as required by the law. The management is of the opinion that its international transactions are at arm's length so that the aforesaid legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

**46** The previous year figures have been reclassified/ regrouped wherever necessary to align with current year presentation.

The accompanying notes form an integral part of the consolidated balance sheet

As per our report of even date attached

for **B S R and Associates**  
Chartered Accountants  
Firm registration number: 128901W

**Rushank Muthreja**  
Partner  
Membership No.: 211386

Bangalore  
21 May 2018

for and on behalf of the Board of Directors of  
**Aster DM Healthcare Limited**  
CIN: U85110KL2008PLC021703

**Dr. Azad Moopen**  
Managing Director  
DIN 00159403  
**Sreenath Reddy**  
Chief Financial Officer

Dubai  
21 May 2018

**T J Wilson**  
Director  
DIN 02135108  
**Rajesh A**  
Company Secretary  
Membership no. : F7106

Kochi  
21 May 2018





**Aster**



UAE | INDIA | OMAN | SAUDI ARABIA | QATAR | KUWAIT | BAHRAIN | JORDAN | PHILIPPINES

# Invitation to attend the Annual General Meeting of the Company

CIN: U85110KL2008PLC021703

**Registered office:** IX/475L, Aster Medcity, Kuttisahib Road, Near Kothad Bridge, South Chittoor P O, Cheranalloor, Kochi 682 027, Kerala  
**W:** [www.asterdmhealthcare.com](http://www.asterdmhealthcare.com) **E:** [cs@asterdmhealthcare.com](mailto:cs@asterdmhealthcare.com) **T:** 04846699228

July 20, 2018

Dear Stakeholder,

You are cordially invited to attend the Annual General Meeting of the Members of Aster DM Healthcare Limited ("the Company") to be held on Thursday, the 16<sup>th</sup> of August 2018 at 10:00 A M (IST) at the Knowledge Hub, Annexe Building Aster Medcity, Kochi, Kerala, India.

The notice of the meeting, containing the business being transacted is enclosed. The Company provides facilities for e-voting as per Section 108 of the Companies Act, 2013, read with rules and Regulation 44 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015. The instruction for the e-voting is enclosed.

Company has also made adequate arrangements for the transport facility to the AGM venue from the following locations:

1. MG Road, Kochi, Kerala
2. South Railway Station and Bus station
3. North Railway station and Kaloor
4. Vytilla and Edapally.

Please feel free to contact Mrs. Jaya Xavier on the below coordinates during the office hours (10:00 A.M. to 05:00 P.M.).  
Tel: +91 9567827238  
Email: [jaya.xavier@asterdmhealthcare.com](mailto:jaya.xavier@asterdmhealthcare.com)

Thank You,

**Dr. Azad Moopen**  
**Chairman and Managing Director**

Enclosures,

- Notice of the AGM
- Proxy Form
- Attendance Slip
- Instructions for e-voting

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# Aster DM Healthcare Limited

CIN: U85110KL2008PLC021703

Registered office: IX/475L, Aster Medcity, Kuttisahib Road, Near Kothad Bridge, South Chittoor P O, Cheranalloor, Kochi 682 027, Kerala  
W: [www.asterdmhealthcare.com](http://www.asterdmhealthcare.com) E: [cs@asterdmhealthcare.com](mailto:cs@asterdmhealthcare.com) T: 04846699228

## Notice

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Notice is hereby given that the 10th Annual General Meeting (AGM) of the members of Aster DM Healthcare Limited (the "Company") will be held on Thursday, the 16th day of August 2018 at 10:00 AM (IST) at the Knowledge Hub, Aster Medcity, Kochi, Kerala, India – 682 027 to transact the following business:

### A. Ordinary business

1. **To receive, consider and adopt:**
  - a. the Audited Financial Statements of the Company for the Financial year ended March 31, 2018 and along with the Auditors report and the Report of the Board of Directors thereon.
  - b. the Audited Consolidated Financial Statements of the Company for the Financial year ended March 31, 2018 and along with the Auditors report thereon.
2. To appoint a Director in the place of Mr. T J Wilson (DIN: 02135108) who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in the place of Mr. Shamsudheen Bin Mohideen Mammu Haji (DIN: 02007279) who retires by rotation and, being eligible, offers himself for re-appointment.

### B. Special Business

4. Approval of remuneration payable to the Cost Auditors for the Financial Year 2018-19

To consider and, if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution

**RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactments thereof for the time being in force) the shareholders be and are hereby approve and ratify the remuneration of Rs. 1,40,000 (Rupees One Lakh and Forty thousand) plus out of pocket expenses & taxes as applicable to BBS & Associates, Cost Accountants, Kochi (Firm Registration Number: 00273) who were appointed as Cost Auditors of the Company by the Board of Directors for the Financial Year 2018-19.

**RESOLVED FURTHER THAT** the Board of Directors be and are hereby authorized to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to the resolution.

For and on behalf of the Board of Directors  
For Aster DM Healthcare Limited

Sd/-

**Dr. Azad Moopen**

Chairman and Managing Director  
(DIN:00159403)

Dubai  
21st May 2018

Registered Office:  
IX/475L, Aster Medcity, Kuttisahib Road,  
Near Kothad Bridge, South Chittoor P O, Cheranalloor, Kochi, Kerala, India



## Notes

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE IN THE MEETING INSTEAD OF HIMSELF / HERSELF, AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A PERSON CAN ACT AS A PROXY ON BEHALF OF A MAXIMUM OF 50 MEMBERS AND HOLDING IN AGGREGATE NOT MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY. A MEMBER HOLDING MORE THAN 10% OF THE TOTAL SHARE CAPITAL OF THE COMPANY CARRYING VOTING RIGHTS MAY APPOINT A SINGLE PERSON AS PROXY, PROVIDED THAT THE PERSON DOES NOT ACT AS PROXY FOR ANY OTHER PERSON OR SHAREHOLDER.**
2. Corporate Members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board resolution to the Company or upload it on e-voting portal, authorizing their representative to attend and vote on their behalf at the meeting.
3. The instrument appointing the proxy, duly completed, must be deposited at the Company's Registered Office not less than 48 hours before the commencement of the meeting (on or before August 14, 2018). A proxy form for the AGM is enclosed.
4. During the period beginning 24 hours before the time fixed for the commencement of the AGM and until the conclusion of the meeting, a member would be entitled to inspect the proxies lodged during the business hours of the Company, provided that not less than three days of notice in writing is given to the Company.
5. Members / proxies/ authorized representatives should bring the duly filled attendance slip enclosed herewith to attend the meeting.
6. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act, and the Register of Contracts or Arrangements in which the Directors are interested, maintained under Section 189 of the Act, will be available for inspection by the members at the AGM.
7. Members are requested to address all correspondence, to the Registrar and Share Transfer Agents, Link Intime India Pvt Ltd, Unit: Aster DM Healthcare Limited, Coimbatore – 641028
8. We urge members to support our commitment to the environmental protection by choosing to receive their shareholding communication through email. You can do this by updating your email addresses with your depository participants.
9. In compliance with section 108 of the Act, read with corresponding rules, and Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations'), the Company has provided a facility to its members to exercise their votes electronically through the electronic voting (e-voting) service facilitated by NSDL. The facility for voting will also be made available at the AGM and members attending the AGM, who have not already cast their votes by remote e-voting shall be able to exercise their right at the AGM. Members who have cast their votes by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their votes again. The instructions for e-voting are annexed to the Notice. The Board has appointed Mr. Sunil Shankar, Practicing Company Secretary, as the Scrutinizer to scrutinize the e-voting / ballot process / insta poll in a fair and transparent manner.
10. The e-voting period commences on August 13, 2018 (9.00 a.m. IST) and ends on August 15, 2018 (5.00 p.m. IST). During this period, members holding shares either in physical or dematerialized form, as on the cut-off date, i.e. August 09, 2018 may cast their vote electronically. The e-voting module will be disabled by NSDL for voting thereafter. A member will not be allowed to vote again on any resolution for which the vote has already been cast. The voting rights of members shall be proportionate to their share of the paid-up equity share capital of the Company as on the cut-off date, i.e. August 09, 2018. E-voting rights cannot be exercised by a proxy, though corporate and institutional shareholders shall be entitled to vote through their authorized representatives with proof of their authorization.
11. The Annual Report 2017-18, the Notice of the 10th AGM, and instructions for e-voting, along with the attendance slip and proxy form, are being sent by electronic mode to members whose email addresses are registered with the Company / depository participant(s), unless a member has requested for a physical copy of the documents. For members who have not registered their email addresses, physical copies are being sent by the permitted mode.
12. Members may also note that the Notice of the 10th AGM and the 10th Annual Report 2017-18 will be available on the Company's website, <http://www.asterdmhealthcare.com/investors/>.
13. Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the directors seeking appointment / reappointment at the AGM, forms part of the Notice.
14. The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agents.

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15. All documents referred to in Notice will be available for inspection at the Company's registered office during normal business hours on working days up to the date of the AGM.

16. The attendance registration procedure for the AGM is as follows:

Shareholders are requested to tender their attendance slips at the registration counters at the venue of the AGM and seek registration before entering the meeting hall.

17. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning business under Item no. 4 is annexed hereto.

## STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013.

### Item No. 4

Members may note that Section 148 of the Companies Act, 2013 read with Companies (Cost Records and Audit) Rules, 2014 your Company is required to maintain cost records and appoint a cost auditor to have the cost records audited on annual basis. Your Board of Directors at their meeting held on 21st May 2018

had appointed M/s BBS and Associates, Cost Accountants (FRN 00273), practicing Cost Accountants, Kochi, as Cost Auditors to carry out cost audit for the financial year 2018-19.

In accordance with Section 148(3) of the Companies Act, 2013 read with Rule 14 of the Companies (Audit and Auditors) Rules, 2014, the remuneration so payable to the Cost Auditors is required to be ratified by the Shareholders of the Company.

The Board accordingly recommends the passing of the said resolution as contained in the Notice for approval by the Members as an ordinary resolution. The details of the remuneration proposed by the Board of Directors is as under:

Cost auditors are proposed to be paid Rs. 140,000 plus out of pocket expenses & taxes as applicable for the Financial Year 2018-19 and same has been recommended by the Board and the Audit Committee.

None of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Companies Act, 2013 is, in any way, financially or otherwise, concerned or interested in the proposed resolution.

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## Additional information on Director recommended for appointment/ reappointment as required under Regulation 36 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015

### Re-appointment of Mr.T J Wilson

In terms of Section 152(6) of the Companies Act, 2013, Mr. T. J. Wilson, appointed as Non-Executive Director of the Company effective from 20th April 2009 and is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

Mr. T. J. Wilson is a Director of our Company and the Group Head – Governance and Corporate Affairs, GCC. He holds a bachelor's degree in Commerce from the University of Calicut, Kerala, India. He is also a member of the Institute of Chartered Accountants of India. In the past, he has worked with Koyenco Feeds Private Limited and Parle (Exports) Limited. He is responsible for overseeing the legal, secretarial and governance function, internal audit and large portfolio of new hospital projects.

Mr. T J Wilson is also a director on the Board of various other private limited and foreign subsidiary companies in Aster DM Group. He is also a member of the Audit and Risk Management Committee and Stakeholders' Relationship Committee of the Board of Directors of the Company

Mr. T. J. Wilson holds 27,37,210 Equity shares of the Company

Upon his re-appointment as a Non-Executive Director, Mr. T J Wilson shall continue to hold office as Non-Executive Director. Accordingly, Board recommends his re-appointment.

Except Mr. T J Wilson, none of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise in the proposed resolution.

### Re-appointment of Mr. Shamsudheen Bin Mohideen Mammu Haji

In terms of Section 152(6) of the Companies Act, 2013, Mr. Shamsudheen Bin Mohideen Mammu Haji, appointed as Non-Executive Director of the Company effective from 16th September 2015 and is liable to retire by rotation at the forthcoming Annual General Meeting and being eligible offers himself for reappointment.

He is an entrepreneur and chairman of Regency Group for Corporate Management in the UAE.

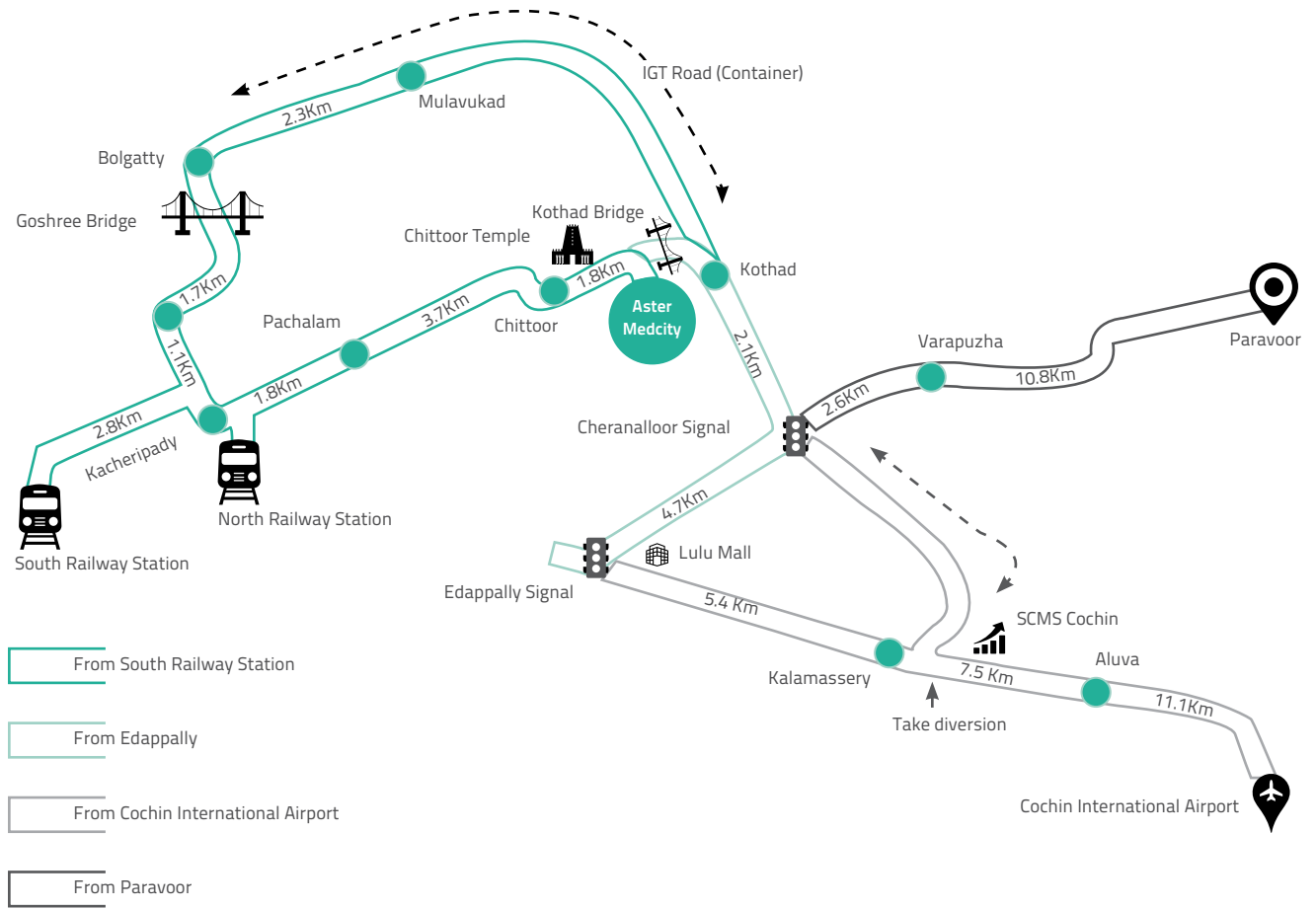
Mr. Shamsudheen Bin Mohideen Mammu Haji is also a director on the Board of various other private limited and foreign companies such as Wayanad Infrastructure Private Limited, Regency Group for Corporate Management and Regency Trading LLC.

Mr. Shamsudheen Bin Mohideen Mammu Haji holds 57,17,829 Equity shares of the Company

Upon his re-appointment as a Non-Executive Director, Mr. Shamsudheen Bin Mohideen Mammu Haji shall continue to hold office as Non-Executive Director. Accordingly, Board recommends his re-appointment.

Except Mr. Shamsudheen Bin Mohideen Mammu Haji, none of the Directors, Key Managerial Personnel and their relatives are in any way concerned or interested, financially or otherwise in the proposed resolution.

## Route Map to the venue:





# Aster DM Healthcare Limited

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## Form No. MGT-11 Proxy form

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the member:	
Registered Address:	
Email ID	
Folio No/ Client ID	
DP ID	

I/We, being the member (s) of \_\_\_\_\_ equity shares of the above named company, hereby appoint

1. \_\_\_\_\_ of \_\_\_\_\_ having email id: \_\_\_\_\_ or failing him
2. \_\_\_\_\_ of \_\_\_\_\_ having email id: \_\_\_\_\_ or failing him
3. \_\_\_\_\_ of \_\_\_\_\_ having email id: \_\_\_\_\_

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the Annual general meeting of the company, to be held on the Thursday, 16th August 2018 at 10.00 a.m. at the Annexe Building of Aster Medcity, Kuttisahib Road, Near Kothad Bridge, South Chittoor P O, Cheranallor, Kochi 682 027, Kerala and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Vote (Optional)	
		For	Against
Ordinary Business			
1	a. Receive, consider and adopt the Audited Financial Statements of the Company for the Financial year ended March 31, 2018 and along with the Auditors report and the Report of the Board of Directors thereon.		
	b. Receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the Financial year ended March 31, 2018 and along with the Auditors report thereon.		
2	Reappointment of Mr. T J Wilson (DIN: 02135108) who retires by rotation.		
3	Reappointment of Mr. Shamsudheen Bin Mohideen Haji (DIN: 02007279) who retires by rotation		
Special Business			
4	Ratification of remuneration payable to the Cost Auditors for the Financial Year 2018-19		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2018

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting
2. For the Resolutions, Explanatory Statement and notes, please refer to the Notice of 10th Annual General Meeting.
3. It is optional to put a 'X' in the appropriate column against the Resolutions indicated in the Box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your proxy will be entitled to vote in the manner as he/she thinks appropriate.



# Aster DM Healthcare Limited

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## Attendance Slip

10th Annual General Meeting – 16th August 2018

Name and Address of the Shareholder:

Name(s) of the Joint Shareholder(s) if any:

Registered Folio No. / DP ID No. & Client ID:

Number of Shares held:

Name of the Proxy/Representative, if any:

I certify that I am a member / proxy / authorized representative for the member of the Company

I hereby record my presence at the 10th Annual General Meeting of the Company at the Knowledge Hub, Annexe Building - Aster Medcity, Cheranallor, Kochi – 682027, India at 10:00 AM IST

.....  
**Name of the member / proxy  
(in BLOCK letters)**

.....  
**Signature of the member / proxy**

Note: Please fill up the attendance slip and hand it over at the entrance of the meeting hall at the registration desk. Members are requested to bring their copies of Annual Report to AGM





# Instructions for Voting through electronic means

The way to vote electronically on NSDL e-Voting system consists of 'Two Steps' which are mentioned below:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

Details on Step 1 is mentioned below:

## **How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon 'Login' which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on **"Forgot User Details/Password?"** (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **"Physical User Reset Password?"** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

**Details on Step 2 is given below:**

#### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to Mr. Sunil Menon at [sunilsmenon@gmail.com](mailto:sunilsmenon@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the **"Forgot User Details/Password?"** or **"Physical User Reset Password?"** option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)