



July 22, 2020

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,

**Sub: Notice of the 12<sup>th</sup> Annual General Meeting (AGM) and Annual Report for financial year 2019-20**

With reference to captioned subject, we wish to inform that the 12<sup>th</sup> AGM of Aster DM Healthcare Limited ("the Company") is scheduled to be held on Friday, August 14, 2020 at 11.00 A.M (IST) through Video Conferencing ("VC") / Other Audio Visual Means ("OAVM"), in compliance with the General Circular no. 14/2020 dated April 8, 2020, no. 17/2020 dated April 13, 2020 and no. 20/2020 dated May 5, 2020 issued by the Ministry of Corporate Affairs ('MCA circulars'), and other applicable provisions of the Companies Act, 2013, to transact the businesses as set forth in the Notice of AGM.

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, please find enclosed the Notice of the 12<sup>th</sup> Annual General Meeting and the Annual Report for the financial year 2019-20.

In compliance with the aforesaid MCA Circulars and SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020, the Notice of the 12<sup>th</sup> AGM along with the Annual Report for the FY 2019-20 are being sent only through electronic mode to those Members whose email IDs are registered with the Company/ Depositories. Further, the same are also made available on the website of the Company at [www.asterdmhealthcare.com/investors/](http://www.asterdmhealthcare.com/investors/)

The schedule of the AGM is as set out below:

Event	Date	Time
Cut-off date for e-voting	August 07, 2020	NA
Commencement of e-voting	August 11, 2020	09.00 A.M (IST)
End of e-voting	August 13, 2020	05.00 P.M (IST)
AGM	August 14, 2020	11.00 A.M (IST)

We request you to take the same on record.

Thank You,

For Aster DM Healthcare Limited

**Puja Aggarwal**  
Company Secretary and Compliance Officer

**Aster DM Healthcare Limited**  
CIN- L85110KL2008PLC021703  
IX/475L, Aster Medcity, Kuttisahib Road  
Near Kothad Bridge, South Chittoor PO  
Cheranallor, Kochi- 682027, Kerala, India  
Tel: +91 484 6699999, Fax: +91 484 6699862  
Email: cs@asterdmhealthcare.com



# Aster DM Healthcare Limited

CIN: L85110KL2008PLC021703

Registered office: IX/475L, Aster Medcity, Kuttisahib Road, Near Kothad Bridge,  
South Chittoor P.O, Cheranalloor, Kochi 682027, Kerala, India

Tel: 04846699228

Website: www.asterdmhealthcare.com Email: cs@asterdmhealthcare.com

## NOTICE

Notice is hereby given that the 12th Annual General Meeting ('AGM') of the Members of Aster DM Healthcare Limited (the "Company") will be held on Friday, the 14th day of August 2020 at 11:00 A.M (IST) through Video Conferencing ('VC')/ Other Audio Visual Means ('OAVM') to transact the following business:

### A. Ordinary business

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 along with the Auditors Report and the Report of the Board of Directors there on.
2. To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 along with the Auditors Report there on.
3. To appoint a Director in the place of Mr. Anoop Moopen (DIN: 02301362) who retires by rotation and being eligible, offers himself for re-appointment.
4. To appoint M/s. Deloitte Haskins & Sells, Chartered Accountants as the statutory auditor of the Company from the conclusion of the 12th AGM till the conclusion of the 17th AGM and in this regard, to consider and if thought fit, to pass either with or without modification(s), the following resolution as an **Ordinary Resolution:**

**RESOLVED THAT**, pursuant to the provisions of Sections 139, 142 read with the Companies (Audit and Auditors) Rules, 2014 and any other applicable provision of the Companies Act, 2013 (including any amendment/modification thereof), M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm registration number: 0080725) be and are hereby appointed as the Statutory Auditors of the Company, from the conclusion of 12th AGM till the conclusion of the 17th AGM, at such remuneration as recommended by the Audit Committee plus out of pocket expenses & taxes as applicable to conduct the audit for the financial year 2020-2021 and at such further revision in the remuneration as shall be fixed by the Board of Directors of the Company or its duly empowered Committee.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

### B. Special Business

5. **Ratification of remuneration payable to the Cost Auditors for the financial year 2020-2021**

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

**RESOLVED THAT**, pursuant to the provisions of Section 148 and read with Companies (Audit and Auditors) Rules, 2014, and other applicable provisions, if any, of the Companies Act, 2013, (including any amendment/modification thereof), the Members be and are hereby approve and ratify the remuneration of ₹ 1,40,000 (Rupees one lakh and forty thousand only) 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 2020-2021.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

6. **Appointment of Mr. Chenayappillil John George (DIN: 00003132) as Non-Executive Independent Director of the Company for term of three consecutive years.**

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

**RESOLVED THAT**, pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations") (including any statutory modification (s) or re-enactment(s) thereof, for the time being in force) Mr. Chenayappillil John George (DIN: 00003132) who was appointed as an Additional Director of the Company pursuant to provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of this AGM and who has submitted a declaration that he meets



the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and who is eligible for appointment, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for a term of three consecutive years with effect from April 11, 2020 to April 10, 2023 and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

**7. Appointment of Mr. James Mathew (DIN:07572909) as Non-Executive Independent Director of the Company for term of three consecutive years**

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

**RESOLVED THAT**, pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations") (including any statutory modification (s) or re-enactment(s) thereof, for the time being in force) Mr. James Mathew (DIN:07572909) who was appointed as an Additional Director of the Company pursuant to provisions of Section 161(1) of the Act and the Articles of Association of the Company and who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and who is eligible for appointment, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for a term of three consecutive years with effect from June 23, 2020 to June 22, 2023 and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

**8. Appointment of Mr. Sridar Arvamudhan Iyengar (DIN:00278512) as Non-Executive Independent Director of the Company for term of three consecutive years**

To consider and if thought fit, to pass either with or without modification(s), the following resolution as **Special Resolution**:

**RESOLVED THAT**, pursuant to the recommendation of the Nomination and Remuneration Committee and the Board of Directors and pursuant to the provisions of Sections 149 and 152 read with Schedule IV and any other applicable provisions of the Companies Act, 2013 ('the Act') and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof

for the time being in force), and applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended ("SEBI Listing Regulations") (including any statutory modification (s) or re-enactment(s) thereof, for the time being in force) Mr. Sridar Arvamudhan Iyengar (DIN:00278512) who was appointed as an Additional Director of the Company pursuant to provisions of Section 161(1) of the Act and the Articles of Association of the Company and who holds office up to the date of this AGM and who has submitted a declaration that he meets the criteria of Independence as provided in Section 149(6) of the Act and Regulation 16(1)(b) of SEBI Listing Regulations and who is eligible for appointment, be and is hereby appointed as Non-Executive Independent Director of the Company to hold office for a term of three consecutive years with effect from July 19, 2020 to July 18, 2023 and whose office shall not be liable to retire by rotation.

**RESOLVED FURTHER THAT**, pursuant to Regulation 17(1A) of SEBI Listing Regulations and any other applicable act(s)/ rule(s)/ regulation(s) including the Act and the rules made thereunder, consent of the Members be and is hereby accorded for continuation of Directorship of Mr. Sridar Arvamudhan Iyengar (DIN:00278512) as Non-Executive Independent Director, for the remaining period upto July 18, 2023, after he has attained the age of 75 years on August 13, 2022.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

**9. Fees for delivery of any document through a particular mode of delivery to a Member**

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

**RESOLVED THAT**, pursuant to the provisions of Section 20(2) and all other applicable provisions of the Companies Act, 2013 read with the applicable rules framed thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force), authority be and is hereby given to the Board of Directors of the Company (the 'Board' which term shall include its duly empowered Committee(s) constituted / to be constituted by it to exercise its powers including the powers conferred by this resolution) to determine the fee to be charged from a Member in order to enable recovery of expenses incurred by the Company towards complying with requests for delivery of any documents through a particular mode.

**RESOLVED FURTHER THAT** the Board of Directors of the Company, be and are hereby authorized to do all such acts, deeds and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.

By Order of the Board of Directors  
For **Aster DM Healthcare Limited**

**Dr. Azad Moopen**

Chairman and Managing Director  
DIN: 00159403

Place : Dubai  
Date : July 20, 2020

## Notes

1. Pursuant to the General Circular numbers 20/2020, 14/2020, 17/2020 issued by the Ministry of Corporate Affairs (MCA) and Circular number SEBI/HO/CFD/CMD1/CIR/P/2020/79 issued by the Securities and Exchange Board of India (SEBI) (hereinafter collectively referred to as "the Circulars"), companies are allowed to hold AGM through VC, without the physical presence of Members at a common venue. Hence, in compliance with the Circulars, the AGM of the Company is being held through VC.
2. A Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his / her behalf and the proxy need not be a Member of the Company. Since the AGM is being held in accordance with the Circulars through VC, the facility for appointment of proxies by the Members will not be available.
3. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorize their representatives to participate and vote at the meeting are requested to send a certified copy of the Board resolution / authorization letter to the Company or upload on the VC portal / e-voting portal.
4. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
5. Participation of Members through VC will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013 ("the Act").
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 electronically for inspection by the Members during the AGM. All documents referred to in the Notice will also be available for inspection without any fee by the Members from the date of circulation of this Notice up to the date of AGM, i.e. August 14, 2020. Members seeking to inspect such documents can send an email to [cs@asterdmhealthcare.com](mailto:cs@asterdmhealthcare.com).
7. Members are requested to address all correspondence to the Registrar and Share Transfer Agents (RTA), Link Intime India Pvt Ltd, Surya, 35 Mayflower Avenue, Behind Senthilnagar, Sowripalayam Road, Coimbatore-641028 or email to [coimbatore@linkintime.co.in](mailto:coimbatore@linkintime.co.in).
8. In compliance with Section 108 of the Act, read with the 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") facility provided by the National Securities Depository Limited (NSDL). Members who have cast their votes by remote e-voting prior to the AGM may participate in the AGM but shall not be entitled to cast their votes again. The manner of voting remotely by Members holding shares in dematerialized mode, physical mode and for Members who have not registered their email addresses is provided in the instructions for e-voting section which forms part of this Notice. The Board has appointed Mr. Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries as the Scrutinizer to scrutinize the e-voting in a fair and transparent manner.
9. The e-voting period commences on Tuesday, August 11, 2020 (09:00 A.M IST) and ends on Thursday, August 13, 2020 (05:00 P.M IST). During this period, Members holding shares either in physical or dematerialized form, as on cut-off date, i.e. as on August 07, 2020 may cast their votes 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 on which 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. as on August 07, 2020.
10. The facility for voting during the AGM will also be made available. Members present in the AGM through VC and who have not cast their vote on the resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through the e-voting system during the AGM.
11. In case of joint shareholders, only such joint holder whose name is appearing first in the Register of Members will be entitled to vote at the AGM.
12. Any person who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). However, if he / she is already registered with NSDL for remote e-voting then he / she can use his / her existing user ID and password for casting the vote.
13. In compliance with the Circulars, the Annual Report 2019-20, the Notice of the 12th AGM and instructions for e-voting are being sent only through electronic mode to those Members whose email addresses are registered with the Company / depository participant(s).
14. We urge Members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants and Members holding shares in physical



mode are requested to update their email addresses with the Company by sending an email to [cs@asterdmhealthcare.com](mailto:cs@asterdmhealthcare.com) to receive copies of the Annual Report 2019-20 in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the Annual Report, user ID / password for e-voting.

Type of Holder	Registering Email Address
Physical	Send a request to the Company at <a href="mailto:cs@asterdmhealthcare.com">cs@asterdmhealthcare.com</a> providing Folio No, Name of Member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar card) for registering email address.
Demat	Please contact your DP and register your email address in your demat account, as per the process advised by your DP.

Alternatively, Member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password for e-Voting.

- Members may also note that the Notice of the 12th AGM and Annual Report 2019-20 will be available on the Company's website at [www.asterdmhealthcare.com/investors/](http://www.asterdmhealthcare.com/investors/) and websites of the Stock Exchanges, i.e. BSE Limited and National Stock Exchange of India Limited, at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- Additional information, pursuant to Regulation 36 of the Listing Regulations, in respect of the Directors retiring by rotation / seeking appointment / re-appointment and Auditors appointment at the AGM, forms part of the Notice.
- 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.
- The Scrutinizer will submit his report to the Chairman of the Company ('the Chairman') or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting (votes casted during the AGM and votes casted through remote e-voting), not later than 48 hours from the conclusion of the AGM. The result declared along with the Scrutinizer's report shall be communicated to the stock exchanges, NSDL and RTA and will also be displayed on the Company's website at [www.asterdmhealthcare.com/investors/](http://www.asterdmhealthcare.com/investors/).
- Since the AGM will be held through VC/OAVM in accordance with the Circulars, the route map, proxy form and attendance slip are not attached to this Notice.
- The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning business under item no. 5 to 9 is annexed hereto.

By Order of the Board of Directors  
For **Aster DM Healthcare Limited**

**Dr. Azad Moopen**

Chairman and Managing Director  
DIN: 00159403

Place : Dubai  
Date : July 20, 2020

## DISCLOSURES ON AUDITORS APPOINTMENT AS REQUIRED UNDER REGULATION 36(5) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

The Members of the Company at the 11th Annual General Meeting (AGM) held on August 08, 2019 approved the appointment of M/s. B S R & Associates LLP, Chartered Accountants, ('B S R') as the Statutory Auditors of the Company for a period of one year from the conclusion of 11th AGM till the conclusion of 12th AGM. The term of B S R shall complete on conclusion of 12th AGM in terms of the said approval and as per Section 139 of the Companies Act, 2013 ('the Act') read with the Companies (Audit and Auditors) Rules, 2014.

The Board of Directors, based on the recommendation of the Audit Committee, recommend to the Members appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants, (Firm registration number: 0080725) ("DHS") as the Statutory Auditor of the Company for a period of five years from the conclusion of the 12th AGM till the conclusion of the 17th AGM and recommends a remuneration of ₹ 1.03 crores (including for audit of standalone and consolidated annual financial statements and limited review of the quarterly standalone and consolidated financial results) plus out of pocket expenses & taxes as applicable for the financial year 2020-2021.

The Committee considered various parameters like capability to serve a diverse and complex business landscape as that of the Company, audit experience in the Company's operating segments, market standing of the firm, clientele served, technical knowledge etc and found DHS to be best suited to handle the scale, regional

diversity and complexity associated with the audit of the financial statements of the Company.

Deloitte Haskins & Sells, Chartered Accountants, is a Firm Registered with the Institute of Chartered Accountants of India, with Firm Registration No. 0080725. DHS has a strong national presence having 13 offices in India.

DHS have given their consent to act as the statutory Auditors of the Company and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under Sections 139 and 141 of the Act.

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.

Accordingly, the Board of Directors recommends passing of an Ordinary resolution as set out at Item No. 4 of this Notice, for the approval of the Members.

## EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

### ITEM NO 5

Members may note that as per 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. The Board of Directors on the recommendation of the Audit Committee at their meeting held on June 23, 2020 had approved the re-appointment of M/s. BBS and Associates, Cost Accountants (Firm Registration Number: 00273), Kochi, as Cost Auditors to carry out cost audit for the financial year 2020-2021.

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 Members of the Company.

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.

The Board of Directors 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:

A remuneration of ₹ 1,40,000 (Rupees one lakh and forty thousand only) plus out of pocket expenses & taxes as applicable is being proposed for the Cost Audit for the financial year 2020-2021 and same has been recommended by the Audit Committee and the Board of Directors.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### ITEM NO 6

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee had approved the appointment of Mr. Chenayappillil John George (DIN: 00003132) as an Additional Director (categorized as 'Non-Executive Independent Director') of the Company for a term of three consecutive years with effect from April 11, 2020.



As an Additional Director, Mr. Chenayappillil John George holds office till the date of the AGM and is eligible for being appointed as Non-Executive Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 proposing the appointment of Mr. Chenayappillil John George as Non-Executive Independent Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Non-Executive Independent Director of the Company. The Company has also received a declaration confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board of Directors of the Company, Mr. Chenayappillil John George is independent of the management of the Company and fulfils the conditions specified in the Companies Act, 2013, the rules made thereunder and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as Non-Executive Independent Director. Further the Board of Directors of the Company is of the opinion that he is a person of integrity and has relevant experience and expertise for him to be appointed as Non-Executive Independent Director of the Company.

The terms and conditions of appointment of Non-Executive Independent Directors would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours (09:00 A.M to 05:00 P.M) on any working day, upto and including the date of AGM of the Company and is also available on the Company's Website.

Mr. Chenayappillil John George, a financial services industry entrepreneur, is founder and Managing Director of Geojit Financial Services Limited. He holds a Master's Degree in Commerce and is a Certified Financial Planner (CFPCM) from Financial Planning Standards Board, India. Currently he is Director of V Guard Industries Limited and Kerala Infrastructure Fund Management Limited. He is a Member of many professional bodies and currently he is the Managing Committee Member of the Associated Chambers of Commerce & Industry of India (ASSOCHAM), New Delhi, the Advisory Committee Member of Indian Clearing Corporation Limited (ICCL) and a Member of The Syndicate of Cochin University of Science and Technology (CUSAT). He was a Member of the Executive Committee of National Stock Exchange of India Limited (NSE) and National Securities Depository Limited (NSDL), Member of the Advisory Board of BNP Paribas India, Member of the Executive Committee of Cortal Consors SA., Member of the Executive Committee of Kerala Management Association (KMA) and Cochin Chamber of Commerce and Industry. He has been the Chairman of Kerala State Council of Confederation of Indian Industry (CII) and was on the Board of Directors of Kerala State Industrial Development Corporation Limited (KSIDC) and Joyalukkas India Private Limited. He is a recipient of Management Leadership Award of Kerala Management Association.

Except Mr. Chenayappillil John George, 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.

Accordingly, the Board of Directors recommends passing of an Ordinary resolution as set out at Item No. 6 of this Notice, for the approval of the Members.

Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2, issued by the Institute of Company Secretaries of India, brief profile of Mr. Chenayappillil John George is annexed to this Notice.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **ITEM NO 7**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee had approved the appointment of Mr. James Mathew (DIN:07572909) as an Additional Director (categorized as 'Non-Executive Independent Director') of the Company for a term of three consecutive years with effect from June 23, 2020.

As an Additional Director, Mr. James Mathew holds office till the date of the AGM and is eligible for being appointed as Non-Executive Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 proposing the appointment of Mr. James Mathew as Non-Executive Independent Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Non-Executive Independent Director of the Company. The Company has also received a declaration confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board of Directors of the Company, Mr. James Mathew is independent of the management of the Company and fulfils the conditions specified in the Companies Act, 2013, the rules made thereunder and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as Non-Executive Independent Director. Further the Board of Directors of the Company is of the opinion that he is a person of integrity and has relevant experience and expertise for him to be appointed as Non-Executive Independent Director of the Company.

The terms and conditions of appointment of Non-Executive Independent Directors would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours (09:00 A.M to 05:00 P.M) on any working day, up to and including the date of AGM of the Company and is also available on the Company's Website.

Mr. James Mathew, CEO & Managing Partner of UHY James is one of the most trusted financial business leaders in the GCC Region and has contributed significantly towards strengthening the Audit & Advisory practice. An adroit finance professional with an affinity for number crunching, Mr. James has built immense credibility within the industry, in a career spanning almost three decades. An ace entrepreneur, with an acute sense of business acumen and foresight, he brings to the table his profound understanding of the intricacies

of the market, further strengthened by his collaborative leadership style. He is a Member of the Institute of Chartered Accountants of India and a Certified Public Accountant (CPA) from Denver, Colorado, United States of America.

His illustrious career has its roots in humble beginnings, as a Senior Auditor for Mahendra Asher & Co from 1992-1996. Soon after, he unleashed his entrepreneurial skills and became a Senior Partner with the UAE member firm of Crowe, and successfully rose to the position of Group CEO for UAE & Oman operations. His result-oriented business strategy eventually led to Mr. James cementing his position as the first person from the MENA region to be elected twice to the Global Board of the 8th largest accounting and audit firm in the world in 2018-2019. By the end of 2019, he achieved yet another milestone in his entrepreneurial journey as he established UHY James, as an independent member firm of UK-based UHY International.

Except Mr. James Mathew, 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.

Accordingly, the Board of Directors recommends passing of an Ordinary resolution as set out at Item No. 7 of this Notice, for the approval of the Members.

Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2, issued by the Institute of Company Secretaries of India, brief profile of Mr. James Mathew is annexed to this Notice.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **ITEM NO 8**

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee had approved the appointment of Mr. Sridar Arvamudhan Iyengar (DIN:00278512) as an Additional Director (categorized as 'Non-Executive Independent Director') of the Company for a term of three consecutive years with effect from July 19, 2020.

As an Additional Director, Mr. Sridar Arvamudhan Iyengar holds office till the date of the AGM and is eligible for being appointed as Non-Executive Independent Director. The Company has received a notice pursuant to Section 160 of the Companies Act, 2013 proposing the appointment of Mr. Sridar Arvamudhan Iyengar as Non-Executive Independent Director of the Company. He is not disqualified from being appointed as a Director in terms of Section 164 of the Act and has given his consent to act as Non-Executive Independent Director of the Company. The Company has also received a declaration confirming that he meets the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013.

In the opinion of the Board of Directors of the Company, Mr. Sridar Arvamudhan Iyengar is independent of the management of the Company and fulfils the conditions specified in the Companies Act,

2013, the rules made thereunder and Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for appointment as Non-Executive Independent Director. Further the Board of Directors of the Company is of the opinion that he is a person of integrity and has relevant experience and expertise for him to be appointed as Non-Executive Independent Director of the Company.

Further as per Regulation 17(1A) of SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2018 with effect from April 1, 2019, no listed Company shall appoint or continue the Directorship of a Non-Executive Director who has attained the age of 75 years, unless a special resolution is passed to that effect. Mr. Sridar Arvamudhan Iyengar is of 72 years of age and will attain the age of 75 years on August 13, 2022, during the term of his appointment as Non-Executive Independent Director of the Company. The continuation of such appointment as Non-Executive Independent Director of the Company for the remaining period upto July 18, 2023 requires approval from Members as required under the amended SEBI Listing Regulations.

Mr. Sridar Arvamudhan Iyengar is an independent consultant and mentor/investor in early stage companies. He was previously with KPMG in the UK, India and US holding senior positions in various disciplines. He was on the founding team of KPMG in India and the Chairman and CEO of KPMG's India operations between 1997/2000. Since his retirement from KPMG, he divides his time between his corporate Board/Advisory commitments and his involvement with social development and civil society issues in India. He is graduated with B.Com (Hons) from the University of Calcutta and is a Fellow of the Institute of Chartered Accountants in England and Wales. He is the Non-Executive Chairman of ICICI Venture Funds Management Company Limited and serves on the Boards of Dr. Reddy's Laboratories Ltd, Mahindra Holidays & Resorts India Limited and other Indian and Foreign companies. He was previously on the Board of Infosys Limited and ICICI Bank Limited. He was a founding charter member of TIE (The Indus Entrepreneurs) and a president of its Global organization as well as the Silicon Valley and Mumbai chapters.

The Nomination and Remuneration Committee and the Board of Directors considers that his continued association would be of immense benefit to the Company considering his rich experience, expertise in the field of Finance, Auditing, Advisory and Information technology and has recommended the continuation of Directorship of Mr. Sridar Arvamudhan Iyengar as Independent Director of the Company till his original term upto July 18, 2023 and accordingly approval of Members of the Company is sought to appoint and continue his Directorship.

The terms and conditions of appointment of Non-Executive Independent Directors would be available for inspection without any fee by the Members at the Registered Office of the Company during normal business hours (09:00 A.M to 05:00 P.M) on any working day, up to and including the date of AGM of the Company and is also available on the Company's Website.

Except Mr. Sridar Arvamudhan Iyengar 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.





Accordingly, the Board of Directors recommends passing of Special resolution as set out at Item No. 8 of this Notice, for the approval of the Members.

Pursuant to Regulation 36 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard 2, issued by the Institute of Company Secretaries of India, brief profile of Mr. Sridar Arvamudhan Iyengar is annexed to this Notice.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

#### **ITEM NO 9**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any Member by sending it to him by registered post, by speed post, by electronic mode, or any other modes as may be prescribed. Further, a Member may request the delivery of document through any particular mode by paying such fees as may be determined by the Members in the Annual General Meeting.

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.

Accordingly, the Board of Directors recommends passing of an Ordinary resolution as set out at Item No. 9 of this Notice, for the approval of the Members.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By Order of the Board of Directors  
For **Aster DM Healthcare Limited**

Place : Dubai  
Date : July 20, 2020

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

## ADDITIONAL INFORMATION ON DIRECTOR RECOMMENDED FOR APPOINTMENT/ RE-APPOINTMENT AS REQUIRED UNDER REGULATION 36 OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015



### Mr. Anoop Moopen

<b>DIN (Director Identification Number)</b>	02301362
<b>Brief Resume of Director</b>	Mr. Anoop Moopen is a Director of the Company since 2009. He is a Chairman and Managing Director of AZTEC Group. He is engaged in the field of construction and Healthcare.
<b>Date of Birth (Age in Years)</b>	December 17, 1976 (43 years)
<b>Date of Appointment</b>	April 20, 2009
<b>Qualification</b>	He holds a Bachelor's Degree in Civil Engineering from the University of Madras and a Master's Degree in International Construction Management and Engineering from the University of Leeds, United Kingdom.
<b>Expertise in specific functional areas</b>	Healthcare, Finance, Accountancy & Audit, Technology, Strategy & Marketing, Board and Governance, Global business, Leadership
<b>Number of Board Meetings attended during the financial year 2019-20</b>	5
<b>*Directorships held in other Listed Companies</b>	NIL
<b>**Membership of Committees of other Public Companies</b>	NIL
<b>Relationship between Directors of the Company inter-se</b>	Son in law of Dr. Azad Moopen, Chairman and Managing Director
<b>Number of shares held in the Company</b>	12,76,114



### Mr. Chenayappillil John George

<b>DIN (Director Identification Number)</b>	00003132
<b>Brief Resume of Director</b>	Mr. Chenayappillil John George, a financial services industry entrepreneur, is founder and Managing Director of Geojit Financial Services Limited. He is a Member of many professional bodies and currently he is the Managing Committee Member of the Associated Chambers of Commerce & Industry of India (ASSOCHAM), New Delhi.
<b>Date of Birth (Age in Years)</b>	March 22, 1959 (61 years)
<b>Date of Appointment</b>	April 11, 2020
<b>Qualification</b>	He has a Master's Degree in Commerce and is a Certified Financial Planner (CFPCM) from Financial Planning Standards Board, India.
<b>Expertise in specific functional areas</b>	Capital Market, Finance, Accountancy & Audit, Strategy & Marketing, Board and Governance, Leadership
<b>Number of Board Meetings attended during the financial year 2019-20</b>	NA
<b>*Directorships held in other Listed Companies</b>	Geojit Financial Services Limited V Guard Industries Limited
<b>**Membership of Committees of other Public Companies</b>	Geojit Financial Services Limited (Stakeholder Relationship Committee) V Guard Industries Limited (Audit Committee & Stakeholder Relationship Committee)
<b>Relationship between Directors of the Company inter-se</b>	None
<b>Number of shares held in the Company</b>	NIL

#### Note: Directorship held in other Companies details is as on June 30, 2020

\* Includes names of Listed Companies in which the Director holds the Directorship. (Other than Aster DM Healthcare Limited)

\*\* Includes names of other Public Companies in which the person holds the Membership of Audit Committee and Stakeholder Relationship Committees of the Board of Directors. (Other than Aster DM Healthcare Limited)



**Mr. James Mathew**

<b>DIN (Director Identification Number)</b>	07572909
<b>Brief Resume of Director</b>	Mr. James Mathew – CEO & Managing Partner of UHY James is one of the most trusted financial business leaders in the GCC Region and has contributed significantly towards strengthening the Audit & Advisory practice. An adroit finance professional with an affinity for number crunching, James has built immense credibility within the industry, in a career spanning almost three decades.
<b>Date of Birth (Age in Years)</b>	May 25, 1966 (54 years)
<b>Date of Appointment</b>	June 23, 2020
<b>Qualification</b>	He is a Member of the Institute of Chartered Accountants of India and a Certified Public Accountant (CPA) from Denver, Colorado, United States of America.
<b>Expertise in specific functional areas</b>	Finance, Accountancy & Audit, Law Risk Management, Strategy & Marketing, Board and Governance, Global business, Leadership
<b>Number of Board Meetings attended during the financial year 2019-20</b>	NA
<b>*Directorships held in other Listed Companies</b>	NIL
<b>**Membership of Committees of other Public Companies</b>	NIL
<b>Relationship between Directors of the Company inter-se</b>	None
<b>Number of shares held in the Company</b>	NIL



**Mr. Sridar Arvamudhan Iyengar**

<b>DIN (Director Identification Number)</b>	00278512
<b>Brief Resume of Director</b>	Mr. Sridar Arvamudhan Iyengar is an independent consultant and mentor/ investor in early stage companies. He was previously with KPMG in the UK, India and US holding senior positions in various disciplines. He was on the founding team of KPMG in India and the Chairman and CEO of KPMG's India operations between 1997/2000. He was previously on the Boards of Infosys Limited and ICICI Bank Limited.
<b>Date of Birth (Age in Years)</b>	August 13, 1947 (72 years)
<b>Date of Appointment</b>	July 19, 2020
<b>Qualification</b>	He is graduated with B.Com (Hons) from the University of Calcutta and is a Fellow of the Institute of Chartered Accountants in England and Wales.
<b>Expertise in specific functional areas</b>	Healthcare, Finance, Accountancy & Audit, Technology, Risk Management, Strategy & Marketing, Board and Governance, Global business, Leadership
<b>Number of Board Meetings attended during the financial year 2019-20</b>	NA
<b>*Directorships held in other Listed Companies</b>	Dr. Reddy's Laboratories Ltd Mahindra Holidays & Resorts India Limited
<b>**Membership of Committees of other Public Companies</b>	Dr. Reddy's Laboratories Ltd (Audit Committee) Mahindra Holidays & Resorts India Limited (Audit Committee) ICICI Venture Funds Management Company Limited (Audit Committee)
<b>Relationship between Directors of the Company inter-se</b>	None
<b>Number of shares held in the Company</b>	NIL

**Note: Directorship held in other Companies details is as on June 30, 2020**

\* Includes names of Listed Companies in which the Director holds the Directorship. (Other than Aster DM Healthcare Limited)

\*\* Includes names of other Public Companies in which the person holds the Membership of Audit Committee and Stakeholder Relationship Committees of the Board of Directors. (Other than Aster DM Healthcare Limited)

## INSTRUCTIONS FOR PARTICIPATION THROUGH VC

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.
2. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
3. Members are encouraged to join the Meeting through Laptops for better experience.
4. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
5. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
6. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered email address mentioning their name, DP ID and Client ID/folio number, PAN, mobile number at [cs@asterdmhealthcare.com](mailto:cs@asterdmhealthcare.com) from August 7, 2020 (09:00 A.M IST) to August 10, 2020 (05:00 P.M IST). Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
7. Members who need assistance before or during the AGM, can contact NSDL on [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / 1800-222-990 or contact Mr. Amit Vishal, Senior Manager, NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) / 022-24994360 or Mr. Sagar Ghosalkar, Assistant Manager, NSDL at [sagar.ghosalkar@nsdl.co.in](mailto:sagar.ghosalkar@nsdl.co.in) / 022-24994553.

## THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER

The remote e-voting period begins on Tuesday, August 11, 2020 at 09:00 A.M.(IST) and ends on Thursday, August 13, 2020 at 05:00 P.M.(IST) The remote e-voting module shall be disabled by NSDL for voting thereafter.

### How do I vote electronically using NSDL e-Voting system?

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, please follow steps mentioned below in process for those shareholders whose email ID's are not registered
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.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
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.
9. In case of any assistance needed by the shareholders while using the technology before or during the meeting, they can call on toll free no: 1800-222-990.

#### 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 [kjr@mdassociates.co.in](mailto:kjr@mdassociates.co.in) 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 to Mr. Amit Vishal, Senior Manager, NSDL at [amitv@nsdl.co.in](mailto:amitv@nsdl.co.in) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

### THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

### PROCESS FOR THOSE SHAREHOLDERS WHOSE EMAIL IDS ARE NOT REGISTERED WITH THE DEPOSITORIES FOR PROCURING USER ID AND PASSWORD AND REGISTRATION OF EMAIL IDS FOR E-VOTING FOR THE RESOLUTIONS SET OUT IN THIS NOTICE

Type of Holder	Registering Email Address
Physical	Send a request to the Company, at <a href="mailto:cs@asterdmhealthcare.com">cs@asterdmhealthcare.com</a> . providing Folio No., Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar card) for registering email address
Demat	Please contact your DP and register your email address in your demat account, as per the process advised by your DP. OR to the Company at <a href="mailto:cs@asterdmhealthcare.com">cs@asterdmhealthcare.com</a>

Alternatively member may send an email request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (1) or (2) as the case may be.











Aster DM Healthcare Limited

# Annual Report

2019-20



Fundamental Shifts Across the Care Continuum  
and the Focus on Digital Care Pathways



To know more about us in digital mode, scan this QR code in your QR mobile application.



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### 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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Over the years, human behavior, preference and consumption patterns have evolved and so has the preference to consume healthcare delivery as a service. Convenience, ease and knowledge are of prime importance for today's patients and customers and these act as the driving factors for decision making and selection of a healthcare provider.

At Aster DM Healthcare, we have long recognized this need and have been actively integrating technological solutions into our delivery models which not only enhanced the quality of care but also improved access for a wider population, spanning from seeking an appointment at any of our facilities to care continuum at home post discharge from our facilities. Digital innovation has been introduced across the spectrum of services which when combined with the clinical talent and operational expertise has been successful in setting benchmarks of excellence at a regional and global level.

To accelerate this shift, we launched Aster Innovation and Research Centre at Bangalore, which acts as the hub for our facilities in India as well as GCC, and has been driving innovation across our primary to quaternary care services, in collaboration with scientists, industry bodies, SMEs, universities and incubators. Recently, they have been instrumental in the launch of India's first industry-led global incubator for health called XHealth Innovation Labs that would work with healthcare start-ups to radically transform how future medicines and health services are delivered by tapping into the power of emerging data technologies.

**The Covid-19 pandemic has accelerated the transformation process in the healthcare services sector and the need to shift the model from 'sickcare' to preventative care and wellness has become even more apparent. Aster DM Healthcare has been at the forefront of leading this change in the markets that we operate in and with the advent of the pandemic we could quickly introduce solutions that shifted the care model to the safety and comfort of the homes of our patients. With the New Normal living, it is our purpose now to help people maintain their health and wellness in Our New Earth.**

As we continue to expand our care portfolio, we also stand on a secure footing in the healthcare space, enabling and enhancing our brand reputation with exceptional services. At Aster, we are guided by our ethos to treat everyone well and maintain the Aster experience seamlessly, no matter which facility a person chooses to visit. Driven by a zeal to set standards, we continue to explore and invest in methods that are designed to improve lives – motivating us to passionately discover novel frontiers of excellence.





# About Us

Aster DM Healthcare Limited is one of the largest integrated private healthcare service providers operating in GCC (Gulf Cooperation Council) countries and an emerging player in India. With an inherent emphasis on clinical excellence, we are one of the few entities in the world with a strong presence across primary, secondary, tertiary and quaternary healthcare. Our strong network of 25 state-of-the-art hospitals, 117 clinics and 238 pharmacies help to deliver quality healthcare at affordable rates.

We reach out to all sections of society through our differentiated healthcare services offered under 'Aster', 'Medcare' and 'Access' brands. With our 21,000+ workforce we aim to deliver on our promise: "We'll treat you well."

25

Hospitals



12	13
GCC	India

117

Clinics



108	9
GCC	India

238

GCC Pharmacies



3,086\*

Doctors



*\*(including fee for Service Doctors)*

7,263

Nurses



10,742

Others



19.2

Outpatient Visits (in Mn)



17.1 Mn  
GCC

2.1 Mn  
India

~254

In-patient Nos. (in '000)



92  
GCC

162  
India

4,804

Bed Capacity



1,111  
GCC

3,693  
India

~61

ARPOB\* (in '000)



165  
GCC

28  
India

\*ARPOB: Average Revenue Per Occupied Bed per day

Financial Performance (₹ in crore)

8,739

Revenue from operations

7,108  
GCC

1631  
India

296

Adjusted PAT\*

312  
GCC

-16  
India

\*Post NCI excluding exceptional income/expense





# Chairman's Message

## Dear Shareholders,

Aster DM Healthcare has grown from a single doctor clinic to a large healthcare group spread across 7 countries in Asia with 25 hospitals, 117 clinics and 238 pharmacies in 33 years. While successfully venturing into various opportunities in healthcare, Aster leverages its enormous experience and technology-driven approach to bring quality healthcare to millions every year delivering the brand promise, "We'll Treat You well"

It is presumed by many that the healthcare sector will remain in focus across the globe in coming years. While we hope and pray for that, in the last FY when there was minor impact of Covid, Our revenue from operations grew by 10% to ₹ 8,739 crore in FY 2019-20, compared to ₹ 7,963 crore in FY 2018-19. Our Adjusted PAT stood at ₹ 296 crore during the year under review. Our GCC operations continued to be major contributors to the overall business, accounting for 81% of the total revenue.

During the year under review, apart from the focus on the core areas of hospitals, clinics and pharmacies, we diversified our business to enter new segments like laboratory services and home care. We have also started the Aster Innovation and Research Centre to identify innovative solutions. To drive our business forward, we continue to adapt to evolving needs to earn the loyalty and trust of our valued patrons.

In our GCC operations, we achieved a major milestone when we were granted 100% legal ownership of our subsidiaries including hospitals, clinics and pharmacies in Dubai due to a new law enacted recently. Major part of our business is now fully owned in GCC and further conversion is happening.

Aster also continued its support for the poor and needy in the society through Aster Volunteers. We have been very active in the area of providing medical services to people in remote area through



We also brought in medical staff trained in critical care from India to aid the local government's efforts to provide quality care to Covid-19 patients.

the Aster Mobile vans. We have already provided Aster Homes for 100 people affected by the floods in Kerala. We are conducting awareness programmes and supporting people with food kits and medical supplies in the markets that we are present in.

COVID-19 has further increased the focus on the healthcare sector manifold as it is in the eye of the storm. We salute our doctors, nurses and support staff who have been the frontline soldiers in the war against the sinister monster. You can be proud that your company has been actively involved in the testing, quarantining and treatment of the people affected by pandemic.

We are witnessing unprecedented times in the history of mankind due to the

COVID-19 pandemic. During this trying time, healthcare providers like us are expected to support various initiatives to prevent the ill-effects of the pandemic and maintain uninterrupted services to the patients. Being a responsible healthcare organisation, we at Aster, have been at the epicentre of the COVID-19 crisis. Both our key markets, Dubai and India, have been immensely impacted by the pandemic. In India, we supported the state governments in various ways. We have also dedicated significant number of beds across our facilities in India for the care and treatment of Covid-19 patients. The new business vertical in India, Aster Labs, a NABL accredited lab, received ICMR approval for RT-PCR testing of COVID-19.



In Dubai there has been an overflow of COVID patients from government to private healthcare centres. To address this requirement, we converted some of our facilities into COVID hospitals and partnered with hotels to set-up isolation facilities to be able to cater to rising number of positive cases. We also brought in medical staff trained in critical care from India to aid the local government's efforts to provide quality

care to Covid-19 patients. We were also among the first to start Tele-Health Centres for patient consultations. In fact we could quickly introduce end-to-end solution of telemedicine, home care services, lab collection services as well as e-ICU, online purchase and delivery of medication, shifting the care model to the homes of patients wherever possible. We expect this behaviour to continue and our business models are evolving accordingly.

Amidst a crisis of this scale and nature, we have prioritized the health and safety of our employees. We continued to deliver superior services while encouraging our employees to work-from-home, utilized video conferencing facilities and conducted online courses for nurses and doctors from non-core disciplines for deployment in COVID-19 units. Together, we have undertaken all possible measures to fight the virus and emerge as a stronger and a better entity.

I would like to add that though the situation is volatile, we are continuously monitoring it and taking adequate initiatives to address the situation through proactive measures. The need of the hour is to ensure smooth functioning of our existing business operations and focusing on business continuity. We believe that the overall improvement in business will achieve near normalcy by second half of Financial year 2020-21.

Before I conclude, I would once again express my heartfelt gratitude and appreciation for all the doctors and nurses who have been constantly working, day in and day out. I would also like to thank the Board and the leadership team for their unwavering support, wise counsel and strategic direction, as we make steady progress towards our vision to create value for all our stakeholders. We are overwhelmed by the support received from our valued shareholders, employees and other business partners.

Going forward, we remain committed to deliver the highest standards of healthcare while staying true to our promise - 'We'll Treat You Well'.

Regards,

**Dr. Azad Moopen**

MD, FRCP

Founder, Chairman and Managing Director





# Message from Deputy Managing Director

Dear Shareholders,



At Aster, we continue to strengthen our position as a leading private healthcare provider operating in a dynamic and challenging environment, by focusing on patient-centric care. It has enabled us to venture successfully into every aspect of healthcare – right from primary care to quaternary care. Our constant efforts to deliver superior services have bestowed trust in our brands and we continue to be guided by our endeavour to consistently provide quality care. It has not only carved a differentiated position for Aster but, has significantly driven growth and profitability across segments, year after year.

Our constant efforts to combine quality care with affordability has increased our patient count steadily. During the year under review, we treated around

~19.4 mn patients and our inpatient count increased by 16%. To meet the rising demands of the Indian and GCC market, we added 1 hospital, 3 clinics and 19 pharmacies, thereby, taking our total global capacity to 25 hospitals, 117 clinics and 238 pharmacies. We also launched Aster RV, a 233 bed quaternary care hospital in Bengaluru. Operational beds have increased by 11% from 3,092 beds in FY 19 to 3,438 beds in FY 20. In line with our strategy of discontinuing loss making operations, we have closed down our operations in Philippines and Kuwait. We have rationalised our capex strategy and the focus has now shifted towards optimum utilisation of our existing assets for better capital return.

With an aim to achieve clinical excellence and improve service quality, we set up Aster Innovation and Research Centre.

Designed to find unique and pathbreaking healthcare solutions, a team of innovators and med-tech incubators are proactively working to identify unique solutions to make healthcare affordable and easily accessible. Recently, we have launched India's first industry-led incubator for health called XHealth Innovation Labs. Also, during the Covid-19 outbreak, we introduced solutions like a mental health management app – Serenity, Aster e-Consult – a telemedicine facility home-care services like e-ICU, lab collection services, Covid-care packages at home among others. Our facilities have been recognised through accreditations, numerous awards from reputed industry bodies and some of the highest google ratings.

The recent COVID-19 outbreak has not only impacted healthcare delivery but, has also severely impacted economic activity across the globe. But, if we analyse this situation from a futuristic perspective, we may realize how the pandemic emerged as a turning point in the history of healthcare – to explore unique and innovative methods to deliver and interact with healthcare systems. It has shifted focus to the healthcare sector and efforts to improve the healthcare ecosystem globally. It is also anticipated to attract investments to the sector, opening up innovative avenues for delivering care and consultation by leveraging digital communication tools.

Aster introduced a microsite called 'Our New Earth' as an effort to coach people to transition to the 'New Normal' living post lock-down. The microsite is aimed at all our customers who like each one of us is also trying to get adjusted to the new way of living. It aids each one of us to have this conversation with our families, friends, customers and patients and encourage holistic well-being with Aster as their trusted health-partner by their side.

Going forward, we plan to introduce digitized solutions for patients, to provide end-to-end care at home. We are also seeing a huge demand for Telehealth and are among the first in the industry to setup out-patient consultations through Tele-Health Centers across India.

Motivated by our promise- 'We'll Treat You Well', we continue to foster a differentiated approach to sustain our legacy as a trusted healthcare provider. No matter how challenging or uncertain the market is, at Aster we remain confident about successfully executing our strategy to make positive contributions to the care continuum while sustaining long-term growth and delivering exceptional value for our stakeholders.

Regards,

**Alisha Moopen**  
Deputy Managing Director

# Q&A with CFO



The revenue growth was driven mainly by GCC markets, where we grew by 7% to INR 7,108 crore against INR 6,649 crore in FY 2019.

## How would you summarize the Company's overall performance for the financial year 2019-20?

During the year, the consolidated revenue grew 10% (constant currency growth of 8%) YoY to ₹ 8,739 crore from ₹ 7,963 crore in the previous fiscal year. Revenue from our GCC operations grew by 7% to ₹ 7,108 crore in FY20 from ₹ 6,649 crore in the previous fiscal. Revenue from Indian business operations grew by 24% to ₹ 1,631 crore against ₹ 1,314 crore in FY 2019. Post Ind AS EBITDA stood at ₹ 1,258 crore in FY20, reporting growth of 46% from ₹ 863 crore in FY19. Due to adoption of Ind AS 116, Reported PAT has reduced by 17% to 277 crore. Without considering the Ind AS impact, PAT grew by 2.6% to 342 crore compared to last financial year.

## What is the financial position of the company for this fiscal?

Aster's net debt stood at ₹ 2,783 crore as on 31st March 2020 compared to ₹ 2,329 crore as on March 2019. The breakup of net debt stands in GCC at US 324 million compared to USD 301 million as at 31st March 2019 and in India at ₹ 358 crore compared to ₹ 242 crore as at 31st March 2019. The net worth as on March 2020 was ₹ 3,719 crore. The capex during the

12-month period was ₹ 531 crore and the purchase consideration for acquisition of subsidiary was ₹ 233 crore.

## What was the impact of COVID-19?

The Corona pandemic has caused unprecedented damage to the lives and livelihoods across the globe. Lockdown restrictions in India and GCC countries along with restrictions to undertake elective procedures have impacted occupancy level at hospitals. The widespread outbreak of the virus has resulted in the fewer out-patients visits in the clinics. We have observed disruption in the supply chain resulting in shortage of essential supplies. Further, shut down of international air travel has also impacted Medical Tourism business in India.

COVID – 19 had started impacting the business operation during the last 2 weeks of March and the maximum impact being visible in the first quarter of financial year 2020-21. For the month of April 2020, we have observed ~35% reduction of revenue for both at GCC and India region as compared to same month last year. Business in the month of May was also down, but we have witnessed faster recovery from the beginning of June. Based on similar trends, we expect

business to achieve normalcy by second half of the FY 20-21.

While the pandemic situation continues to be unpredictable and volatile, we have sufficient liquidity and undrawn credit lines for both at GCC and India regions to support our business operations. We have not availed any enhanced credit lines as we are yet to utilise the existing banking limits. Banks are also willing to provide additional credit lines, if required. In India, we have taken the benefit of deferring the principal and interest as per RBI guidelines and in GCC we continue to service our long-term loans as per schedule. In terms of loan covenants, we are within the limits and if required, we shall approach Banks for relaxation.

In our endeavour to conserve the cash and control costs, all the planned capex has been postponed except for Aster Hospital in Sharjah, Whitefield hospital in Bangalore and expansion of existing Kolhapur hospital. We have initiated various measures to rationalize operating costs for both GCC and India markets which include optimizing payroll costs, better payment terms with vendors and deferring non-essential expenditures.

**Sreenath Reddy**  
Group Chief Financial Officer



# Financial Summary and Highlights

## Revenue (₹ in crore)

FY 2018	6,721
FY 2019	7,963
<b>FY 2020</b>	<b>8,739</b>

~8%

Constant Currency Growth FY 2020

10%

YoY growth FY 2020

## EBITDA (₹ in crore)

FY 2018	613
FY 2019	863
<b>FY 2020</b>	<b>1,258*</b>

~44%

Constant Currency Growth FY 2020

46%

YoY growth FY 2020

\*EBITDA for FY 20 not comparable due to adoption of Ind AS 116

## EBITDA Margin (in %)

FY 2018	9.12
FY 2019	10.84
<b>FY 2020</b>	<b>14.39</b>

355 bps

YoY growth FY 2020

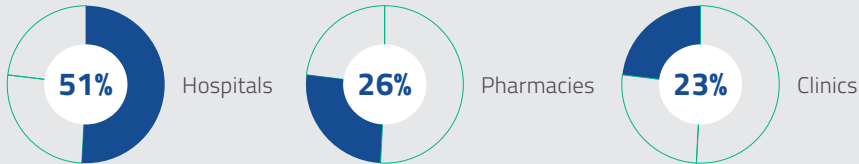
## EPS – Basic (in ₹ per share)

FY 2018	5.75
FY 2019	6.63
<b>FY 2020</b>	<b>5.51</b>

## RoCE (pre-tax) (in %)

FY 2018	7.2
FY 2019	10.0
<b>FY 2020</b>	<b>9.1</b>

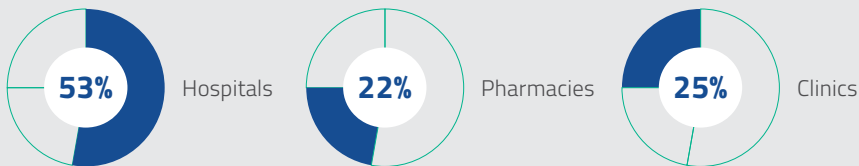
**Segment wise revenue break-up in FY 2020**



**Geography wise revenue break-up**

₹ in crore		In %	
<b>7,108</b>	<b>1,631</b>	<b>81</b>	<b>19</b>
GCC	India	GCC	India

**Segment wise EBITDA break-up in FY 2020\***



**Geography wise EBITDA break-up**

₹ in crore		In %	
<b>1074</b>	<b>184</b>	<b>85</b>	<b>15</b>
GCC	India	GCC	India

\*Pre Ind-AS and Pre-Elimination





# Our Core Competencies



## Aster DM Healthcare – Holistic Healthcare Ecosystem

- We have a **strong presence** across hospitals, clinics & pharmacies, providing primary, secondary and tertiary/quaternary care
- Strategic and sizeable network of clinics that enable patient feeder structure



## Seasoned core management team

- Our Directors have an average tenure of **9 years** of healthcare experience
- We have a robust managerial team with extensive healthcare and regulatory experiences



## Excellent performance record

- We have built a notable financial and operational growth trajectory in GCC
- We have rapidly **scaled-up operations** in hospitals, clinics, pharmacies across geographies



## Setting benchmarks in healthcare

- We uphold the **highest standards of patient care**, reflected through industry recognitions and patient recommendations



## Unique Asset-light Business Model in GCC

- Our asset light model is built around leasing instead of a traditional system of owned assets
- Aster's units in GCC exhibit **high average return** on capital employed (ROCE)



## De-risked Business Model

- Diversified revenue sources from **multiple geographies** and multi-economic segment operations
- We have established our presence across segments through brands including Medicare, Aster and Access
- Our GCC operations are exposed to stable currencies pegged to US dollars, **creating a natural hedge** to currency fluctuations



## Synergistic Operations due to diverse presence across GCC & India

- Revenue contribution by GCC and Indian operations stand at **~81%** and **~19%** of total revenue, respectively
- Our GCC network promotes medical tourism to India
- Our network in India helps to source high quality medical professionals
- Our cost of debt in GCC stands at **5% - 6%**

# Our Vision and Values



## Aster Vision

**“A Caring Mission with a Global Vision to serve the world with Accessible and Affordable Quality Healthcare”**



## Aster Values



### EXCELLENCE

Surpassing current benchmarks constantly by continually challenging our ability and skills to take the organization to greater heights

ALBERT EINSTEIN



### RESPECT

Treating people with utmost dignity, valuing their contributions and fostering a culture that allow each individual to rise to their fullest potential

MAHATMA GANDHI



### COMPASSION

Going beyond boundaries with empathy and care

MOTHER TERESA



### PASSION

Going the extra mile willingly, with a complete sense of belongingness and purpose while adding value to our stakeholders

STEVE JOBS



### INTEGRITY

Doing the right thing without any compromises and embracing a higher standard of conduct

NELSON MANDELA



### UNITY

Harnessing the power of synergy and engaging people for exponential performance and results

H.H. SHEIKH ZAYED BIN SULTAN AL NAHYAN

**"Inspired by the Vision of the legends as part of our DNA, we constantly strive our best to provide Quality Healthcare at Affordable Cost to our patients, as part of a Caring Mission with a Global Vision while consistently trying to deliver our brand promise "We'll Treat You Well"**

**Dr. Azad Moopen, MD**  
 Founder Chairman, Aster DM Healthcare



# A Review of FY 2019-20

## QUARTER 1 FY 20

- Launched Aster Finance Support Centre at all India Units in May 2019
- Received NABH reaccreditations for Emergency Department - Aster Medcity and Aster MIMS Calicut; Nursing Excellence - Aster MIMS Calicut and NABL Renewal for Aster Prime
- Launched second quaternary care 230+ bedded center at Bangalore - Aster RV

## QUARTER 2 FY 20

- Operationalised dedicated liver ICU at Aster Medcity
- Commenced O-Arm services at Aster CMI
- Received NABH Recertification for Nursing Excellence
- Received Multi-organ transplant license for RV hospital- Liver, Kidney, Small Intestine
- Received the 'Best Patient Safety Practice Award' for Aster DM Healthcare, Dubai at Express Healthcare Senate 2019
- Received the 'Best Digital Transformation in Healthcare' Award at the Smart SMB Summit & Awards 2019

## QUARTER 3 FY 20

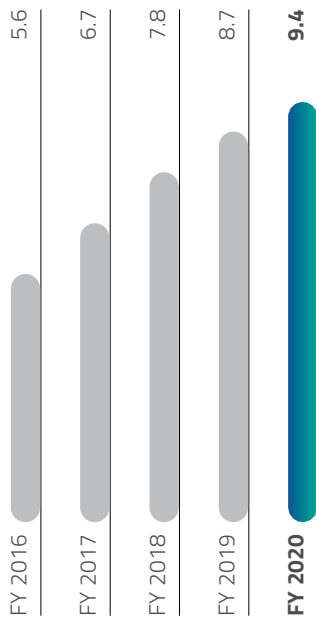
- Acquired 100% stake in Wahat Al Aman Home Healthcare LLC, Abu Dhabi for Homecare business
- Acquired 80% stake in Premium Healthcare Limited, UAE which runs and operates a Clinic at Dubai International Financial Centre (DIFC) and fits well with our Medcare clinic model
- Increased stake in Prime Hospital, Hyderabad, and Aadhar Hospital, Kolhapur, Maharashtra
- Closed the Philippines Clinics operation

## QUARTER 4 FY 20

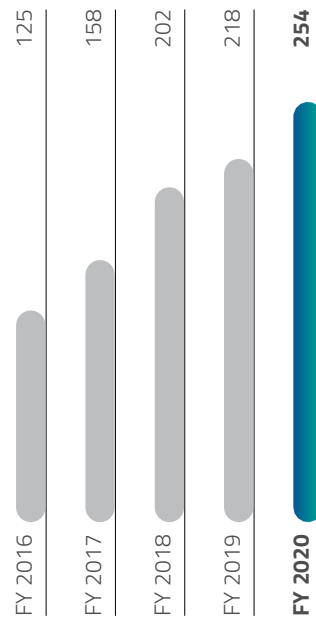
- Secured 187th Rank in Fortune India's - 500 Largest Corporations of India list in 2019
- Aster MIMS Kottakkal won India Brand Icon Award for Health Care Brand for Innovation (Hospital) for FY 2019-20
- Received multiple awards at Association of Healthcare Providers India (AHPI) Awards 2020
- Received diamond level accreditation from Accreditation Canada for Aster Hospitals, Dubai
- Our Aster Hospital, Qatar has been assigned "Level 3 Compliant" by Ministry of Public Health, Qatar

At Aster, we emphasize on expanding our capacity through organic growth in the GCC and Indian healthcare market. During the year under review, we continued our growth trajectory by increasing our operational capacity and opened new hospitals, clinics and pharmacies across GCC and India.

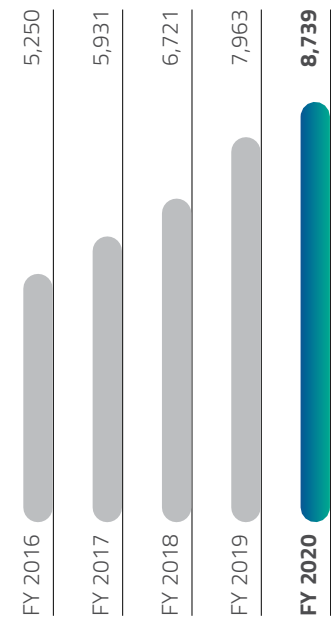
**Outpatient Count\***  
(in Millions)



**Inpatient Count**  
(in '000)

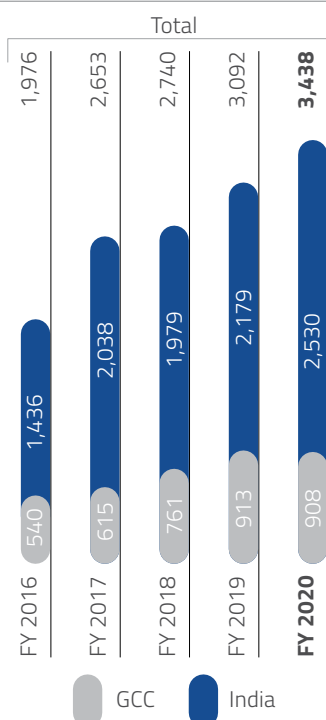


**Aster DM - Revenue from Operations** (in ₹ Crore)

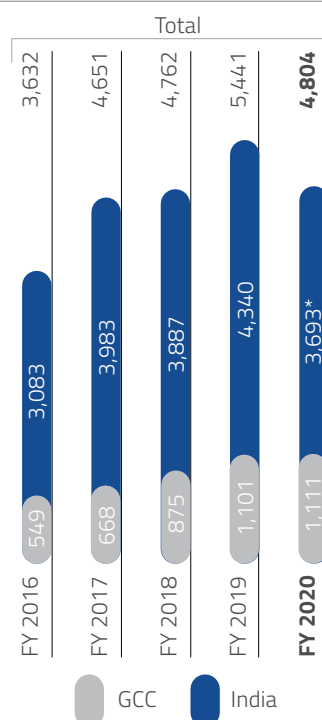


\*out-patient visits mentioned above does not include pharmacy visit

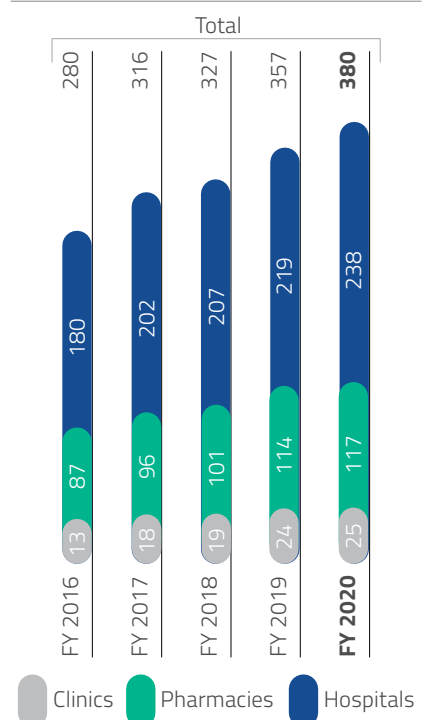
**Operational Beds**



**Installed Beds**



**Number of Facilities**  
(In Units)

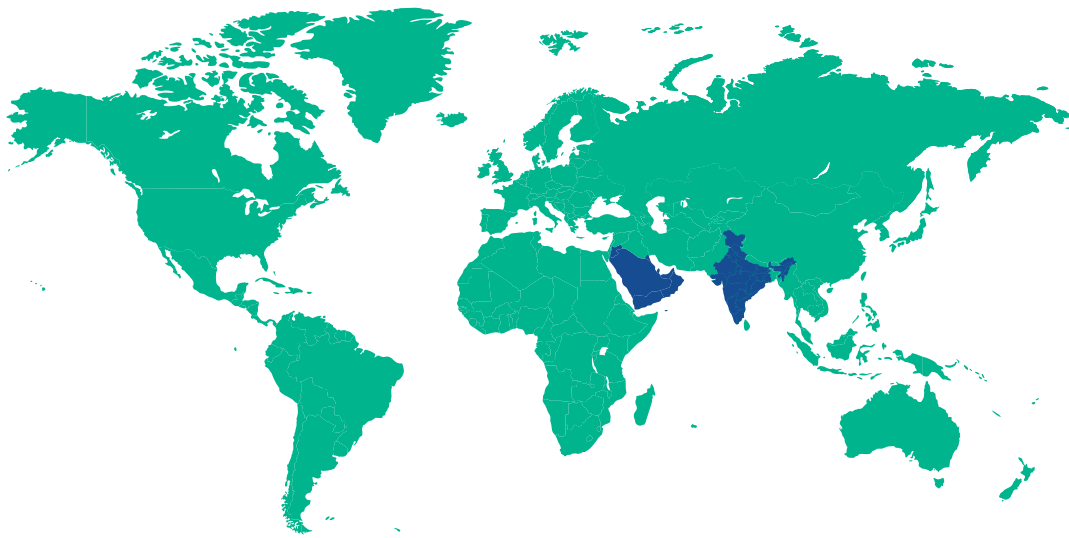


\*Waynad Institute of Medical Sciences (WIMS) details are not included in the above numbers





# Our Global Footprints



Presence in  
**7**  
countries

## GCC

**12**  
Hospitals



**108**  
Clinics



**238**  
Pharmacies








**Medcare**  **HOSPITALS & MEDICAL CENTRES**  
WE'LL TREAT YOU WELL.

- Medcare Multispeciality Hospital in Dubai, UAE
- Medcare Orthopaedics and Spine Hospital in Dubai, UAE
- Medcare Women and Children Hospital in Dubai, UAE
- Medcare Hospital in Sharjah, UAE

**Aster** **HOSPITAL**

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

### Countries where Aster DM Healthcare is present:

UAE	Qatar	Oman	Jordan	Bahrain
				
<b>90</b>	<b>8</b>	<b>8</b>	<b>-</b>	<b>2</b>
<b>212</b>	<b>6</b>	<b>8</b>	<b>10</b>	<b>2</b>

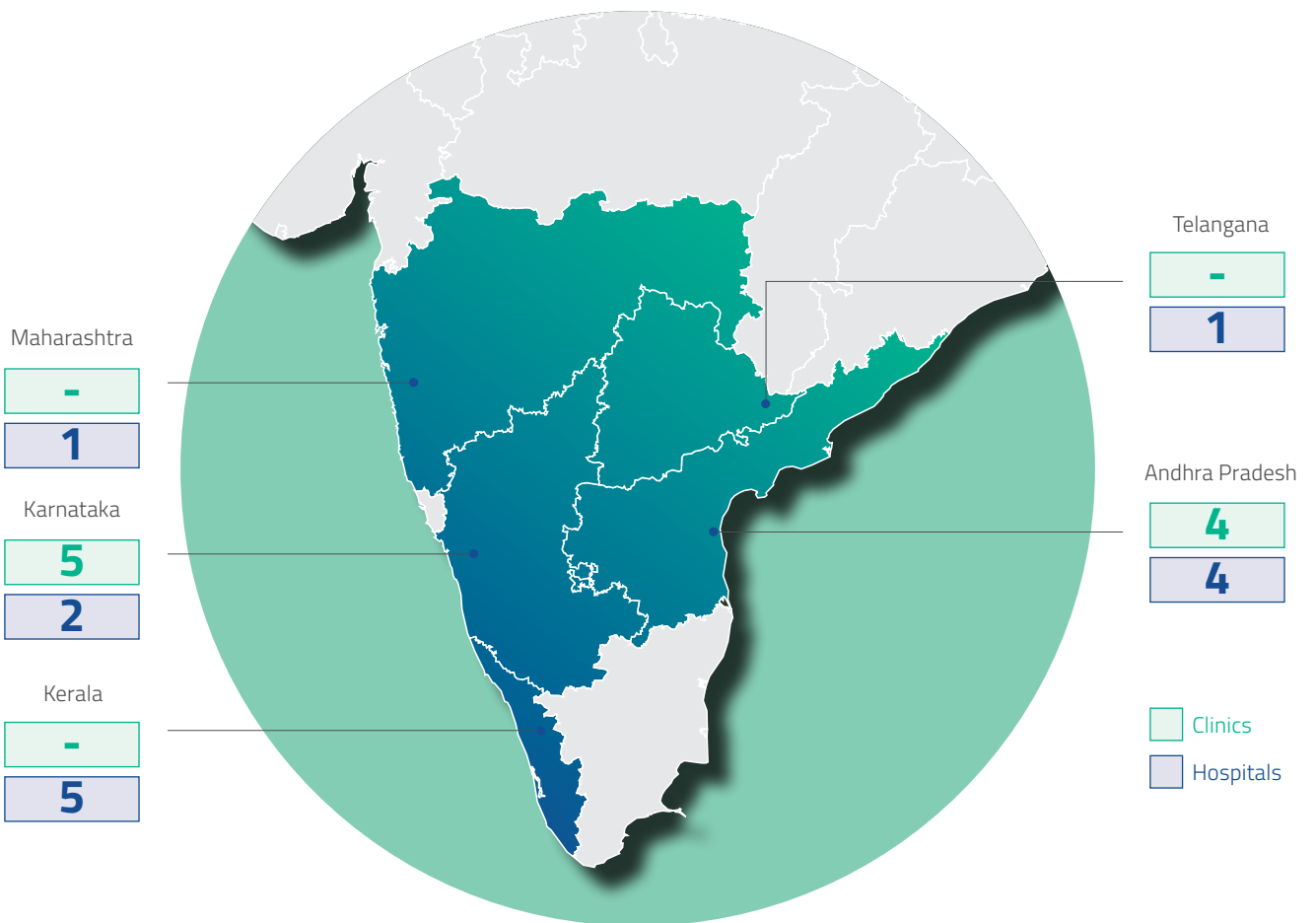
 Clinics  Pharmacies

# India

13  
Hospitals



9  
Clinics



## Aster

- Aster Medcity in Kochi, Kerala
- Aster MIMS in Calicut, Kerala
- Aster MIMS in Kottakkal, Kerala
- Aster MIMS in Kannur, Kerala
- DM WIMS in Wayanad, Kerala
- Aster RV Hospital, Karnataka
- Aster CMI in Bengaluru, Karnataka
- Aster Aadhar in Kolhapur, Maharashtra
- Aster Prime at Ameerpet in Hyderabad, Telangana
- Ramesh Hospital in Guntur, A.P
- Ramesh Hospital at M G Road, in Vijayawada, A.P
- Ramesh Hospital at Labbipet Vijayawada, A.P
- Ramesh Sangamitra Hospital in Ongole, A.P

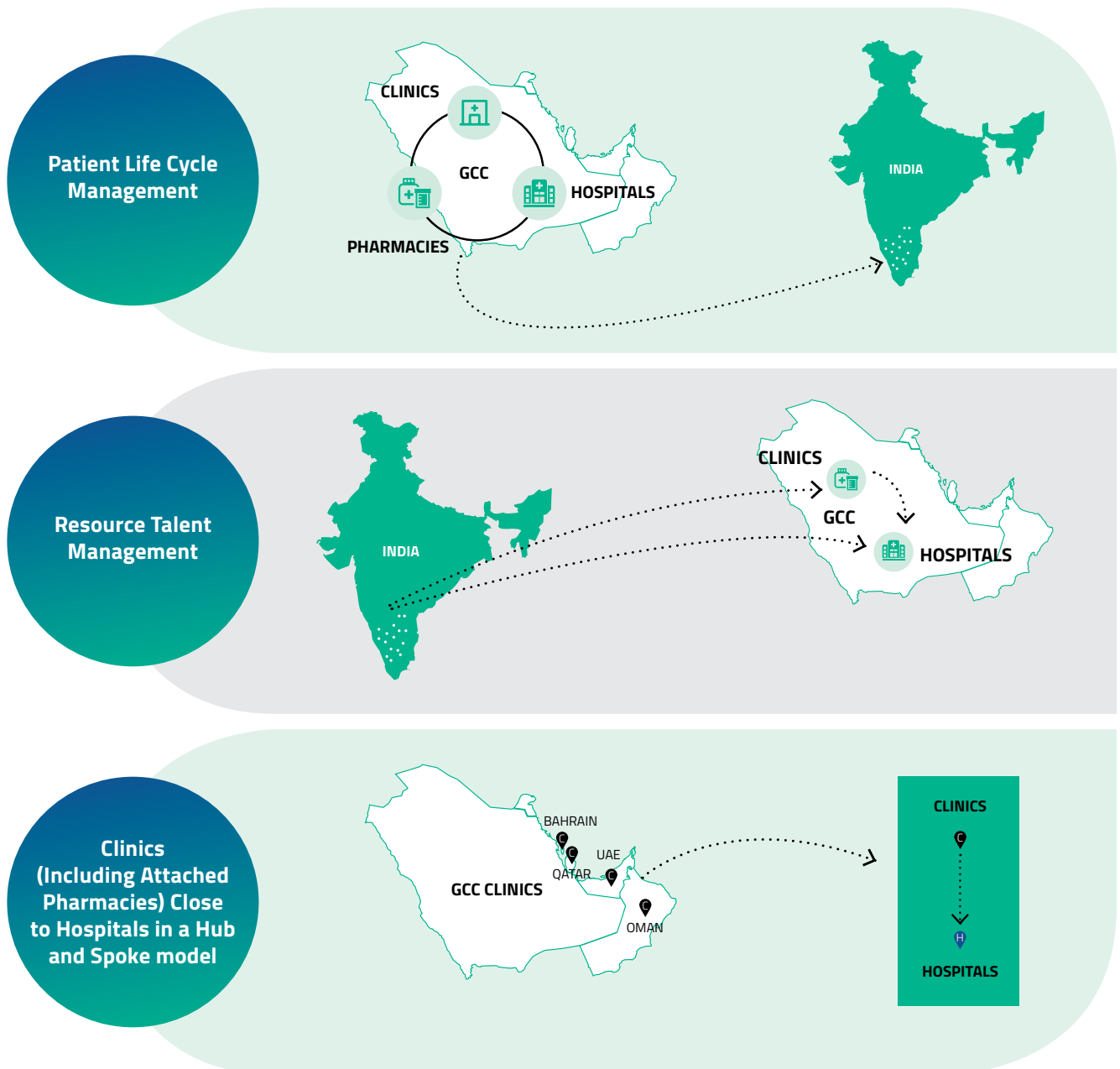
# Our Business Model

## A Healthcare Ecosystem

With over three decades of experience, we have created an integrated healthcare ecosystem across two geographical regions, thereby retaining a competitive edge over others in the industry. In the GCC region, our primary care clinics act

as initial touch-points in the patient journey, while pharmacies and hospitals continue to deliver efficient healthcare. For complex tertiary care, patients are transferred to our hospitals in India. Our Indian operations also act as a source of

talent acquisition (doctors, nurses and other employees) for GCC operations. The doctors at our clinics in GCC also have the opportunity to hone surgical skills while exploring opportunities beyond geographical boundaries.



**An Integrated Healthcare Provider**

With an integrated business model, we offer our patients quality healthcare with services including primary to secondary and tertiary or quaternary care.

**Primary Care**

~5.8 million

Clinic OPD visits

~9.8 million

Pharmacy visits

~3.6 million

Hospital OPD visits

**Secondary Care**

1,95,000+

IP Discharges

14,000+

Urology Cases

14,900+

General Surgeries

10,800+

Deliveries

2,300+

Joint Replacements

9,600+

Gastro-intestinal Surgeries

**Tertiary and Quaternary Care**

950+

Cardiovascular Surgeries

3,100+

Neurosurgery

1,400+

Spine Surgeries

900+

Bariatric Surgeries

4,500+

Plastic Surgeries

350+

Transplants\*

*Note: \*Transplants include kidney, heart, liver, pancreas, etc.  
 Above numbers are for FY 2020*



# Making a Positive Difference in Patients' Lives

## Hospitals in GCC

### Aster Hospitals, UAE

Aster Hospitals, UAE is a continuation of Aster DM Healthcare's endeavour to create world-class, patient-centric hospitals, driven by medical innovations and a culture of excellence. We aim to make a difference to patient care with our advanced medical facilities. The state-of-the-art multispecialty hospitals in Mankhool and Al Qusais have 126 and 154 beds, respectively, where our doctors adopt a multidisciplinary approach to provide holistic treatment to patients. Equipped with the most advanced Neonatal Intensive Care Unit in UAE, Aster Hospital offers multispecialty medical and surgical care under one roof. We have also recently added a 18-bedded hospital, Aster Cedars Hospital.

#### Aster Hospital, Al Qusais features:

- Canadian Accredited
- 154 bedded facility
- 6 Operation Theatres including a separate OT for women, equipped with the most advanced technology
- 9 NICU beds
- 4 beds for Labour, Delivery and Recovery
- A critical care unit with 10 beds
- Day Care Unit with 10 beds
- 34 OPD consultations
- Endoscopy Suite
- 24-Hour Emergency Care with 10 beds
- 24x7 Pharmacy

#### Aster Cedars Hospital, Jebel Ali features:

- 18 bedded facility
- 2 Operation Theatres
- Radiology Services - Open MRI, CT scan, Ultrasound, X-ray 24/7 Emergency Care
- 24/7 Pharmacy
- 24/7 Emergency Care
- Intensive Care Unit

#### Aster Hospital, Mankhool features:

- Canadian Accredited
- 126 bedded facility
- 5 extensively equipped operating theatres
- Sharing rooms
- Single rooms
- VIP rooms
- Day Surgery Unit
- Dialysis Unit
- Endoscopy suite
- 5 Intensive Care Units (ICU) including an Isolation unit
- Labour room and delivery suites
- 8 Neonatal ICU beds including an Isolation unit
- Baby Nursery



**Key Recognitions and Achievements**

- Aster Hospital, Qusais, Aster Hospital, Mankhool and Aster Day Surgery Centre was awarded the Diamond accreditation by Accreditation Canada
- We launched Aster Laboratory sample collection at home - Lab@Home
- A new high-performance business website was launched for Aster Hospitals, UAE.
- We opened Aster Cedars Hospital, Jebel Ali. It is our latest venture in providing specialized and affordable treatment to people from all walks of life.

**For the first time: CKD with Urgent CABG with Pre and Post-Hemodialysis**

One gentleman presented on February 17 2020 with NSTEMI in Aster Hospital, Mankhool under Dr. Naveed Ahmed ,and the CAG proved severe calcified triple vessel disease with impaired LV function (LVEF-45%) and H/o HTN and DM. He was a known case of CKD, for which Dr. John Cherian and Dr. Manu Gopalakrishnan of Nephrology Dept gave full support for treatment. The patient underwent Hemodialysis pre operatively and post operatively on 1st, 3rd and 5th PODs. On 6th POD, the patient was discharged just like any other normal Risk CABG patient after OFF Pump CABG with 3 grafts.

**Complex Cardiac Resynchronisation Therapy performed for the first time in Dubai at Aster Hospital**



**Dr Amal A Louis**  
Consultant Interventional Cardiology

**Aster Hospital, Mankhool**

Cardiac Resynchronisation Therapy was performed on a 61-year-old patient by Dr Amal A Louis, Consultant Interventional Cardiology, at Aster Hospital, Mankhool.

In April 2019, a 61-year-old gentleman was admitted to Aster Hospital, Mankhool, with a history of heart attack. He had severe heart failure. The patient's ECG revealed dyssynchronous heart function, after which he underwent Cardiac Resynchronisation Therapy with CRT-D implantation in October 2019. The surgery was successfully done by

Dr Amal A Louis and the patient now leads a normal life, including frequent air travels. Moreover, with Cardiac Resynchronisation Therapy, fluid accumulation in the lungs could be prevented, thereby reducing the need for frequent hospitalisation. Only a handful of centres in UAE have the expertise to perform this procedure and now Aster Hospitals has the required expertise to perform the procedure at affordable rates, thereby achieving a major milestone in its healthcare journey.

## Making a Positive Difference in Patients' Lives

### For the first time: Advanced Cervical Spine Surgery at Aster Hospital, Al Qusais

In June 2019, at Aster Hospital, Al Qusais, the first double level cervical discectomy and standalone PEEK cage implantation was performed by Dr. Chelladurai Pandian Hariharan

A 38 year old Indian male patient was admitted in Aster Hospital, Mankhool upon clinic reference with severe neck pain, weakness in all 4 limbs and inability to walk. He was initially treated with steroids and put under evaluation. The imaging showed cervical disc disease at 2 levels [C5C6 and C6C7] which was causing cord compression. It was evident that the existing compression

would cause his condition to deteriorate - eventually leading to complete loss of power. Considering this, the patient was informed on the immediate need for surgical decompression. Upon receiving his consent for surgery, he was also made aware of the possible need for a sternotomy, to reach the lower level.

Following this, the patient was taken up for Anterior Cervical Discectomy at 2 levels using the operating microscope and all the disc components were removed completely. The OPLL was removed and it was ensured that the cord is free - without compression. A PEEK standalone cage was placed with self supporting

screws at both levels. Post-op, the patient was shifted to the ICU for observation. He was observed for postoperative complications such as hoarseness, dysphagia, cerebrospinal fluid leakage, malposition of the prosthesis and screw loosening or pull-out and the patient was started mobilization. He was mobilized out of bed with support. The patient's post-op X-Rays were satisfactory. He was continued with physiotherapy and was discharged after 6 days. On discharge, the patient was able to walk without support.



## Making a Positive Difference in Patients' Lives

### Aster Hospital & Medical Centres, Qatar

Aster DM Healthcare is one of the largest private healthcare providers in Qatar. Aster Qatar started its operations with a polyclinic in 2003, and today operates 6 multi-speciality clinics, 6 pharmacies, 1 centralized laboratory and a 61-bedded hospital. Aster Clinics provide primary care and comprehensive services ranging from General Medicine to Superspecialty treatments like Pulmonology, Urology, Cardiology, Gastroenterology and Neurology.

Aster Hospital, Doha is built to deliver quality healthcare with a commitment that defines every aspect of clinical care. It is a 61-bed facility, equipped with one of the most advanced units pertaining to Gynaecological, Neonatal Intensive Care, Orthopaedics, Bariatric, ENT and Surgical care units, all under one roof, covering more than 15 specialties. Aster Hospital also has a 24-hour Emergency Department, 3 fully equipped Operating Rooms, Intensive Care Units including an isolation unit, 16 Slice CT Scan and 1.5 Tesla MRI Scan facilities and a Day Care Unit.

#### Key differentiators

- We are the largest private healthcare provider in Qatar, offering primary and secondary care facilities
- At Aster Medical Centre, we have launched an 'Essential Benefits Plan' with an aim to cater to around 25,000 low-wage expatriate workers, to provide access to unlimited doctor consultations, over 50 lab tests and medicines for a year, at a nominal price





## Making a Positive Difference in Patients' Lives

### Aster Al Raffah Hospitals & Clinics, Oman

Aster Al Raffah Hospital & Clinics is a pioneer in the private healthcare sector in Oman. It comprises of 3 hospitals & 6 clinics in Oman. The Hospitals are located in Muscat (86 beds), Sohar (78 beds) & Ibri (31 beds), whereas the Polyclinics are located in Al Khoudh, Amerat, Suwaiq, Ma'abella, Sohar & Liwa.

These Hospitals & Clinics are spread across Oman, offering a comprehensive range of multispecialty services such as General Medicine, General Surgery, ENT, Paediatrics & Neonatology, Dermatology, Ophthalmology, Dentistry, Gynaecology & Obstetrics to Superspecialty services like Gastroenterology, Orthopaedics and Spine Surgery, Laparoscopic Surgery, Cardiology, Urology, Neurology, Plastic Surgery, Rheumatology and Nephrology.

#### Key differentiators

- We deliver quality healthcare services to more than 3000 people everyday
- Aster Hospital, Ibri was inaugurated in May 2019
- Aster Nurture programme was launched in October 2019 to upgrade women's healthcare in Oman
- We have one of the most experienced team of Doctors, Nurses, Paramedical & Allied healthcare providers in the region



## A high-risk ambulance transfer and management of a critically ill patient with Severe Acute Pancreatitis in Oman.

A 30 year old man suffering from severe abdominal pain was admitted to Ministry Hospital, Nizwa. He had acute pancreatitis and was subsequently intubated and mechanically ventilated due to haemodynamic instability, MODS. He was managed on ventilator for a week. Later, our Gastroenterology team was approached by his family to take over the case, as his condition was constantly deteriorating. A team from Aster shifted the patient to Aster Al Raffah Hospital, Muscat in an ambulance, to continue his treatment.

The ambulance transfer was the first such attempt for a critical patient. The transfer was successfully carried out without any errors. After we received the patient in the ICU, we ran multiple tests and appropriate steps were undertaken

to stabilize his condition. After careful consideration, the patient was shifted for CT, and was diagnosed with Necrotic Pancreatitis with Pancreatic Ascites. He also had abdominal distention and significant abdominal ascites.

After 2 weeks in the ventilator at Aster, (3 weeks in total) doctors tried to wean him with a plan to carry out a tracheostomy on the same day. After convincing the family and obtaining consent for the same, treatment started and he improved clinically and symptomatically thereafter.

Pancreatitis is a multi-organ disease, especially in a case such as this where complications were severe, the first few days are extremely critical, especially with regards to fluid resuscitation

and interventions. This patient had abdominal compartment syndrome which was very effectively managed with Pigtail Drainage, enabling effective ventilation and hydration. He was discharged after 4 weeks of treatment.

The entire procedure was conducted under Dr Ashik Sainu Mohiyadeen – Sr Consultant Gastroenterologist and Dr. Dilip Abdul Khadar – Specialist physician (Intensivist). This case could not have been managed without the excellent teamwork and communication between the subspecialties concerned.

## Making a Positive Difference in Patients' Lives

### Medcare Hospitals & Medical Centres

Under the aegis of Aster DM Healthcare, Medcare is a premium private healthcare provider in the UAE. With leading state-of-the-art hospitals, including Medcare Multi-specialty Hospitals in Dubai and Sharjah, Medcare Women & Children Hospital, Medcare Orthopaedics and Spine Hospital, and 15 medical centres in the UAE, Medcare today has established a strong presence in the UAE.

Its integrated healthcare services adhere to the highest quality standards and Medcare maintains the highest possible standards of healthcare ranging from talent to technology to facilities and treatment. All Medcare hospitals and medical centres are accredited by the Joint Commission International (JCI), considered the gold standard in global healthcare. Medcare has also won several certifications for its exceptional services.

At Medcare, we have an incredible multi-cultural, multi-lingual team of doctors trained in renowned medical institutes around the world. Using a multidisciplinary approach, the Medcare team provides optimal, guideline-based treatment to patients, with the able support of trained nurses, dieticians, rehabilitation therapists and technologists. In line with our simple promise 'We'll Treat You Well', Medcare is fully committed to providing high quality, personalized medical care to every patient.

#### Key differentiators

- We achieved another milestone in our journey in the healthcare sector – with the launch of our new website in January 2020. Its user-friendly design and multiple useful tabs make information easily accessible.
- We also unveiled teleMEDCARE, a unique telemedicine platform that allows patients to call doctors through video conferencing without the need for prior appointments, reaching quality healthcare to patients' homes.

- In partnership with Sharjah Health Authority, we launched a four-month cervical cancer awareness drive in Sharjah and the Northern Emirates in October 2019 to ensure early diagnosis and consultations from leading gynaecologists and medical practitioners.
- We launched a Centre of Excellence for the Management of Endometriosis, accredited by the British Society of Gynaecological Endoscopy, UK.
- Our hospital was felicitated with prestigious awards from various healthcare organizations. Medcare was conferred the Nursing Excellence Award by the Association of Healthcare Providers of India, the International Hospital Federation (IHF) Awards recognized by MWCH under the category of Leadership and Management in Healthcare and International Patient Safety Award.

### Successful surgery on 27 weeks baby

Baby Noel is a miracle baby who was born at 27 weeks at MWCH and developed Necrotizing Enterocolitis, a severe disease in the intestines in premature babies. At this very young age, baby Noel underwent three major surgeries and stayed at the NICU of MWCH for six months. A long time away from his family and from home. After all this while, baby Noel made it through and returned home to his loving family; thankfully because of the medical expertise and compassionate care of the doctors and nurses at the hospital.

### Rare spine deformity corrected in 12-hour long surgery

From being an active young girl to becoming completely paralyzed from the waist, life changed drastically for a 13-year old girl due to a rare tumour that compressed her backbone. She was diagnosed with an Aneurysmal Bone Cyst (ABC) T4, a rare spinal tumour that was compressing her backbone and bending her spine at an 81° angle. Our highly experienced doctors followed image guided Neuro-navigation using 3D real-time images to conduct an extremely complex procedure. Pedicle screws were inserted from vertebrae T1-L1 for stabilization and correction of the deformity. Later, the spinal tumour was removed from the T4 Vertebra and rods were placed on the screw head for stabilization and correction of the severe deformity. Post-surgery, the patient was treated by our multidisciplinary team and was discharged in one week.



## Making a Positive Difference in Patients' Lives

### Hospitals in India

#### Aster Medcity Hospital, Kochi

Aster Medcity is one of the most technologically advanced healthcare destinations in India, with a 670-bed facility located in a 40-acre waterfront campus in Kochi, Kerala. The hospital houses quaternary care facilities with one Multi-speciality Hospital and 10 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. It is also accredited by JCI and NABH.

The Multi-speciality Hospital offers varied specialities including Internal Medicine, General Surgery, Pulmonology, Endocrinology, Aesthetics & Plastic Surgery, ENT, Anaesthesia & Critical Care, Dental Sciences, Cranio-Maxillofacial Surgery, Ophthalmology, Dermatology, Psychiatry, Clinical Imaging, Interventional Radiology, Nuclear Medicine, Infectious Disease & Infection Control, Pathology, Physical Medicine & Rehabilitation, Pain Palliative Medicine, Wellness and 24/7 Emergency Care.

#### Key differentiators

- We have an outstanding team of 320+ doctors to provide optimal, evidence-based treatment with a multidisciplinary approach
- It is the first quaternary care facility in Kerala to achieve JCI accreditation and other relevant accreditations and certifications within one year of opening its doors to the world



## Making a Positive Difference in Patients' Lives

- Aster Medcity is ranked among the top healthcare facilities in India and holds several international and domestic records:
  - It is the first hospital in the world to perform a simultaneous live-donor liver and kidney transplant on a 20-month old baby weighing just 7 kilograms
  - The first hospital in the world to perform simultaneous liver transplants on one-year-old identical twins who suffered liver failure due to accidental poisoning – also the first-of-its-kind case in the world
  - It is the third hospital in the world to perform robotic trans-vaginal renal transplant surgery
  - No.1 hospital in India to perform robotic kidney tumour removal
  - Aster Medcity is also one of the leading centres for robotic kidney surgery/transplant in Asia
  - One of the only hospitals in the region to offer more than 20 paediatric sub-specialities
  - In 2019, the hospital successfully managed to contain Nipah outbreak in Kerala through proper isolation, treatment and management of patient zero case in Kochi

### Doctors at Aster Medcity saves life by performing Extra Corporeal Cardiopulmonary Resuscitation (ECPR) at emergency department

ECPR was successfully used for the first time in India for treating a patient who suffered a cardiac arrest outside the hospital.

Doctors at Aster Medcity attended a 33-year-old Chittoor native, Jose Biju, who was admitted to the hospital's emergency care in a critical condition after suffering from a cardiac arrest while driving. Extra Corporeal Cardiopulmonary Resuscitation (ECPR), a method of cardiopulmonary resuscitation using Extra Corporeal Membrane Oxygenation (ECMO) - a machine that acts as a heart-lung bypass, was used to revive the patient. The procedure is rarely used in the emergency department, even in highly advanced facilities of the western world.

### Extended endoscopic endonasal approach to treat Adamantinomatous Craniopharyngioma accounting for 1.2–4% of all primary intracranial neoplasms and 5–10% of intracranial tumours in children.

A 51-year-old male patient presented with visual disturbances for 3 months associated with memory lapse and emotional lability for 2 weeks. He was showing symptoms of bitemporal hemianopia on visual field examination and showed Panhypopituitarism on endocrinological examination. A contrast enhanced MRI scan of the brain showed a large sellar suprasellar lesion which was solid with cystic areas, compressing the third ventricle and extending to the left temporal region. He underwent an extended endoscopic endonasal approach and gross total excision of the lesion. The histopathology was reported as Adamantinomatous Craniopharyngioma. His vision recovered completely by the time of the first month review. His contrast enhanced MRI scan of the brain showed no recurrence at his subsequent checkup.



## Making a Positive Difference in Patients' Lives

### Aster MIMS Hospital, Calicut

Aster MIMS Hospital in Calicut is a renowned specialty hospital in Kerala, offering comprehensive healthcare services. A hospital designed to be at par with global standards, Aster MIMS has an excellent team of doctors and medical staff, offering the finest healthcare services.

Aster provides advanced diagnostic and treatment facilities for cardiology, oncology, nephrology, orthopaedics and neurosciences. With a proven track record, we successfully conduct complex procedures in the field of cosmetic surgery, multi-organ transplant and neuro surgery. We are also known for offering low-cost liver transplants in India. With a Level IV Trauma Care centre, advanced Interventional Radiology department, sophisticated Intensive Care facilities and a component separation facility with a blood bank, we strive to offer integrated healthcare services. Our facilities and care centers are equipped with contemporary state-of-the-art equipment to ensure comprehensive treatment.

#### Key differentiators

- Our hospital is the only hospital in North Kerala with a comprehensive adult & paediatric organ transplant unit, cardiac care unit with ECMO & TAVI and an Epilepsy care unit
- We offer 'Home Care', mobile healthcare services at home along with Cancer care on wheels, critical care monitoring and Tele medicine
- We also offer Advanced Cancer Care 'TrueBEAM Linear Accelerator'
- Aster also provides North Kerala's First Intra-Operative Electron Therapy
- Aster MIMS has successfully completed 100 Robotic surgeries
- Kerala's first Integrated Gastro Oncology Center

### Aster MIMS marks a milestone in the history of organ transplantation

We conducted simultaneous organ transplantations through swap transplantation and offered three families a new lease of life. Swap transplantation is applicable for patients without blood group compatible donors. After running a series of tests to find cross-matching kidneys, a 24-hour surgery was led by Dr. Ravikumar, Head of Urology Department and his team consisting of Dr. Abhay Anandh, Dr. R. Surdas and

Jithin, Junior Surgeon and Anaesthetist Dr. Kishore K, Dr. Preetha Chandran, Dr. Ramesh and Dr. Namitha.

The success of this surgery opens up an effective and practical solution for people awaiting organ donation. With growing awareness, at Aster we aim to gradually increase the number of patients treated with such unique and innovative procedures.



## Making a Positive Difference in Patients' Lives

### Aster MIMS Hospital, Kottakkal

Aster MIMS Hospital, Kottakkal is a NABH accredited multi-specialty hospital delivering a comprehensive range of preventive, acute and outpatient services. Located in downtown Kottakkal, Kerala, the hospital is equipped with excellent medical infrastructure, offering the highest standards of safety and service.

Good health is imperative for all and it remains our priority at Aster MIMS Kottakkal. With cutting edge technology and top-notch facilities for Trauma Care, Intensive Care and more, Aster MIMS Kottakkal continuously strives to provide holistic care to patients. All the care centres are equipped with latest technology to aid comprehensive treatment procedures. We are the first hospital in Malappuram district to receive Emergency Department NABH accreditation along with NNF (National Neonatology Forum) certification.

#### Unique Procedures performed at Aster MIMS Kottakkal

**PELD (Transforaminal Percutaneous Endoscopic Lumbar Discectomy)** is a minimally invasive day care spinal procedure for Lumbar Disc Herniation. In a short span, Aster MIMS Kottakkal has performed more than 350 successful PELD Procedures.

**UFE (Uterine Fibroid Embolization)** is a minimally invasive procedure for treating Fibroid Tumours of the Uterus, which can cause heavy menstrual bleeding and pain. Around 40% of rural women suffer from various issues related to Fibroid tumours. In a short period of time, Aster MIMS Kottakkal has performed more than 200 successful UFE Procedures.

**PAE (Prostate Artery Embolization)** Prostate enlargement, also known as Benign Prostatic Hyperplasia (BPH),

a common condition in older men is characterized by symptoms such as poor urinary flow, frequent urination during the day and night, incomplete bladder emptying, and sudden urge to urinate. More than 50% of aged males in rural India suffer from this problem and PAE is used to shrink the prostate by treating its blood vessels.

**CAE (Cyanoacrylate Glue Embolization)** is a latest procedure utilizing Cyanoacrylate. The greatest advantage of this procedure is that it is minimally invasive and can be completed under local anaesthesia. Besides, patients benefit from a painless post-operative period, without any restriction on activities.

#### Key Differentiators

- Our hospital is the recipient of the prestigious Six Sigma Healthcare Excellence Award - 2019 (26-12-2019) in the innovative start-up of the year category. Equivalent to the Oscar of Healthcare, the hospital was selected winner among 698 applicants from around the world for its innovative PELD (Day care procedure for Back Pain) and Venaseal (Day care procedure for Varicose Vein) procedures.
- A preparatory course of MRCP PACES was conducted successfully at Aster MIMS Kottakkal on 18th, 19th and 20th of October 2019. Renowned experts from around the world were enlisted as our faculty.
- We received India Brand Icon Award for being the most innovative healthcare brand (Hospital) in India for Venaseal (Day care procedure for Varicose Vein) and PELD (Day care procedure for Back Pain) procedures.
- Our Emergency Department is NABH accredited
- We were granted Level II-B conditional accreditation for NNF, during the year under review



## Making a Positive Difference in Patients' Lives

### Cyanoacrylate Embolisation: A new method to treat Varicose Veins

While the burden of varicose veins is high in India, there is a sea wave of changes in its management. One of the newest ways of managing symptomatic varicose veins is by Cyanoacrylate embolization (CAE), which has been approved by the U.S. FDA for the treatment of incompetent saphenous veins.

Aster MIMS Kottakkal took up 40 patients with sapheno-femoral/sapheno popliteal junction reflux and

a vein diameter of  $\geq 3$  mm to maximum of 9 mm, 3 cm distal to the SFJ in standing position. All patients were treated by VenaSeal Closure System (Medtronic) under real-time Ultrasound guidance performed under local anaesthesia. No concomitant phlebectomy was done, but concomitant sclerotherapy with sodium tetradecyl sulfate was carried out as adjuvant therapy as a treatment of telangiectasia and perforating veins. There was 100 % success rate and 99 % occlusion. There was no DVT or significant postoperative complications in any of the patients.

The greatest advantage is that it is a very minimally invasive procedure and done under local anaesthesia at a single point, unlike thermal technique. It is also involving a painless post-operative period with no need for post-operative compression stockings and restriction of activities. There is also no risk of nerve injury. This procedure is very promising and will benefit for many patients who suffer from symptomatic varicose veins.



## Making a Positive Difference in Patients' Lives

### Aster MIMS Hospital, Kannur

Spread across 1.5 acres of land in the beautiful coastal city of Kannur in Kerala, Aster MIMS Hospital is a multi-specialty hospital, a first-of-its-kind 302 bed facility in the city with a rich cultural heritage. The tertiary care hospital has 7 OTs, 117 single room, 7 suites & 89 ICU beds. With committed and competent medical experts, medical practitioners, nurses, technologist & support staff, the hospital is committed to strengthen the city's healthcare system.

We have a fully equipped in-born & out-born NICU for complete child care. Our Radiology department is equipped with state-of-the-art MRI with MR Angiogram and viability study packages, 128 slice CT, 4D Ultrasound machines and Mammogram. Additionally, our expertise in women's health makes our OBG department a preferred choice for world-class treatment.

#### Key differentiators

- Our ICUs are first-of-its-kind in Kannur, manned with a team of excellent critical care physicians and fully equipped with latest technology to monitor and respond to the needs of critical care patients
- The well-equipped Emergency & Critical care department is a one of its kind facility in North Malabar
- We are the only tertiary hospital with level 3 advanced neonatal intensive care units
- We have a Comprehensive Cardiac Care Unit with FFR & OCT guided angioplasty facility
- Our labour suite is one of the best in Kannur
- We offer mobile services through Aster @Home with varied services like Home Phlebotomy, Home Physiotherapy, Home ICU & Home Pharmacy
- Within 3 months of operations, we touched the break-even point
- Aster MIMS Kannur has successfully completed 5519 surgeries, 2159 Cath lab procedures and carried out 1968 childbirths
- We have introduced DREAM – Diabetic Remission with exercise and diet at Aster MIMS for diabetic patients
- Aster Nurture Programme – A loyalty programme launched under the department of Obstetrics and Gynaecology to cover treatment from the first day of pregnancy till birth.
- A Memory Clinic and PINK Clinic has been launched as a comprehensive Cancer prevention clinic





## Making a Positive Difference in Patients' Lives

### First successful treatment with TAVI (Transcatheter Aortic Valve implantation)

A 78-year old patient with a recurrent history of Acute Pulmonary Edema was treated elsewhere. He also had other acute health issues including Ulcerative Colitis, Atrial fibrillation and COPD. Health evaluation at Aster revealed atrial fibrillation with slow ventricular rate and ECHO reports showed severe aortic stenosis and

normal LV systolic function. A coronary angiogram was also performed to find traces of Coronary Artery disease. The patient was advised to undergo TAVI, taking into consideration his condition and age.

It was an extremely challenging case as the patient belonged to a high-risk group

for pacemaker insertion. The surgery was successfully completed and after the procedure, his ECG showed a broadening of QRS complex. He also felt dizzy at times. As a result, a pacemaker was subsequently inserted and the patient is now living a normal life.

### Performed successful Awake craniotomy- for removing a deep-seated brain tumor

A 32-year female patient presented with severe headache at the Neurology OP and was diagnosed with brain tumour in the deep temporal location of dominant hemisphere (L). Awake Craniotomy procedure was advised. The patient, who was not intubated and was also not under GA, went through sleep-awake-sleep phases under monitored anaesthesia, regional blocks, bispectral index, etc. Brain mapping of motor cortex, Broca's and Wernicke's language areas was performed by cortical stimulation, and electrical corticography (ECoG). The tumor was then approached after choosing safe trajectory in a non-eloquent area using 3-D neuronavigation. The surgeon was continuously talking to the patient throughout the surgery. The surgery concluded with gross total resection of the tumor with complete preservation of functions.



## Making a Positive Difference in Patients' Lives

### Aster CMI Hospital, Bengaluru

Aster CMI Hospital, Bengaluru is a contemporary state-of-the-art facility with a capacity to offer over 500 beds and a comprehensive range of primary to quaternary care services through its Centres of Excellence in Cardiac Sciences, Neurosciences, Gastroenterology, Surgery and Allied Specialties, Integrated Liver Care, Organ Transplant, Urology and Nephrology, Orthopaedics, Women's Health, and Child & Adolescent Health.

#### Key differentiators

- We are the 1st hospital in Asia to use Normothermic Machine Perfusion for a Liver Transplant – a breakthrough procedure that aims to improve liver transplant success rates across India
- 1st in India and 3rd in the world to successfully perform TIPS (Transjugular Intrahepatic Portosystemic Shunt) on a 53-year-old patient having reverse anatomy of organs (Situs Inversus Totalis)
- We won AHPI award in FY 2019-20 in the category of "Nursing Excellence"

### Baby with Immunodeficiency receives lifesaving Stem Cell Transplant at Aster CMI

Our doctors performed a lifesaving stem cell transplant on a 3-month-old baby who was suffering from Severe Combined Immunodeficiency (SCID), which has a fatality rate of almost 100% in the absence of definitive treatment. Healthy cells were introduced to the baby's system and it successfully generated fully functional white blood cells capable of fighting infections and strengthening the child's immunity.

### Aster CMI conducts rare liver transplant procedure

A 37-year-old, follower of Jehovah's Witness, a Christian faith which prohibits the use of blood or blood products in the treatment of its followers, had developed decompensated liver disease and had visited more than three countries for treatment over the last four years. Due to the inherent challenges posed, the patient was turned away by most doctors as treatment and surgery became extremely risky.

Our Integrated liver care team at Aster CMI hospital took up the challenge to conduct a bloodless liver transplant. The doctors used 'normo-volemic hemodilution' and 'cell salvage' techniques to not only compensate for the loss of blood during the surgery, but also to ensure a constant flow of blood during the procedure. These were rare techniques and the technical expertise required to perform these procedures are still not widely available in India. It helped to successfully prevent external blood transfusion.



## Making a Positive Difference in Patients' Lives

### Aster RV Hospital in Bengaluru, Karnataka

Aster RV Hospital is a 233-bedded Quaternary Care Centre delivering an elaborate range of preventive, acute and outpatient services. The hospital is located in south Bangalore, Karnataka and is ideal for people seeking treatment for various ailments. With its superior infrastructure and highest standards of safety and service, there is absolutely no substitute for Aster RV Hospital.

Adopting a patient-centric approach, we build on our commitment to offer world class healthcare with cutting-edge technology and compassionate care. Our state-of-the-art Centres of Excellence in Cardiac-Sciences, Neuro-Sciences, Gastro-Sciences, General and Laparoscopic surgery, Integrated Liver Care, Multi-Organ Transplant, Urology & Nephrology and Orthopaedics is equipped with advanced facilities like Bi Plane Hybrid Cath Lab, Da Vinci Robotic System for robotic surgeries & Advanced Intra-Operative MRI and Navigation systems. Aster RV has 53 critical care beds spread across Medical & Surgical ICU, Cardiac ICU & Transplant ICU.

Spread across 2.4 lakh sq. ft area, the quaternary care hospital has 39 outpatient consultation rooms, 9 operating theatres & 30 ventilated beds. Other specialties at Aster RV include its ENT, General Medicine, Endocrinology, Plastic Surgery, Dermatology, Radiology and Pulmonology departments, supported by a team of highly qualified doctors, medical professionals and nurses.

#### Key Differentiators

- It is the first hospital in Karnataka to introduce state-of-the-art Intra-operative MRI among private hospitals that help in low grade tumor excision
- We have a Hybrid Biplane Cath Lab and a Da Vinci Robot Surgical system
- We have 30 ventilated beds and 53 critical care beds
- PTS system
- Building Management System
- Energy savings equipment
- In-house café & dining
- Dialysis
- Endoscopy
- Ambulance
- Ease of access
- 6 elevators for patient access
- Ramps to connect all floors
- 24 Hour Pharmacy
- Cloud based HIS & EMR system



## Making a Positive Difference in Patients' Lives

### Complex Hip Replacement Surgery

A 23-year-old man came to us with complaints of persistent pain in the right hip, for the past 12 years. He also had difficulty in walking due to shortening of the right lower limb. He had fractured his hip in an accident in 2007 and had seven surgeries over a period of ten years. But he was never cured completely and was in constant pain and discomfort when he came to us with a limb that was around 6cm shorter than the other one.

On evaluation, x-rays revealed post traumatic arthritis with complete destruction of the femoral head, gross up riding of the trochanter, subtrochanteric non-union and failed implants. To address his complaints, we needed to reconstruct his right hip joint with the help of a pain-free mobile hip that would also help to lengthen his lower limb. The doctors decided to conduct a total hip replacement with ceramic articulation and a long diaphyseal fixed stem. The procedure was successfully completed and the patient is healthy now.

### Successful Transcatheter Aortic Valve replacement (TAVI)

An 82-year-old man suffering from multiple comorbidities reported recurrent chest pain. Recent tests showed a severe Calcific Aortic stenosis (narrowing of the Aortic valve) and Coronary Angiography revealed highly calcific proximal Left circumflex artery (LCX) stenosis. Due to his current condition and the fact that he had undergone Coronary Artery Bypass Grafting 16 years ago, multiple cardiac surgeons refused a high-risk Redo-surgery.

Doctors planned to carry out Coronary Angioplasty (PCI) with Stent to LCX with Rotablation assistance and Transcatheter Aortic Valve replacement (TAVI/ TAVR) on the patient. Until now, these two procedures were done separately. However, we took up the challenge to combine both these high-risk procedures and successfully conducted Rota assisted Coronary Angioplasty (PCI) to LCX and Transcatheter Aortic Valve Implantation (TAVI) in the same sitting. The patient was fit to be discharged within two days and he walked home hale and hearty.





## Making a Positive Difference in Patients' Lives

### Aster Ramesh Hospitals, Andhra Pradesh

Situated in Coastal Andhra Pradesh, Ramesh Hospitals are a leading multi-specialty tertiary care chain. Established in 1988 with a 6-bed setup, Ramesh Hospitals today operates 4 hospitals with a total capacity of 738 beds in the Vijayawada – Guntur – Ongole region, all of which are NABH accredited. Ramesh hospitals, Guntur, is the first and only hospital in Andhra Pradesh to receive accreditation by JCI- Joint Commission International.

The acquisition of Ramesh Hospitals in 2016 has made Aster Ramesh a leading NABL accredited healthcare service provider. Our wide reach across 5 districts in Coastal Andhra Pradesh, through a network of over 25 Telemedicine and out-patient outreach centres helps to sustain our position as a healthcare leader in the region. We are also conducting academic programmes in Cardiology – PGDCC

and DNB in Cardiology & Cardiothoracic, Neurology, Orthopaedics, Anaesthesia and Radiology and Ramesh Hospitals, Guntur allows medical practitioners to complete the 'Indian Diploma in Critical Care Management'-IDCCM. The hospital also has an advanced medical infrastructure, equipped with latest machines such as the Philips Brilliance ICT 256 slice CT Scanner at Vijayawada and a CX3 Tesla Digital MRI at Guntur.

Ramesh Hospitals entered the **Guinness World Record** for the “**largest gathering of cardiac surgery patients**” at once in a function hall, as part of its initiative to create awareness about heart ailments and offering hope to people suffering from such problems.

Ramesh Sanghamitra hospitals entered the **Limca Book of Records** for removing “**Largest small intestinal tumour**”



### Successful Distal Femur Plating for centenarian at Ramesh Hospital, Guntur

A 106-year old patient was brought to the emergency with pain and swelling in her left knee. She was unable to stand-up or bear weight on the affected limb. She received immediate treatment at our hospital and radiology reports including AP and lateral view Xray of the thigh and knee revealed signs of supracondylar femur fracture (Distal femur fracture).

All necessary pre-anaesthetic evaluations were completed before carrying out surgical procedures to fix her fracture. The procedure was conducted with Spinal Anaesthesia and the doctors opted for minimally invasive (MIPO) procedures for plating to minimise surgical trauma and blood loss. Distal femur locking compression plates and screws were used to successfully complete the surgery and the patient was stable throughout the surgical procedure. She was finally discharged in a stable condition.

## Making a Positive Difference in Patients' Lives

### Key differentiators

- Our hospital is the first and only hospital in Andhra Pradesh to receive accreditation from JCI- Joint Commission International
- Hospital pharmacies at Ramesh Hospitals Vijayawada and Guntur units are Bureau Veritas Platinum certified
- We have a dedicated team of 60+ full time Consultants, 70+ junior doctors and 1000+ medical staff across all specialties
- We are a market leader in Cardiology treatments and have conducted ~20,436 CT Surgeries, ~1,01,019 Cath lab procedures and ~2,356 Primary Percutaneous Coronary Interventions (PCI)
- We are pioneers and early adopters of Telemedicine in Andhra with over 25 centres offering direct access to patients
- Our hospitals have remained early adopters of technology, utilizing state-of-the-art medical equipment
- Established first Cathlab in coastal Andhra Pradesh in 1996
- Installed the first and only 256 Slice CT Scanner in Andhra Pradesh in 2011
- Installed the first 3T Whole Body MRI Scanner in Andhra Pradesh in 2015

### Giant Aneurysm of Right common Femoral Artery-Excision resulted in Removal of approximately 10 Kgs clot. Largest in the world till date

A 28-year male presented with a swelling in the right groin since past 5 years. He was evaluated elsewhere with a provisional diagnosis of soft tissue Sarcoma. Patient was referred to us for further evaluation as the FNAC report was inconclusive. Contrast CT of the swelling was indicative of Aneurysm arising from right common femoral artery with a huge clot. Further evaluation with peripheral angiogram demonstrated a giant aneurysm with a small neck.

After routine investigations, patient was taken for elective surgery. The aneurysm sac was identified, but due to its huge size and chronic compression, the lower abdominal muscles got necrosed. Approximately 10 kgs of thrombus was evacuated from the sac. The patient had an uneventful postoperative recovery and was discharged without complications.



## Making a Positive Difference in Patients' Lives

### Clinics and Pharmacies

#### Aster Clinics, India and GCC

As a part of our mission to provide affordable and accessible primary care, we established Aster Clinics in 1987 and which has now become the largest and most widespread network of clinics across the Middle East. Keeping the patient at the core of our operations, Aster Clinics has become a friendly neighbourhood family clinic that abides by highest quality standards, setting new benchmarks in healthcare. We widened the network by adding new facilities in Dubailand, Warqa, Ajman, Nahda Sharjah 1, CIG Mall & Marhaba Mall during FY 2019-20. Our clinic in Abu Dhabi was relocated near Khalidiya Mall - a bigger and better location with super specialty facilities to serve our customers with greater efficiency.

117

Clinics across India and GCC

#### Key Differentiators

- We received multiple accreditations during the year
- Aster Clinics Bahrain – Received NHRA Accreditation
- Aster Clinic Gudaibya achieved conditional platinum accreditation
- Aster Clinic Sanad achieved conditional Gold accreditation status from National Health Regulatory Authority Award (NHRA)
  - Aster Specialist Clinic International City was listed in Directory providers of Dubai, certified in 'vestibular assessment and Management' by the American Institute of Balance
  - Our specialty clinics are dedicated to the diagnosis and treatment of specific disorders such as PCOS (Polycystic Ovarian Syndrome), GERD (Gastro Oesophageal Reflux Disease), Back and Neck pain and Dermatology. The specialist physicians at these clinics have extensive experience in their respective fields and have dealt with mild as well as severe cases

#### Community Screening for Covid-19

A surge of patients was witnessed at the end of March and Covid-19 cases were found in the densely populated area of Naif. The Dubai Health Authority reached out to our clinics to seek medical assistance in areas with a high population density. Community leaders, medical professionals, social workers, and volunteers came forward to assist local authorities to run pre-emptive medical check-ups on economically vulnerable residents of Dubai.

#### Isolation Facilities

Dubai government authorities partnered with Aster Clinics to manage makeshift isolation centres at designated areas outside the city. At two of these locations Aster Clinics took responsibility to manage 750 beds and 1100 beds each, jointly with Dubai Health Authority and Indian Consulate in Dubai. Medical support was jointly managed by APC and the Indian consulate under the supervision of DHA.



## Making a Positive Difference in Patients' Lives

### Aster Pharmacy, GCC

Aster Pharmacy has been a market leader in the healthcare business with operations spanning across a wide portfolio of health & wellness services in multiple countries. With over three decades of experience, the brand today is seen as a custodian for spreading good health & happiness, with a growing network of 238 stores. We procure exceptional products from manufacturers who follow the highest manufacturing standards to deliver accredited products including nutritional supplements, baby care, personal care, medical equipment, and rehabilitation products, among other things.

#### Key differentiators

- We have changed the perception of a conventional pharmacy by offering lucrative offers with a distinct & innovative campaign every month
- We launched Alfaone, a unique business model unifying & integrating multiple functions of distribution, medical promotion to the current import division
- Our customer rewards program, Aster Secure 2.0 introduced digital e-cards to enhance customer experience & facilitate convenience. The program today has garnered over half a million members
- Our e-commerce platform, Asteronline.com was upgraded with marketplace capabilities, integrated clinic offerings with prescription upload feature & health packages
- We launched various brands across distinct categories of nutrition supplements, baby care, skin care, personal care etc.

238

Pharmacies across GCC





# Making Meaningful Contributions – to People & Communities

As a responsible organization, Aster’s unwavering commitment to society enables us to provide more than quality healthcare. We aspire to make meaningful contributions to society, resting on our three pillars of Healthy People, Healthy Business, and Healthy Community. We believe, our enterprise strategy is designed to have a positive impact on all sections of society and serves as a catalyst for social change through our impactful and effective social programs.

Aster launched a global CSR programme, Aster Volunteers, to eliminate inequalities in healthcare, based on socio-economic status. With the objective of reaching out to people who need us the most, we have selected volunteers from various walks of life to fulfil our endeavour.

**27,000+**  
Volunteers

**1 million+**  
Lives touched



Some of the major initiatives undertaken through Aster Volunteers during the year include –



### Green Choices

We launched a unique programme named ‘Green Choices’ to encourage a sustainable workplace. Through this initiative, we pledged to take a step towards adopting responsible practices and contributing to a healthy environment. Accordingly, we participated in activities like tree planting, desert cleaning and park cleaning, to name a few.



### Aster Homes – Partners in rebuilding Kerala

In 2018, Kerala witnessed the most severe floods to be recorded in recent memory. The trail of destruction was unprecedented and left an entire state devastated. We came together to help with food, medical aid and relief supplies. Our volunteers put everything on the line to help save lives and provided invaluable assistance in the face of adversity. As the water receded, many were left without a roof over their heads. The trail of destruction affected the economically disadvantaged the most. It destroyed homes as well as livelihood.

We decided to rebuild homes and started the Aster Homes initiative with the support of the Government of Kerala and other like-minded institutions and individuals.

**100**

Homes handed over

**150**

Homes being built

## Making Meaningful Contributions – to People & Communities



### World Heart Day

We organized a 'Be Young at Heart Marathon', spread across 10 locations in three countries and witnessed the participation of 9,000+ racing hearts, who took their first steps towards a healthier heart.

10

Locations

3

Countries

9,000+

Participants



### World Blood Donor Day 2019

A persistent problem faced by the medical community is the unavailability and regular supply of blood. To alleviate these issues, we organized 'Drops of Hope' blood donation camps at various clinics and Aster facilities.

12,864+

Donors participated in the last 2 years



## Making Meaningful Contributions – to People & Communities



### International Day of Disabled Persons

Through this initiative, we hosted Common Ground, an event to celebrate the achievements of people of determination. We saw showstoppers take the ramp at the fashion show, Beyond Labels, as the music and dance performances enthralled everyone in the audience.

**476+**  
Beneficiaries



### Children's Day – Healthy Kids, Brighter Future

Child health has always been our priority. We undertook this initiative on Children's Day, 14 Nov, 2019, a day dedicated to the ones who will design our future. In an effort to ensure that the torchbearers of the future have a healthy and fulfilling present, we provided health check-ups and medical guidance to kids and organized various activities to spread cheer and happiness. Magic shows and other activities like pottery painting, face painting and henna kept the children engaged and entertained.

**1,400+**

Volunteers participated (including external)

**500+**

Lives impacted

## Making Meaningful Contributions – to People & Communities



### Our response to the Covid-19 pandemic

At Aster, we have played an active role to battle this threat since the onset of the Covid-19 pandemic. Our team has been acting and supporting medical professionals and people in need through online and offline initiatives.



### Covid-19 Webinars

We made a series of interactive webinars, hosted and moderated by our doctors and medical professionals, to talk about precautions, preventive measures, special care for people with pre-existing conditions, elderly and child care.



## Making Meaningful Contributions – to People & Communities



### At Home webinars

We hosted a series of live webinars on Facebook to help people make the most of their time at home, by encouraging them to inculcate a new hobby. Social media influencers and various other experts volunteered to host the webinars on diverse topics ranging from painting and yoga to Zumba.

**420,663+**

People reached through webinars



### Teleconsulting

The world may be locked down, but the voice of hope will always reach those who need it the most. We offered tele-consultation services, giving people access to different specialists and doctors, who addressed their concerns.



### Mobile Medical Services

Many communities around the world do not have access to healthcare. This situation has become especially difficult during the Covid-19 crisis. Through our Mobile Medical Services we enabled basic healthcare facilities for people in multiple countries.

**16,184**

People impacted by this initiative

**5**

Countries

## Making Meaningful Contributions – to People & Communities



### Screening Camps

We partnered with Aster Primary Care and Dubai Health Authority to conduct screening camps for Covid-19. Our untiring effort helped us combat the pandemic, one test at a time. These screening camps, conducted day and night, also showcased the perseverance of our dedicated volunteers.

16,080

People screened



### Feed the Hungry

We initiated a drive to ensure adequate food supply for thousands. We took to the streets of Dubai, Kochi, Kottakkal, Kannur and Bangalore to help those in need by distributing food and essentials kits.

311,270

Lives impacted





## Making Meaningful Contributions – to People & Communities

# The Big 8

The story so far



### Mobile Medical Services

290,986

Individuals treated through  
medical camps



### BLS Awareness

169,207

BLS aware individuals



### Free Surgeries & Investigations

36,019

Investigations and free  
surgeries



### Child Health & Wellness Initiatives

21,302

Direct beneficiaries



### Differently-abled Recruitment & Support

114

Differently-abled employees



### Medical & Wellness Camps

533,146

Individuals treated through  
3,376 medical camps



### Disaster Relief and Aid

288,158

Beneficiaries in Somalia, Jordan,  
Bangladesh, Kerala & Maharashtra



### Sustainability & Community Connect

142

Initiatives

1

MILLION +  
LIVES TOUCHED

# Board of Directors



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



**Ms. Alisha Moopen**  
Deputy Managing Director



**Mr. T J Wilson**  
Non-Executive Director



**Mr. Anoop Moopen**  
Non-Executive Director



**Mr. Shamsudheen Bin  
Mohideen Mammu Haji**  
Non-Executive Director



**Mr. Daniel Robert Mintz**  
Non-Executive Director



**Mr. Daniel James Snyder**  
Non-Executive  
Independent Director



**Mr. Maniedath Madhavan  
Nambiar**  
Non-Executive  
Independent Director



**Mr. Ravi Prasad**  
Non-Executive  
Independent Director



**Mr. Suresh Muthukrishna  
Kumar**  
Non-Executive  
Independent Director



**Dr. Layla Mohamed Hassan Ali  
Almarzooqi**  
Non-Executive  
Independent Director



**Prof. Biju Varkkey**  
Non-Executive  
Independent Director

*Mr. Maniedath Madhavan Nambiar resigned from the Board of Directors of the Company with effect from February 11, 2020.  
Mr. Ravi Prasad and Mr. Daniel James Snyder retired from the Board of Directors of the Company with effect from April 20, 2020.*





# Corporate Information

## Board of Directors

Dr. Azad Moopen  
Ms. Alisha Moopen  
Mr. T J Wilson  
Mr. Anoop Moopen  
Mr. Shamsudheen Bin Mohideen Mammu Haji  
Mr. Daniel Robert Mintz  
Mr. Suresh Muthukrishna Kumar  
Mr. Maniedath Madhavan Nambiar  
Mr. Ravi Prasad  
Mr. Daniel James Snyder  
Prof. Biju Varkkey  
Dr. Layla Mohamed Hassan Ali Almarzooqi

## Chief Financial Officer

Mr. Sreenath Reddy

## Company Secretary

Ms. Puja Aggarwal

## Auditors

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

## Registered Office

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

## Registrar and Transfer Agent

Link Intime India Pvt Ltd  
C-101, 1st Floor, 247 Park,  
Lal Bahadur Shastri. Marg,  
Vikhroli (West), Mumbai -400 083  
Maharashtra, India  
Tel: +91 22 4918 6200

## 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.

# Management Discussion and Analysis

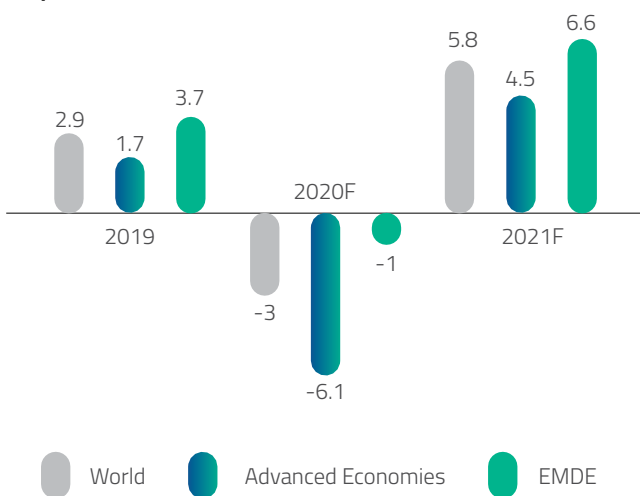
## Global Economy Review

In the year 2019, the global economy saw substantial support from central banks, by means of rate cuts that resulted in a liquidity boost in the market. The lowering of interest rates was a good sign for corporates to issue new bonds at lower rates and increase their capacity to invest. The lower interest rates and supportive financial conditions boosted purchase of non-durable goods and services, encouraging job creation. Consumer confidence and household spending also increased on account of tight labour market conditions and gradually rising wages.<sup>1</sup> In the second half of 2019, there were indications of de-escalation of trade war between US and China, which is anticipated to result in smooth trade relations between the two countries.

Despite the positives, the global economy witnessed a challenging year in 2019. The GDP growth of the world economy stood at 2.9% in 2019 down from 3.6% in 2018<sup>1</sup>. This decline was also coupled with a slowdown in manufacturing, diminishing demands and lower consumption.

Advanced economies too registered a decline in GDP growth at 1.7% in 2019 as compared to 2.2% in 2018<sup>1</sup>. The decline in advanced economies resulted from US-China Trade wars, NAFTA negotiations, declining manufacturing activity in Germany and tensions related to Brexit. This was coupled with unfortunate natural calamities like the bushfire in Australia, which not only resulted in economic losses but, also led to catastrophic implications for wildlife.

**Graph 1: GDP Growth rate (%)**



(Source: IMF World Economic Outlook April 2020)

Emerging Market and Developing Economies (EMDEs) too witnessed a dull year in 2019, when the GDP growth declined to 3.7%, in comparison to 4.5% in 2018<sup>1</sup>. The decline was primarily led by geopolitical tensions between China and the US, which led to a slowdown in manufacturing. Rising tariff war between US and China also contributed to the decline in exports across the EMDEs, resulting in slowdowns in respective countries.

In 2020, the GDP is expected to contract by -3% due to the unprecedented Coronavirus outbreak<sup>1</sup>, that led to closure of workplaces, disruption of supply chains, and lowered productivity all over the world due to a complete halt of manufacturing activity. These domestic disruptions have spilled over to trading partners through trade and global value chain linkages, adding to the overall macroeconomic effects that resulted in economic shocks across the globe. However, the situation is expected to stabilize by mid- 2020, leading to a GDP recovery to 5.8% by the end of 2021<sup>1</sup>.

## GCC Economy Review

Economic growth in the Middle East and Central Asia significantly weakened in 2019 due to muted oil prices and excess oil supply. The region's overall GDP growth has declined to 1.2% in 2019<sup>1</sup>. While most Gulf Cooperation Council (GCC) countries retained robust external positions in 2019, the constant slowdown in China and the continued global trade war coupled with subdued demand hindered its efforts to boost non-oil exports. Further, rising geopolitical tensions are increasing risk perceptions that could hurt prospects for investment in GCC countries.

Within the GCC, Saudi Arabia's efforts to diversify its economy from oil have advanced at a slower pace, but it is confident about achieving the same in the coming years. In the meanwhile, Saudi Arabia is financing its major projects through Public Investment Fund to boost liquidity and revive its economy. Debt level continues to rise in GCC countries with Oman and Bahrain being the most vulnerable to debt sustainability concerns.

The future prospects for GCC countries appear grim due to the sudden outbreak of Coronavirus which has led to countrywide lockdowns, resulting in massive disruptions in the supply chain. The production of crude oil has also stopped as demand diminished from airlines. Besides, the lockdown has also halted manufacturing activity around the world, lowering the demand for oil and its substitutes. The economic growth of Middle Eastern and Central Asian regions is expected to settle at -2.8% for 2020 and is anticipated to recover sharply in 2021 to reach at 4.0% due to reforms and adequate investments in the region<sup>1</sup>.

<sup>1</sup>IMF World Economic Outlook April 2020



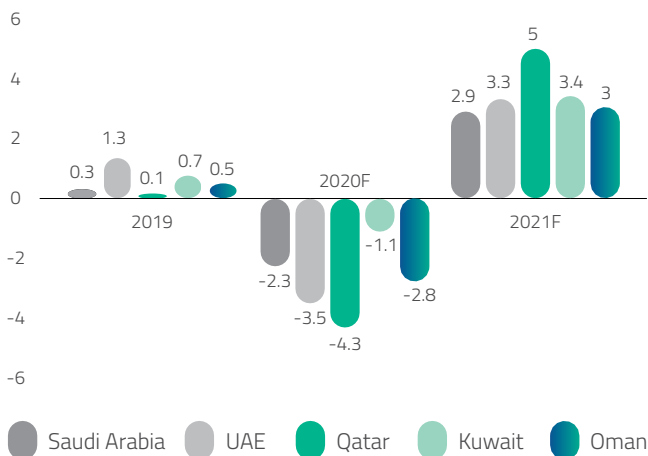
## Indian Economy Review

India witnessed economic slowdown in FY 2020, with the country's real estate, automobile, construction sectors and overall consumption demand facing a serious and constant decline. The GDP growth rate stood at 4.2% for FY 2019-20, compared to 6.1% in FY 2018-19<sup>1</sup>. Contraction in manufacturing activity, weakened investments, and declining consumption demand primarily triggered the slowdown. However, the PMI activity, considered as an expansion activity, stood above 50% in FY 19-20, settling at 51.8% for the month of March 2020<sup>2</sup>.

To address the downfall of the economy and to revive the same, Government of India introduced fiscal and monetary reforms. Favourable reforms such as infusion of ₹ 48,000 crore in the manufacturing sector, slashing interest rates to provide liquidity in the market, reduction in corporate tax rate, and introduction of Alternate Investment Fund for real estate sector helped to boost sentiment to a certain extent. These measures stabilized the economy and PMI activity touched its peak in 8 years to reach at 55.3% in Jan 2020<sup>2</sup>.

The growth outlook for the Indian economy remains subdued due to the COVID-19 outbreak and it is anticipated to settle at 1.9% for FY 20-21<sup>1</sup>. The outbreak is expected to have far-reaching economic and social consequences for the region. There has been demand and supply shocks across sectors, with massive disruptions in the country's supply chain which has been affected due to lower demand for goods and services in FY 20-21. The economic activity is expected to rebound in the near-term with revival of strong demand for products and services. To further strengthen the economy, the government has proposed fiscal and economic reforms to improve economic health and push the GDP to 7.4% for FY 21-22<sup>1</sup>.

**Graph 2: GDP Growth rate of GCC Contries (%)**



(Source: IMF World Economic Outlook April 2020)

## Industry Overview

### Global Healthcare Industry

The global healthcare industry in the year 2019 was a highly connected environment powered by large data networks, cloud computing, and mobile devices. There will be widespread increases in the number of connected healthcare networks providing seamless integration between care providers, patients, pharmaceutical companies, health insurers, and other invested parties anywhere in the world.

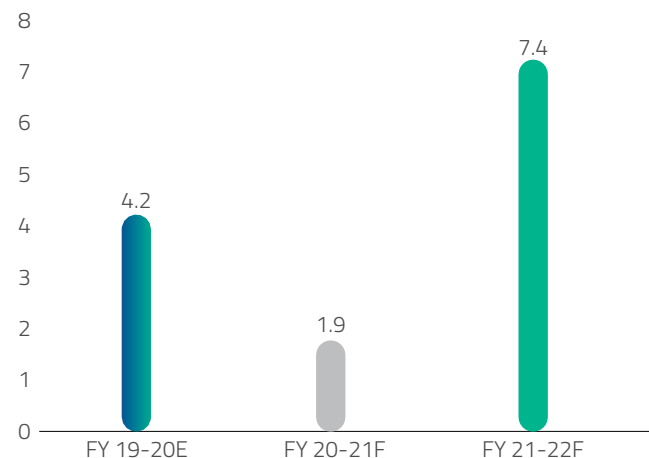
Global health care spending is expected to slow down to 3.2%<sup>4</sup> in 2019, from 5.2%<sup>4</sup> in 2018. This decline is on account of geopolitical tensions including the United States-China trade war, the fluctuating effects of currencies and decelerating global economic growth stemming from the United Kingdom's planned exit from the European Union (EU).

Lifestyle-related factors including smoking, poor diet, hypertension, obesity, and lack of physical activity attribute to many diseases which makes the life of people vulnerable. With the increasing use of advanced technology like robotics, data analytics, 3D printing and Artificial intelligence, the industry can control such diseases and can witness the next leap of growth.

### Outlook

The global healthcare market is expected to reach US\$ 11.908 trillion growing at the CAGR of 8.9% from 2018-2022<sup>3</sup>. Further, faster economic growth, technological developments and the increasing prevalence of diseases due to rising busy and sedentary lifestyles will lead to increased demand for healthcare. Global healthcare spending is expected to rise to 6.2% in 2020 as compared to previous year. The global population was 7.7 billion in 2019 and it is expected

**Graph 3: GDP Growth rate of India (%)**



(Source: IMF World Economic Outlook April 2020)

<sup>1</sup>IHS Markit

<sup>3</sup>Research and Markets report on Global Healthcare Industry

<sup>4</sup>Deloitte Insights - 2020 Global Health Care outlook

to reach 8.5 billion by 2030 and spending on the global geriatric care market (home health, remote patient monitoring, etc.) will likely exceed US\$1.4 trillion by 2023<sup>5</sup>. The effect of coronavirus have been manifold on the world, both in terms of lives and livelihood. The demand for advanced healthcare rose significantly. This will further augment demand for additional healthcare professionals as well as modern healthcare services to address critical diseases.

**GCC Healthcare Industry**

The healthcare market in the GCC is estimated to be worth US\$ 104.6 billion in 2022, and expected to grow at a CAGR of 6.6% from 2018-2022<sup>6</sup>. Although there is enormous room for growth, the GCC population is only spending around half of what mature markets spend on healthcare. As such, there are several factors creating investible opportunities in healthcare like, enhanced focus on critical diseases, wider geographic footprint and capacity build through digitisation and value-based healthcare.

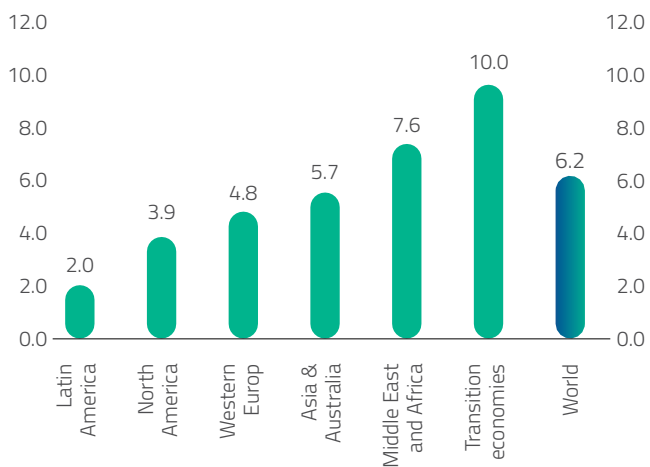
Gulf Cooperation Council (GCC), is a regional inter-governmental political and economic union consisting of six Arab states namely,

Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain, and Oman. The UAE and Saudi Arabia remain the strongest markets in the GCC, both in terms performance and economic growth. With the rise in economic growth and population, the region is expected to require 12,358 new hospital beds by 2022 with Saudi Arabia and U.A.E requiring 7,500 and 2,000 new beds, respectively. The Inpatient market is projected to contribute 43.4% of healthcare expenditure and outpatient market size is expected to grow by US\$ 32 billion by 2022<sup>6</sup>.

Oman’s healthcare market is expected to reach US\$ 4.3 bn by 2020, boosted by a five-year CAGR of 12.9% from 2015-2020<sup>7</sup>. It said that an increase in the population and the rising cost of treatment are the primary factors aiding growth. Oman spends on average about US\$ 260 million annually towards pharmaceutical drugs and surgical consumables. The government aims to spend 5% of GDP on health.

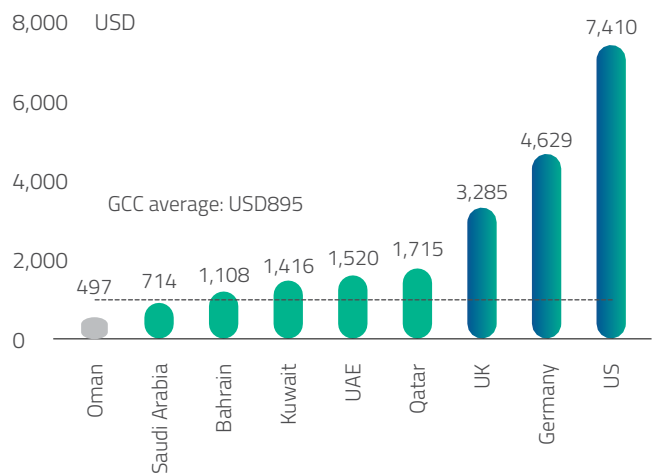
In 2019 the Qatar government allocated US\$ 6.23bn to the health sector, representing 11% of its total budget<sup>8</sup>. This remained unchanged for 2020, with US\$ 6.2bn allocated to health. Qatar’s health spending is expected to grow by an average of 2.2% per year until 2022<sup>7</sup>.

**Graph 4: Health spending growth in 2020 (% change in nominal US\$)**



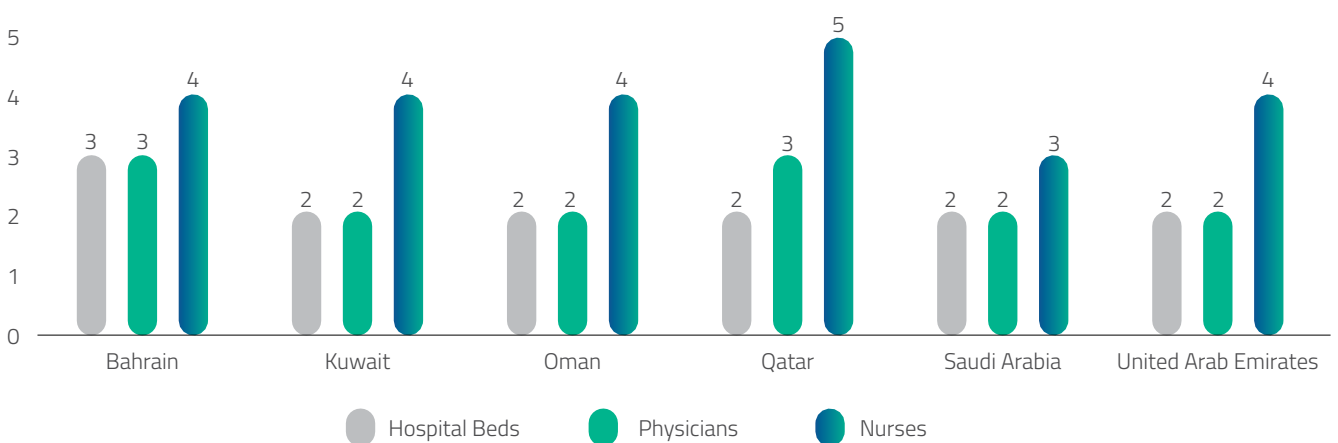
(Source: The Economist Intelligence Unit)

**Graph 5: GCC Per Capital Healthcare Expenditure**



Source: World Bank

**Graph 6: Medical Facilities per 1,000 Inhabitants**



<sup>5</sup>Deloitte report on Global Healthcare Industry 2019

<sup>6</sup>Alpen Capital report on GCC Healthcare Industry

<sup>7</sup>Alpen Capital report on Oman Healthcare Industry

<sup>8</sup>Report by Alpen Capital and Ministry of Health



## GCC Healthcare Industry Trends

- **Advanced technology:** The utilization of big data and clinical analytics is anticipated to improve the quality of treatment and offer cost-efficiency to patients. The rapid penetration of Internet of Things is helping to improve diagnostics and decision-making. While Artificial Intelligence speeds up administrative tasks and aids robotic surgery, remote healthcare is being facilitated with advancements in telecommunication. Besides, 3D printing has opened new avenues of treatment, innovating customized solutions at incredible speed. Chat-bots are also likely to speed up standard processes in the healthcare industry.
- **Demographic Shift:** UAE's population is gradually growing, exhibiting trends for demographic change. According to the World Bank estimates, UAE's population is likely to grow from 9.4 million people in mid-2017 to almost 11.1 million by 2030, with an average life expectancy of 79.8 years. Residents aged 65+ are expected to comprise a growing proportion of UAE's population, increasing from 1.1% at present to 4.4% by 2030. The demographic shift is anticipated to open up opportunities for the healthcare industry in UAE as well as other GCC countries.
- **Opportunities for Medical Professionals:** The opportunities to develop medical professionals within the UAE is gradually growing. As more and more opportunities for medical studies open up, the country is poised to develop a vast pool of medical professionals equipped with knowledge to tackle complex medical procedures. As per the Dubai Health Authority (DHA) Strategy 2016–2021, a government directive supports Dubai's aim to attract, retain, and develop a healthcare workforce that is determined to offer access to world-class medical educational facilities. Given that 82% of physicians and 96% of nurses in the UAE are expatriates, these initiatives are likely to reduce dependence on healthcare practitioners from abroad.

## Growth Drivers:

- **Growing demand for quality healthcare:** The healthcare industry in the UAE and KSA is witnessing a staggering demand, mostly on account of the mandatory insurance coverage required for all residents of these countries. A vast majority of people in the GCC are below the age of 29 and therefore, its population is relatively young. However, in the years to come, the demographic shift will increase the aged population significantly. This segment, above 65 years of age, has a proportionally higher healthcare cost per capita for treatment of diabetes, hypertension, heart ailment and other illness. As a result, the ageing population of GCC countries is fuelling growth in the healthcare industry.
- **PPP opportunities in healthcare:** The opportunities for Public Private Partnership in healthcare is driving growth of smart hospital initiatives utilizing new-age technology such as Artificial Intelligence, Blockchain and Robotics. In UAE and Saudi Arabia, in particular, there is a rapid rise in private sector investment in healthcare. To meet the growing demand for healthcare services, additional beds are being arranged in private hospitals and this is likely to improve opportunities for investment.

- **Prioritizing value based care:** With an objective to offer outcome-based and cost-efficient healthcare, value based care aims to improve the overall quality of care offered by healthcare facilities. It takes on a holistic approach to ensure quality care while offering cost savings for stakeholders including healthcare providers, insurance companies and healthcare product manufacturers. It is particularly growing in UAE and Saudi Arabia.
- **Age of Innovation:** The healthcare industry remains at the cusp of evolutionary changes as advanced and innovative technology influences positive developments in the sector. In the next 2-3 years, AI platforms across select healthcare workflows, is likely to result in a 10-15% gain in productivity. In 2019, digital health technology, catering to out-of-hospital settings, increased by 30% to cross the US\$25 billion<sup>9</sup> mark globally. Moreover, 5-10% of healthcare-focused enterprise blockchain applications moved from pilot stage to partial/limited commercial availability in 2019.

## Challenges in the GCC Healthcare Industry

Some of the major challenges affecting the growth of healthcare sector in GCC countries are:

- GCC countries lack skilled medical professionals and depend on a transient expatriate population, which doesn't always provide the continuity required for long-term health planning.
- Increasing cost of healthcare in the GCC
- Extensive reliance on Government financing and schemes, i.e. rise of Public Private Partnership is needed to boost the industry.
- Inconsistencies in quality and standardization of services leads to complexity in processes, resulting in outflow of patients to countries outside the GCC.

## Indian Healthcare Industry

The healthcare sector in India has evolved significantly over the years, with positive contribution to the country's economic growth and enhancing healthcare system. The country is focusing on four main pillars of strengthening the healthcare sector - preventive healthcare, affordable healthcare, supply-side interventions and mission mode intervention.

With these approaches in mind, the Government of India is planning to increase public health spending to 2.5% of the country's GDP by 2025<sup>10</sup>. The competitive cost and quality medical services has increased the demand for country's medical tourism, attracting patients from across the world.

Given the positive growth of the healthcare sector, the life expectancy is expected to exceed 70 years by 2022, giving more demand to the healthcare services. This will result in investment of over US\$ 200 bn on medical infrastructure by 2024<sup>11</sup>. Further, these investments will lead to job creation of around 40 million by 2020 directly & indirectly, with currently the sector employing around 3 million people directly.

<sup>9</sup>Report by Frost and Sullivan on opportunities in GCC healthcare sector

<sup>10</sup>IBEF – Indian Healthcare Sector March 2020

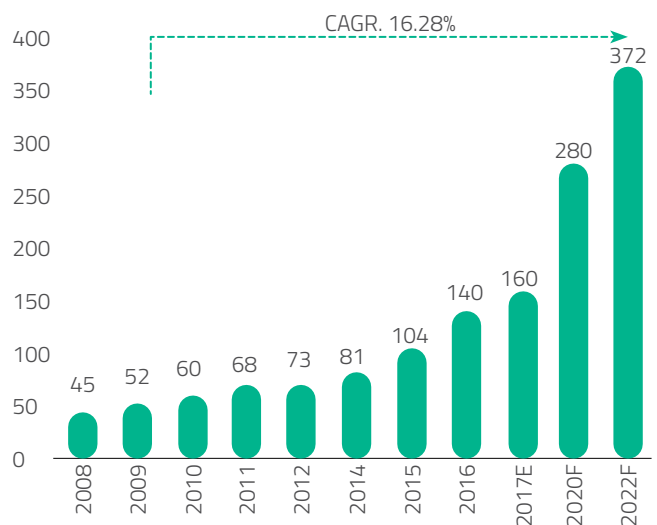
### Government Initiatives<sup>10</sup>

- In Union Budget 2020-21 the government announced an outlay of ₹ 69,000 crore (US\$ 9.87 billion) for the healthcare sector, inclusive of ₹ 6,400 crore (US\$ 915.72 million) for Pradhan Mantri Jan Arogya Yojana (PMJAY).
- Around 125.7 million families have enrolled in the Pradhan Mantri Jan Arogya Yojana (PMJAY), as of July 2019. Under this scheme, 16,085 hospitals, including 8,059 private hospitals and 7,980 public hospitals have been enrolled. The treatment initiatives are also expected to include 19 Ayush packages.
- The launch of 'Ayushman Bharat' demonstrates the Indian government's commitment to provide 'healthcare for all' and it is aligned to the United Nations Sustainable Development Goals.
- For approved expenditure incurred on operating technology, enabling healthcare services such as tele-medicine and remote radiology, can avail tax incentives in the form of 250% deduction.
- Income tax exemption for 15 years for domestically manufactured medical technology products.
- Over 100 million people are expected to benefit from the National Nutrition Mission, whereby states and districts will be covered by the programme. For nutrition-related programmes, ₹ 35,600 crore (US\$ 5.09 billion) has been allocated in Union Budget 2020-21.
- The Government of India also approved the continuation of National Health Mission with a budget of ₹ 34,115 crore (US\$ 4.88 billion), as per the recent budget.

### Outlook

India is expected to rank amongst the top three healthcare markets in the world in terms of incremental growth by 2020. Indian healthcare sector is expected to reach US\$ 372 bn by 2022, growing at a CAGR of 22% from 2016-2022<sup>12</sup>. Rising income levels, ageing population, growing health awareness and changing attitude towards preventive healthcare is expected to boost healthcare services demand in future. Further, there is immense scope for enhancing healthcare services penetration in India, thus presenting ample opportunity for development of the healthcare industry.

**Graph 7: Healthcare Sector Growth Trend (US\$ Billion)**



(Source: IBEF Indian Healthcare industry March 2020)

### Company Overview

As one of the largest private healthcare service providers operating in Asia (GCC and India), Aster DM Healthcare Ltd (Aster), continues to focus on providing accessibility to quality healthcare services. Aster operates in multiple GCC countries with presence in UAE, Oman, Saudi Arabia, Qatar and Bahrain. Besides this, the company has also operations in India as well. It has grown from a single clinic to a performance-driven healthcare enterprise spread across 380 establishments in 7 countries. The Company headquartered in Dubai, United Arab Emirates and provides services through its large network of hospitals, clinics, pharmacies under various brands like 'Aster', 'Medcare' and 'Access'.

Aster's quality of medical care and track record of building long-term relationships with its doctors and other medical professionals has enabled it to build a strong brand across its area of operations and gain consumer confidence. Aster has a diversified portfolio of healthcare facilities, consisting of 12 hospitals, 108 clinics and 238

retail pharmacies in the GCC states, 13 multi-specialty hospitals and 9 clinics in India as on March 2020.

Aster represents highest standards of patient care reflected in several industry recognitions and patient endorsements on rating platforms. Never content to rest on its laurels, Aster DM Healthcare is constantly seeking opportunities to set new yardsticks with advanced developments. With many more innovative and ambitious initiatives, Aster DM Healthcare has radically catalysed the healthcare revolution across Middle East.

### Key Strengths

- **Driving synergies:** Being present in GCC and India, Aster drives multiple operational as well as strategic synergies. While in GCC, it offers services across hospitals, clinics & pharmacies, providing primarily primary, secondary and tertiary/quaternary care, it leverages its brand to source quality medical professionals

<sup>11</sup>Livemint and Invest India

<sup>12</sup>Pharma Med HD 2019 Transforming the perception of Indian Health Care Industry



through its India operations. Strategic and sizeable network of clinics enable an efficient patient feeder structure. GCC operations contributes ~81 % of revenue, enabling it to leverage and promote medical value tourism to India.

- **Integrated healthcare provider with strong brand equity:** Aster, over 30 years, has created a healthcare eco-system across two key geographical regions. In GCC region, Aster's primary care clinics act as the initial touch-points in the patient journey, while hospitals stand to provide higher level of medical care. It has a strong patient endorsement across its multiple offerings of primary, secondary, tertiary care and quaternary care.
- **Benchmark Healthcare practices:** Aster places emphasis on improvement around systems and processes around the patient-care network. It also has the best in class technology and infrastructure to treat its patients backed by experienced nurses and doctors that provide proper care and due diligence.

All our network of facilities ensures maintenance of best healthcare practices and patient care.

- **Experienced Management Team:** With over three decades of experience and an experienced management team of professionals, Aster continues to expand its outreach. Over the years, it has widened its area of offerings with a team of professional and qualified doctors and nurses, ably-guided by its top management.

#### Business Review

- GCC Hospitals

Aster provides diverse range of services through its hospitals in GCC. The output patient services provided by the company includes consultations for various issues and preventive health screenings.

Hospitals-GCC	Location	Commencement or Acquisition year	Bed Capacity	Operational Beds
Medcare Hospital	Dubai, UAE	2007	64	55
Al Raffa Hospital	Muscat, Oman	2009	86	72
Al Raffa Hospital	Sohar, Oman	2010	78	67
Medcare Orthopaedics and Spine Hospital	Dubai, UAE	2012	33	27
Aster Hospital Mankhool	Dubai, UAE	2015	126	108
Medcare Women and Child Hospital	Dubai, UAE	2016	112	95
Medcare Hospital	Sharjah, UAE	2017	130	113
Sanad Hospital	Riyadh, KSA	2011	218	218
Aster Hospital	Doha, Qatar	2017	61	30
Aster Hospital Qusais	Dubai, UAE	2018	154	99
Ibri Hospital	Ibri, Oman	2019	31	24
Cedars Hospital	Dubai, UAE	2019	18	0

- GCC Clinics

Aster possesses one of the largest network of clinics in UAE, operating to the highest quality of standards and offers affordable health care, thereby, setting new benchmarks in care to make a positive difference to the lives of its patients. The company has 90 clinics present in UAE, 8 clinics present in Oman, 8 clinics present in Qatar and 2 clinics in Bahrain.

- GCC Retail Pharmacies

Aster has a huge pharmacy network of 238 stores catering to its customers a wide range of products including nutritional supplements, baby care, personal care, medical device,

rehabilitation products etc. Companies has its Pharmacies present in the UAE (212), Oman (8), Qatar (6), Jordan (10) and in Bahrain (2).

- Indian Hospitals

Aster has 13 hospitals in India with an installed capacity of 3,693 beds. These hospitals offer a wide range of care services such as Cardiac, Orthopaedic, Neurology, Oncology, etc. The company, during the year, also witnessed a significant rise in inpatients and outpatients count in its Indian hospitals.

Hospitals-India	Location	Commencement or Acquisition year	Bed Capacity	Operational Beds
Aster Aadhar Hospital	Kolhapur, Maharashtra	2008	176	151
MIMS Kozhikode	Kozhikode, Kerala	2013	678	465
MIMS Kottakkal	Kottakkal, Kerala	2013	229	171
Aster CMI	Bengaluru, Karnataka	2014	509	326
Aster Medcity	Kochi, Kerala	2014	670	440
Aster Prime Hospital	Hyderabad, Telangana	2014	158	112

Hospitals-India	Location	Commencement or Acquisition year	Bed Capacity	Operational Beds
DM WIMS Wayanad	Wayanad, Kerala	2016	NA	NA
Dr. Ramesh Guntur	Guntur, Andhra Pradesh	2016	350	175
Dr. Ramesh Main Centre	Vijaywada, Andhra Pradesh	2016	184	160
Dr. Ramesh- Labbipet	Vijaywada, Andhra Pradesh	2016	54	50
Dr. Ramesh Sanghamitra-Ongole	Ongole, Andhra Pradesh	2018	150	150
MIMS Kannur	Kannur, Kerala	2019	302	236
Aster RV	Bengaluru, Karnataka	2019	233	94

## Operational Review

**100% legal ownership in Dubai:** One of the very important milestones that Aster has crossed is 100% legal ownership of our subsidiaries in Dubai which contributes majority of its GCC business. As per UAE law requirements, UAE nationals have to hold directly or indirectly at least 51% of the share capital of UAE Company and foreign investors cannot acquire more than 49% of legal ownership. The government of UAE has now permitted 100% ownership to foreign companies. Subsequently, the government department has released the list of business activities that can have 100% foreign ownership and healthcare was a part of it.

**Beds:** The total number of operational beds increased YOY from 2,179 units to 2,530 units in India and decreased YOY from 913 units to 908 units in GCC hospitals.

**Hospital Patient Visits:** The number of inpatients count increased from ~218,000 in FY19 to ~254,000 in FY20. Further, the growth in number of outpatient counts was observed at ~3.59 million in FY20 from ~3.14 million in FY19.

## Financial Performance

(Figures in ₹ crores)

	FY 2019-20	FY 2018-19	Change
Revenue from Operation	8,739	7,963	10%
EBITDA	1,258	863	46%
Adjusted PAT*	296	335	-11%

## Financial Ratios

Ratio	FY 2019-20	FY 2018-19	Change
Debtor Turnover Ratio (times)	4	4.5	-0.5
Inventory Turnover Ratio (times)	10.3	11.7	-1.4
Interest Coverage Ratio (times)	2	3.3	-1.3
Current Ratio	1.1	1.4	-0.3
Net Debt Equity Ratio**	0.7	0.6	0.1
EBITDA Margin (%)	14.4%	10.8%	360 bps
Adjusted PAT Margin* (%)	3.4%	4.2%	-80 bps
Return on Net Worth (%)	9.0%	10.7%	-170 bps

\*Post NCI excluding exceptional income/expense

\*\* Net debt excludes lease liability.

## Reasons for Variance in financial ratios

The growth in revenue is primarily driven by scale up of operation for Aster Qusais Hospital in Dubai. Growth in India is primarily driven by opening up of new RV Hospital in Bangalore and scale up of operations in MIMS Kannur, MIMS Calicut and Aster CMI.

The increase in EBITDA is because of rent reversal due to IndAS impact of ₹ 290 Crs and revenue growth.

Due to adoption of Ind AS 116, Reported PAT has reduced by 17% to ₹ 277 Crs. Without considering the Ind AS impact, PAT grew by 2.6% to ₹ 342 Crs compared to last financial year.

## Expansion Plans

Aster plans to expand and strengthen its brand with the help of its geographical presence in GCC Countries and in India. The Company intends to increase its revenue share from India operations by optimally utilising the beds and also adding new units. Presently the company has 25 hospitals in India and GCC put together.

In GCC, Aster Sonapur Hospital has started operating in May 2020 and Sharjah hospital is in the advanced stage of completion.

In India, Aster plans to expand Aster Aadhar Hospital in Kolhapur by adding 60 beds. In Bangalore, there are 2 hospitals being





commissioned with the construction of a 350-bed hospital in process and another 600-bed hospital in the design stage.

**Strategies for Road Ahead**

**Home Healthcare Business:** As part of Aster’s strategy to enter less capital intensive business, it is now entering the Home Care Business. It has acquired Wahat Al Aman Home Health Care LLC, Abu Dhabi which offers home care services wherein nurses are deputed at residence of the patients to provide healthcare services. We have seen an uptake in India where nursing, pharmacy lab service and Home ICU being the top generating revenue services. The present focus is on extending care for the discharge patients through home care.

**Teleconsultation Services:** There has been a sharp uptake in the teleconsultation services due to COVID-19 pandemic. There is an untapped potential which can immediately be tapped up. In India, total number of doctors enrolled on eConsult portal are 581 across all Aster Hospitals. Teleconsultations for International patients have been done through existing platform as a pilot for 25-30 patients.

**Aster Labs:** Aster plans to expand the lab business in India. It has established Aster Labs in India. Recently, Aster Labs started providing confirmatory test service for Covid-19 in Bengaluru. Till mid-July 20, the Company has conducted more than 14,000 COVID-19 tests including government & private hospitals samples. Presently, the Aster Labs team is focusing on strengthening B2B business by entering MOUs with other hospitals.

**Discontinuing Loss Making Operations:** In line with the Company’s strategy of discontinuing loss-making operations, Aster has closed operations in Philippines and Kuwait and the focus is now on sweating the present assets well and putting into operation the unutilized beds.

**Human Resources**

The company has a continuous focus to forte its workforce and expand its human resources capabilities. It continuously invests in their career development, to enhance and improve their technical competencies and to retain a competitive edge. To create an enabling environment for skill development and growth of doctors and paramedics, Aster continuously provides quality training to its employees. As of 31st March 2020, the company has employee strength of 21,091 including 3,086 doctors, 7,263 nurses and 10,742 other employees.

**Risk Management**

The Company operates in a dynamic environment and it is exposed to many risks, which can affect the business continuity. The Company’s risk management activities seek to identify and appropriately address any significant threat to the achievement of its objectives. The Company has a Risk management policy in place and takes appropriate actions to mitigate the risk from time to time.

Risks	Impact	Mitigation
Rising Competition	The healthcare sector is competitive, as increasing healthcare providers (newer and existing hospitals, low-cost nursing homes etc) try to establish themselves among patients. Increasing subsidies from the government and improvement in services from the government hospitals may cause attrition in patients and disrupt business sustainability.	The Company has a rich experience of over 30 years in the industry, having built a resilient business model to tackle any competition. The Company’s acquisition strategy as well as associating as partners with the best and quality professionals in the industry ensures that it continues to provide affordable services to its patients and stay ahead of the competition curve.
Legal Factors	The healthcare industry is subject to laws, rules and regulations that differ from country to country. Changing regulations in the healthcare industry is often challenging and require efforts and investments to comply. Providers are also required to obtain and maintain various clearances, licenses, registrations and other approvals within the area of its operations.	Aster continuously monitors its legal environment and renew all its licenses across the countries in which it operates. The company abides by all rules and regulations implemented by the government and health standards authority ensuring complete compliance and smooth business operations across both GCC and India region.
Talent Risk	The attrition of key talented personnel and inability to attract, retain a sufficient number of qualified doctors, nurses and other healthcare professionals, could have a material adverse effect on business, financial condition and results of operations.	The Company continues to strengthen its work culture and recruit high quality doctors and other healthcare professionals, such as nurses, pharmacists and technicians.
Technology Risk	Advanced technology have helped the healthcare sector to treat patients well. With the help of Robotics, 3D printing and data analytics and blockchain, healthcare industry has evolved rapidly. Non-adherence to such development may lead to loss of revenue for the company.	The Company has a state-of-the-art technology which is among the best in world. It continuously invests in technology and processes to address rising critical diseases and serve patients through its multiple healthcare offerings. A dedicated training module for all its staff further ensures best clinical outcomes for various complex cases.

Risks	Impact	Mitigation
Quality Risk	Failure to deliver safe and quality based clinical healthcare service may affect the brand and future of the company. Healthcare quality is measured by factors such as medical care, expertise of healthcare professionals and final outcome of patient care.	Aster continues to lead as a healthcare service provider in GCC countries and in India. It has a specific focus on quality of services, delivering patient care with advanced medical care. Its facilities are certified with quality accreditations from leading health organization like JCI and NABH.
Revenue Risk	The Company has a presence in GCC states and in India. But a larger part of its revenue is focused on GCC countries. Any major changes in policy or regulation in any GCC region can affect the profitability and sustainability of its business operations.	To mitigate the concentration of revenue mix, the company has been quite successful in implementing its business strategy as revenue mix concentration has reduced from 89% in 2015 to 81% in 2020 from GCC states. Aster is expanding its operations in India and also planning to increase its scale in India by increasing its capacities through additional beds.

### Internal Control System and their adequacy

The Management has laid down internal financial controls to be followed by the Company. The Company has adopted policies and procedures for ensuring orderly and efficient conduct of the business, including adherence to the 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 disclosures. The internal control system is commensurate with the nature of business, size and complexity of operations and has been designed to provide reasonable assurance on the achievement of objectives, effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

As part of the Corporate Governance Report, CFO certification is provided, for assurance on the existence of effective internal control systems and procedures in the Company.

The internal control framework is supplemented with an internal audit program that provides an independent view of the efficacy and effectiveness of the process and control environment and supports a continuous improvement program. The internal audit program is managed by an in-house internal audit function and by Grant Thornton India LLP, external firm. The Audit Committee of the Board oversees the internal audit function.

The Audit Committee is regularly apprised by the internal auditors through various reports and presentations. The scope and authority

of the internal audit function is derived from the audit charter approved by the Audit Committee. The internal audit function develops an internal audit plan to assess control design and operating effectiveness, as per the risk assessment methodology. The internal audit function provides assurance to the Board that a system of internal control is designed and deployed to manage key business risks and is operating effectively.

### Cautionary Statement

Certain statements in the MDA section concerning future prospects may be forward-looking statements which involve a number of underlying identified / non identified risks and uncertainties that could cause actual results to differ materially. In addition to the foregoing changes in the macro-environment, global pandemic like COVID-19 may pose an unforeseen, unprecedented, unascertainable and constantly evolving risk(s), inter-alia, to the Company and the environment in which it operates. The results of these assumptions made, relying on available internal and external information, are the basis for determining certain facts and figures stated in the report. Since the factors underlying these assumptions are subject to change over time, the estimates on which they are based, are also subject to change accordingly. These forward-looking statements represent only the Company's current intentions, beliefs or expectations, and any forward-looking statement speaks only as of the date on which it was made. The Company assumes no obligation to revise or update any forward-looking statements, whether as a result of new information, future events, or otherwise.



# Directors' Report

Dear Shareholders,

Your Directors have immense pleasure in presenting the Twelfth Annual Report on the business and operations of your Company along with the audited financial statements for the financial year ended March 31, 2020.

## 1. RESULTS OF OPERATION AND STATE OF AFFAIRS

### Financial Results

Particulars	(₹ in crores except per share data)			
	Standalone		Consolidated	
	2020	2019	2020	2019
Revenue from operations	760.42	594.78	8,738.50	7,962.71
Other income	114.51	84.15	37.87	34.62
Total income	874.93	678.93	8,776.37	7,997.33
Total expenditure	810.32	628.89	8,426.50	7,585.31
Profit/(loss) before exceptional items and tax	64.61	50.04	349.87	412.02
Exceptional item	-	(1.52)	(19.64)	(1.52)
Profit/(loss) before tax	64.61	48.52	330.23	410.50
Share of net profit/ (loss) of equity accounted investees	-	-	(0.19)	(0.25)
Profit/(loss) before tax	64.61	48.52	330.04	410.25
Less: Tax expense	4.00	0.45	15.38	42.94
Profit for the year	60.61	48.07	314.66	367.31
Other comprehensive income/(loss), net of taxes	(0.25)	0.57	144.61	62.41
Total comprehensive income/ (loss)	60.36	48.64	459.27	429.72
Profit attributable to				
Owners of the company	60.61	48.07	276.61	333.11
Non-controlling interest	-	-	38.05	34.20
<b>Total</b>	<b>60.61</b>	<b>48.07</b>	<b>314.66</b>	<b>367.31</b>
Total comprehensive income attributable to				
Owners of the company	60.36	48.64	405.42	389.85
Non-controlling interest	-	-	53.85	39.87
<b>Total</b>	<b>60.36</b>	<b>48.64</b>	<b>459.27</b>	<b>429.72</b>
Earnings per share				
Basic	1.21	0.96	5.51	6.63
Diluted	1.21	0.96	5.50	6.62

### Financial position

Particulars	(₹ in Crores)			
	Standalone		Consolidated	
	2020	2019	2020	2019
Cash and cash equivalents	15.55	3.49	150.80	227.64
Trade receivables	44.78	35.22	2,366.44	2,028.70
Other current assets	112.76	294.25	1,578.43	1,360.35
<b>Total current assets</b>	<b>173.09</b>	<b>332.96</b>	<b>4,095.67</b>	<b>3,616.69</b>
Property, plant and equipment	868.41	821.01	4,261.93	3,872.01
(including capital work in progress)				
Goodwill	-	-	1,068.74	839.65
Other intangible assets	3.25	1.79	216.60	126.89
Other non-current assets	2,508.25	2,221.06	2,794.90	481.17
<b>Total non-current assets</b>	<b>3,379.91</b>	<b>3,043.86</b>	<b>8,342.17</b>	<b>5,319.72</b>
<b>Total Assets</b>	<b>3,553.00</b>	<b>3,376.82</b>	<b>12,437.84</b>	<b>8,936.41</b>
Non-current liabilities	359.81	198.22	4,997.25	2,589.00
Current liabilities	262.59	198.32	3,722.08	2,667.59
<b>Total current and non-current liabilities</b>	<b>622.4</b>	<b>396.54</b>	<b>8,719.33</b>	<b>5,256.59</b>
Equity	499.52	505.23	499.52	505.23
Other equity	2,431.08	2,475.05	2,772.62	2,708.53
Non-controlling interest	-	-	446.37	466.06
<b>Total equity</b>	<b>2,930.60</b>	<b>2,980.28</b>	<b>3,718.51</b>	<b>3,679.82</b>
<b>Total equity and liabilities</b>	<b>3,553.00</b>	<b>3,376.82</b>	<b>12,437.84</b>	<b>8,936.41</b>

### Performance Overview

During the year under review the Company reported, on a consolidated basis, a total income from operations of ₹ 8,738.50 crores as compared to ₹ 7,962.71 crores registering a year on year growth of 9.74%. Of the total revenues from operations for fiscal 2020, our hospital segment accounted for ₹ 4,572.78 crores, our clinic segment accounted for ₹ 2,006.13 and our retail pharmacy segment accounted for ₹ 2,143.11. Our operations in India, which primarily consist of hospitals, accounted for ₹ 1,612.70 crores of our total revenues from operations for the year ended March 31, 2020.

Our strategies for the financial year 2020-2021 are explained in the Management Discussion and Analysis, which forms part of this Annual Report.

## 2. TRANSFER TO RESERVES

There are no appropriations to/from the general reserves of the Company during the year under review.

An amount of ₹ 120 crores was utilized for buyback of shares, ₹ 1.56 crores was charged as transaction costs relating to buyback and ₹ 5.71 crores was transferred to the Capital Redemption Reserve upon buyback in accordance with Section 69 of the Companies Act, 2013.

## 3. DIVIDEND

Your Directors wish to conserve resources for future expansion and growth of the Company, hence they have decided to plough back the profits and thus do not recommended any dividend for the financial year under review.

In terms of Regulation 43A of the SEBI (Listing Obligations and Disclosures Requirements) Regulations ("Listing Regulations"), the Company has adopted Dividend Distribution Policy setting out the parameters and circumstances that will be taken into account by the Board in determining the distribution of dividend to the Shareholders and/or retaining profits earned by the Company. The detailed Policy is annexed to this report as **Annexure 1** and is also available on the website of the Company at [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors).

## 4. SHARE CAPITAL

During the year under review the Company has bought back a total number of 57,14,285 equity shares under the Buyback Offer on a proportionate basis through tender offer route at a price of ₹ 210 per equity share. Consequent to the buyback of shares by the Company, the paid-up equity share capital of the Company stands at ₹ 499.51 Crores consisting of 49,95,13,060 equity shares of ₹ 10 each as on March 31, 2020. Further, the 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 annexure to this report.

As on March 31, 2020, except Dr. Azad Moopen who holds 17,33,536 equity shares, Mr. T J Wilson who holds 27,10,356 equity shares, Mr. Shamsudheen Bin Mohideen Mammu Haji who holds 56,61,732 equity shares, Mr. Anoop Moopen who holds 11,65,910 equity shares and Ms. Alisha Moopen who holds 1,69,122 no other Directors hold any equity shares or preference shares in the Company.

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

## 5. PUBLIC DEPOSITS

The Company has not accepted any public deposits within the meaning of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

## 6. LOANS, GUARANTEE AND INVESTMENTS

Pursuant to Section 186 of the Companies Act, 2013 and Schedule V of the Listing Regulations, disclosure relating to loans/advances given, guarantees provided and investments made are provided as part of the financial statements.

## 7. SUBSIDIARY, JOINT VENTURES AND ASSOCIATE COMPANIES

The 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, 63 step-down subsidiaries and 5 associate companies. As on March 31, 2020 the Company has 9 direct subsidiaries, 67 step-down subsidiaries and 4 associate companies. Your Company has no joint ventures as on March 31, 2020. There has been no material change in the nature of the business of the subsidiaries.

Following entities have become subsidiaries, step-down subsidiaries/ associates of the Company during the reporting period:

- a. Aster Clinical Lab LLP
- b. Ezhimala Infrastructure LLP
- c. Alfaone FZ LLC
- d. Grand Optics LLC
- e. Premium Healthcare Limited
- f. Wahat Al Aman Home Healthcare LLC
- g. Emed Human Resources India Private Limited

Pursuant to provisions of section 129(3) of the Companies Act, 2013, a statement containing salient features of the financial statements of the Company's subsidiaries in Form AOC-1 is annexed as **Annexure 2** to this report.



## 8. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

In line with the requirements of the Companies Act, 2013 and Listing Regulations, the Company has formulated a policy on dealing with Related Party Transactions, which is also available on the Company's website at [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors). The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all transactions between the Company and related parties.

All related party transactions are placed before the Audit Committee for review and approval. Prior omnibus approval is obtained for related party transactions on yearly basis for transactions which are of repetitive nature and /or entered in the ordinary course of business.

No material related party transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the last audited financial statements, were entered into by the Company during the year.

A statement giving details of all related party transactions entered pursuant to the omnibus approval so obtained is placed before the Audit Committee for their review on a quarterly basis. Disclosures as required under Section 134(3)(h) read with Rule 8(2) of the Companies (Accounts) Rules, 2014 are given in Form AOC-2 as specified under Companies Act, 2013 which is annexed as **Annexure 3** to this report.

## 9. DIRECTORS' RESPONSIBILITY STATEMENT

In terms of section 134 (5) of the Companies Act, 2013 the Directors 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 the Companies 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.

## 10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### Appointments

- The Board of Directors on recommendation of the Nomination and Remuneration Committee, appointed Mr. Chenayappillil John George (DIN: 00003132) as an Additional Director (Non-Executive Independent) on the Board of the Company with effect from April 11, 2020 for a term of three years subject to approval of the Members at the ensuing Annual General Meeting of the Company. The Notice of 12th Annual General Meeting of the Company contains the above proposal for the approval of the Members.

### Reappointments

- In accordance with Articles of Association, Mr. Daniel Robert Mintz (DIN: 00960928), Director who retired by rotation was re-appointed as Director at the 11th Annual General Meeting of the Company held on August 08, 2019.
- The Members of the Company at the Annual General Meeting held on August 08, 2019 passed special resolution for the re-appointment of Dr. Azad Moopen (DIN:00159403) as Managing Director of the Company for a period of 5 years subject to approval of the Central Government. The Central Government has granted approval under section 196 read with Part-I (e) of schedule-V of the Companies Act, 2013 vide letter reference no. SRN H95544425/02/2019-CL-VII dated February 27, 2020 for the re-appointment of Dr. Azad Moopen as Managing Director of the Company with effect from December 01, 2019 for a period of 3 years, 4 months and 13 days i.e upto April 14, 2023 on which date Dr. Azad Moopen shall be attaining the age of 70 years.

As per the proviso to section 196 (3) (a) of the Companies Act, 2013, a Company is required to obtain the approval of the Members by the way of a special resolution for appointing a person as a Managing Director, who has attained the age of 70 years. Based on the aforementioned provisions, the Company shall seek necessary approvals in future for continuing the appointment of Dr. Azad Moopen as Managing Director after April 14, 2023.

- In accordance with Articles of Association, Mr. Anoop Moopen (DIN: 02301362), Director shall retire by rotation at the ensuing Annual General Meeting. The Director being eligible offers himself for re-appointment. The Notice of 12th Annual General Meeting of the Company contains the above proposal for the approval of the Members.

### Resignations

- During the year under review Mr. Maniedath Madhavan Nambiar (DIN: 01122411) had resigned as Non-Executive Independent Director of the Company with effect from the close of the business hours on February 11, 2020.

### Retirements

- Mr. Ravi Prasad (DIN: 07022310) and Mr. Daniel James Snyder (DIN:02298099), Non-Executive Independent Directors of the Company had retired from the Board of Directors of the Company on completion of their term of 5 years with effect from the close of the business hours on April 20, 2020.

### Change in Designation

- The Board of Directors, on recommendation of the Nomination and Remuneration Committee at their meeting held on August 07, 2019 has recommended the appointment of Ms. Alisha Moopen (DIN: 02432525) as Deputy Managing Director of the Company for a period of 5 years. The Members of the Company passed a special resolution vide Postal ballot results dated October 14, 2019 to appoint Ms. Alisha Moopen as Deputy Managing Director of the Company for a period of 5 years with effect from August 07, 2019 subject to approval of the Central Government. The Company has applied for the approval of the Central Government under section 196 read with Part-I (e) of schedule-V of the Companies Act, 2013 and approval is awaited.

### Key Managerial Personnel

In terms of the provisions of Section 203 of the Companies Act, 2013, the Company has appointed the following Key Managerial Personnel:

S. No	Name of the Key Managerial Personnel	Designation
1	Dr. Azad Moopen	Chairman and Managing Director
2	Ms. Alisha Moopen	Deputy Managing Director
3	Mr. Sreenath Reddy	Group Chief Financial Officer
4	Ms. Puja Aggarwal	Company Secretary and Compliance Officer

## 11. COMMITTEES OF DIRECTORS

The Company has constituted committees as required under the Companies Act, 2013 and the Listing regulations, the details of the said Committees forms part of the Corporate Governance Report.

## 12. BOARD EVALUATION

Pursuant to the provisions of Companies Act, 2013 and the Listing Regulations the evaluation of Board of Directors was conducted for the financial year 2019-20.

The evaluation was conducted by engaging an external independent firm having the requisite expertise in this field. An online questionnaire method was adopted for evaluation based on the criteria formulated by the members of the Nomination and

Remuneration Committee ("NRC"). The evaluation was made to assess the performance of individual Directors, committees of Board, Board as a whole and the Chairman. Adherence to the Code of Conduct, display of leadership qualities, independence of judgement, integrity and confidentiality, etc were the criterion based on which the performance evaluation was conducted. Further, the evaluation of Management was conducted based on the factors such as timeliness in the flow of information, transparency and quality of information provided to the Board for decision making, adoption of suggestions provided by the Board etc.

The Independent Directors at their meeting held on April 02, 2020, reviewed the performance of the Non-Independent Directors, Committees of the Board, the Board as a whole and Chairman based on the evaluation of other Directors. The Nomination and Remuneration Committee at their meeting reviewed the outcome of the evaluation process. The Directors were satisfied by the constructive feedback obtained from their counterparts.

## 13. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received the declaration from Independent Directors in accordance with Section 149(7) of the Companies Act, 2013 and Regulations 25(8) of the Listing Regulations that he/she meets the criteria of independence as laid out in Section 149(6) of the Act and Regulations 16(1)(b) of the Listing Regulations.

## 14. 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 Companies Act, 2013, has been disclosed in the Corporate Governance Report and is also available on the website of the Company at [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors).

## 15. BOARD MEETINGS AND ANNUAL GENERAL MEETING

The Board of Directors met 5 times during the financial year viz May 28, 2019; August 07, 2019; November 12, 2019; January 09, 2020 and February 11, 2020. The intervening gap between the meetings was within the period prescribed under the Companies Act, 2013, detailed information regarding the meetings of the Board and Committees of the Board is included in the report on Corporate Governance.

The annual general meeting for the financial year 2018-19 was held on August 08, 2019 at the registered office of the Company. The Members of the Company passed a special resolutions vide Postal ballot results dated October 14, 2019 to shift the registered office of the Company from the State of Kerala to the State of Karnataka and to appoint Ms. Alisha Moopen as Deputy Managing Director of the Company for a period of 5 years.



## 16. SECRETARIAL STANDARDS

The Company has devised proper systems to ensure compliance with 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.

## 17. PARTICULARS OF EMPLOYEES

The statement containing particulars of employees as required under section 197 (12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in **Annexure 4** forming part of this report.

## 18. EMPLOYEE STOCK OPTION SCHEME

The Nomination and Remuneration Committee of the Board inter alia administers and monitors the Company's Employees Stock Option Plan "Aster DM Healthcare Employees Stock Option Plan 2013" in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations") and the Plan is implemented through DM Healthcare Employees Welfare Trust.

During the year, 1,31,336 shares were transferred from the ESOP Trust to the eligible employees under the Company's prevailing ESOP Plan. As on March 31, 2020, the ESOP Trust held 28,72,616 (0.58%) equity shares of the Company.

Disclosures as required under Rule 12 of Companies (Share Capital and Debentures) Rules, 2014, SEBI (SBEB) Regulations, 2014 read with SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 have been provided separately in **Annexure 5** to the Directors' Report.

The certificate from the Statutory Auditor that the Plan has been implemented in accordance with SBEB Regulations and the resolutions passed by the shareholders shall be placed at the Annual General Meeting for inspection by the Members.

## 19. INTERNAL CONTROL SYSTEMS

The Management has laid down internal financial controls to be followed by the Company. The Company has adopted policies and procedures for ensuring orderly and efficient conduct of the business, including adherence to the 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 disclosures. The internal control system is commensurate with the nature of business, size and complexity of operations and has been designed to provide reasonable assurance on the achievement of objectives, effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

As part of the Corporate Governance Report, CFO certification is provided, for assurance on the existence of effective internal control systems and procedures in the Company.

The internal control framework is supplemented with an internal audit program that provides an independent view of the efficacy and effectiveness of the process and control environment and supports a continuous improvement program. The internal audit program is managed by an in-house internal audit function and by Grant Thornton India LLP, external firm. The Audit Committee of the Board oversees the internal audit function.

The Audit Committee is regularly apprised by the internal auditors through various reports and presentations. The scope and authority of the internal audit function is derived from the audit charter approved by the Audit Committee. The internal audit function develops an internal audit plan to assess control design and operating effectiveness, as per the risk assessment methodology. The internal audit function provides assurance to the Board that a system of internal control is designed and deployed to manage key business risks and is operating effectively.

## 20. VIGIL MECHANISM

The Company believes in conducting its affairs in a transparent manner and adopts highest standards of professionalism and ethical behaviour. Integrity is one of the key values of the Company that it strictly abides by. Keeping that in view the Company has established a vigil mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics. The Whistle Blower Policy has been amended with effect from February 11, 2020 and is available on the website of the Company at [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors).

The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against whistle blowers and provides adequate safeguard measures. It also provides a direct access to the Chairman of the Audit Committee under extraordinary circumstances.

In addition to this, the Company has also engaged an independent agency called 'Integrity Matters' that provides an electronic and digital platform to report any unethical practices or harassment/injustice at the workplace confidentially and, if desired, anonymously by any employees or vendors of the Company or any of its subsidiaries anywhere in the world to ensure fairness and transparency in the process.

## 21. RISK MANAGEMENT POLICY

Risk is the effect of uncertainty on an expected result and every business is exposed to it. The ability to effectively identify and manage risk is a vital element of business success for all parts of the Company's business. During the period under review, the Company has strategized to handle the risks by:

- defining, analysing and prioritizing various kinds of risks;
- forming a cross functional team with well-defined roles for identifying and reporting of new risks;

- giving training and support for the risk owners; and
- commencing the standardization and digitalization of risk reporting, planning risk management activities, and reviewing the risks periodically.

The Company strives to bring in further accountability and transparency and expertise in the risk management by periodic reporting to the Risk Management committee. The 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 being faced by the Company.

Risk of natural calamities including pandemic, innovation risk and medical risk were identified by management as high risks that can have major impact on the business of the Company. Competition risk, Technology risk, and Investment risk are examples of moderate risks on the company's business.

The Risk management policy is available on the website of the Company at [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors).

## 22. CORPORATE SOCIAL RESPONSIBILITY

The Company has a 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 Act Companies Act, 2013. The CSR Policy of the Company is available on the website of the Company at [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors). Details on Corporate Social Responsibility activities undertaken during the year is provided in **Annexure 6** forming part of this report.

Further, the CSR policy of the Company has undergone changes during the period under review. The policy is amended to put forth its core values and high standards of corporate governance by inclusion of the mission and vision statements. It has clearly defined the activities the Company proposes to undertake which are in line with the mission and vision statements. The policy mainly focuses on three elements being:

**Environment:** The programmes covered under this head are relating to sustainability practices like waste management, measures to reduce the impact of climate change and global warming, sustainable consumption of materials etc.

**People:** Employment of equal rights to women, recruitment of differently abled people and ensuring employment of peripheral community members.

**Social:** Strategic Pillars of various programmes proposed to be undertaken: Safety and Health awareness programmes, Mobile Medical Services, Community Dialysis Centers, Early Diseases Detection and Cancer Screening Programme, Paediatric Cardiac Surgeries, Disaster Management and Village Adoption.

## 23. AUDITORS

### i. Statutory Auditors

At the Annual General Meeting held on August 08, 2019, M/s. B S R & Associates LLP, Chartered Accountants, [Firm Registration No: 116231W/W-100024] were appointed as the Statutory Auditor of the Company to hold office till the conclusion of 12th Annual General Meeting. M/s. B S R & Associates LLP, have held the office as Statutory Auditor for the maximum term prescribed as per Section 139 of the Companies Act 2013, hence they are liable to retire at the ensuing 12th Annual General Meeting.

The Board of Directors on the recommendation of the Audit Committee, has approved and recommended to the Members for the appointment of M/s. Deloitte Haskins & Sells, Chartered Accountants [Firm registration number: 0080725] as Statutory Auditors of the Company for a period of 5 years from the conclusion of 12th AGM till the conclusion of the 17th AGM. The Notice of 12th Annual General Meeting of the Company contains the above proposal for the approval of the Members.

### ii. Secretarial Auditor

M/s. M Damodaran & Associates LLP, Practising Company Secretaries, [Firm registration number: L2019TN006000] were appointed to conduct the Secretarial Audit of the Company for the financial year 2019-20, as required under section 204 of the Companies Act, 2013 and Rules thereunder.

### iii. Cost Auditor

The Company has maintained cost record and accounts as specified by the Central Government under section 148(1) of the Companies Act, 2013 and rules made thereunder and M/s. BBS & Associates, Cost Accountants [Firm Registration No: 00273] were appointed as the Cost Auditor of the Company to conduct the audit of cost records for the financial year 2019-20.

The Board of Directors, on the recommendation of the Audit Committee, has appointed M/s. BBS & Associates, Cost Accountants [Firm Registration No: 00273] as the Cost Auditor of the Company to conduct the audit of cost records for the financial year 2020-2021 at a remuneration of ₹ 1,40,000 (Rupees one lakh and forty thousand only) plus out of pocket expenses & taxes as applicable, if any, in connection with the cost audit.

The Board of Directors of the Company proposes the ratification of remuneration of M/s. BBS & Associates, Cost Accountants for financial year 2020-2021 at the ensuing Annual General Meeting. The Notice of 12th Annual General Meeting of the Company contains the above proposal for the approval of the Members.





## 24. AUDIT REPORT

### i. Statutory Audit Report

Audit report on the financial statements of the Company for the financial year 2019-20 is being circulated to the Members 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, 2020.

During the year under review the Statutory Auditors have not reported to the Audit Committee any incident of fraud committed against the Company by its officers or employees under Section 143 (12) of the Companies Act, 2013.

### ii. Secretarial Audit Report

The Secretarial Audit report issued by M/s. M Damodaran & Associates LLP, Practising Company Secretaries for the financial year 2019-20 is annexed as **Annexure 7** to this report. The observation and management response to the same is given below:

1. Alfaone FZ LLC was incorporated in Dubai on October 09, 2019 as a wholly owned subsidiary of Aster DM Healthcare FZC, a step-down subsidiary of the Company, the disclosure of which was made to the stock exchanges on October 31, 2019. The lag was mainly due to the delay in receiving the license from the registration authority.
2. Company had restricted its "designated persons" from trading in its securities during the period between July 01, 2019 and August 09, 2019 on account of consideration of its financial results for the quarter ended on June 30, 2019. On July 09, 2019, one of the Non-Executive Directors of the Company, based on the pre-clearance received from the Company's Compliance Officer, bought 25,000 equity shares of the Company from the market. Upon being made aware of the transaction and its potential non-compliance, the Compliance Officer reported the same to the management and the Company's Audit Committee who initiated an enquiry into the matter. The Company has since informed The Securities and Exchange Board of India that the said trade was executed by the Director based on the pre-clearance issued inadvertently by the Compliance Officer and that the Director did not possess any unpublished price sensitive information at the time of seeking pre-clearance for the said trade.

During the year under review the Secretarial Auditors have not reported to the Audit Committee any incident of fraud committed against the Company by its officers or employees under Section 143 (12) of the Companies Act, 2013.

Pursuant to Regulation 24A of the Listing Regulations read with SEBI circular dated February 08, 2019, listed entities are required to submit the Annual Secretarial Compliance report with the stock exchanges within sixty days from the end of the financial year. Further, SEBI vide its circular dated March 19, 2020 extended the timeline for filing by one-month upto June 30, 2020. The Company has received the Annual Secretarial Compliance report from M/s. M Damodaran & Associates LLP, Practising Company Secretaries, [Firm registration number: L2019TN006000] and the same has been submitted to the stock exchanges within the stipulated date and a copy of the report is annexed as **Annexure 7A** to this report.

## 25. MATERIAL CHANGES AND COMMITMENTS AFFECTING FINANCIAL POSITION

In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. This pandemic has resulted in disruption to regular business operations due to lockdown, disruptions in transportation, travel bans, quarantines, social distancing and other emergency measures imposed by the Government. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company believes that the COVID-19 pandemic will only have a short-term impact on its operations and after easing of the lockdown restrictions, the business is expected to return to normal. The Company has considered available internal and external information while finalizing various estimates in relation to its financial results upto the date of approval of the financial results by the Board of Directors. Further, the Company has taken various measures to reduce its fixed cost - for example, salary reductions, optimization of administrative, sales and marketing costs, deferment of capex along with judicious resource allocation and requesting for the waiver of minimum guarantee fee and revenue share for hospital premises taken on lease. Accordingly, the Management believes that the Company will not have any challenge in meeting its financial obligations for the next 12 months based on the financial position and liquidity as on the date of the balance sheet and as on date of signing of these financial results. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally.

The Company will continue to closely monitor any material changes to future economic conditions. However, the pandemic did not have any material impact on the financial result for the year ended March 31, 2020.

## 26. EXTRACT OF ANNUAL RETURN

As per Section 134 (3) (a) of the Companies Act, 2013, an extract of the annual return in prescribed format is given in Form MGT-9 as **Annexure 8** to this report and is also available on the website of the Company at [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors).

## 27. 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.

## 28. BUSINESS OF THE COMPANY

The 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.

## 29. DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE

The Company has in place a Policy on Prevention of Sexual Harassment at workplace framed under Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. Internal Complaints Committee (ICC) has been constituted as per the said Act to redress the complaints with respect to sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the year under review no cases were reported on sexual harassment.

## 30. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREX EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014 is annexed as **Annexure 9** to this report.

## 31. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis as required under the Regulation 34 (3) of the SEBI Listing Regulations and Schedule V (B) to the said regulation forms part of the Annual report.

## 32. CORPORATE GOVERNANCE

As per Regulation 34 and Schedule V (C) to the SEBI Listing Regulations, the Corporate Governance Report with the Compliance certificate from the Practicing Company Secretary is attached to this report as **Annexure 10**.

## 33. BUSINESS RESPONSIBILITY REPORT

As per the Regulation 34 (2) (f) of the SEBI Listing Regulations, a Business Responsibility Report is annexed as **Annexure 11** to this report.

## 34. LISTING ON STOCK EXCHANGES

The Company's shares are listed on both BSE Limited and National Stock Exchange of India Limited from February 26, 2018.

## 35. 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 on the contribution made by the employees at all levels. The 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 and Managing Director

DIN: 00159403

Place: Dubai

Date: June 23, 2020



## Annexure 1

### POLICY FOR DIVIDEND DISTRIBUTION

(As adopted by the Board of Directors on November 21, 2017)

This policy applies to the distribution of dividend by Aster DM Healthcare Limited (the "Company") in accordance with the provisions of the Companies Act, 2013 ("Act") and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Regulations).

#### 1. Definitions

The terms referred to in the policy will have the same meaning as defined under the Act and the rules made thereunder, and the SEBI Regulations.

#### 2. Background

SEBI has, through its notification dated July 8, 2016, released the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Second Amendment) Regulations, incorporating Regulation 43A – Dividend Distribution Policy requiring the top five hundred listed entities based on market capitalization (calculated as on March 31 of every financial year) to formulate a dividend distribution policy which shall be disclosed in their annual reports and on their websites. This Policy sets out the parameters and circumstances that will be taken into account by the Board of Directors of the Company in determining the distribution of dividend to its shareholders and/or retaining profits earned by the Company. The Board of Directors may in extraordinary circumstances, deviate from the parameters listed in this policy.

##### a. The circumstances under which the shareholders may or may not expect dividend

In distributing the profits of the Company among shareholders, the Board of Directors will seek to balance members' need for a reasonable and predictable return on their investment with Company's funding requirements for its operations and long-term sustainable growth. The Company shall comply with the relevant statutory requirements that are applicable to the Company in declaring dividend or retained earnings. Generally, the Board shall determine the dividend for a particular period after taking into consideration the financial performance of the Company, net profit generated, the advice of executive management, and other parameters described in this policy.

##### b. The financial /internal parameters that shall be considered while declaring dividend

The Board of Directors of the Company shall consider the following financial parameters while declaring dividend or recommending dividend to shareholders:

- Net profit generated by the Company
- Capital allocation plans including:
  - Expected cash requirements of the Company towards working capital, capital expenditure in business etc;
  - Investments required towards execution of the Company's strategy;
  - Funds required for any mergers & acquisitions that the Board of Directors may approve;
  - Expenditure in research and development that Company may undertake;
  - Any share buy-back plans;
- Minimum cash required for contingencies or unforeseen events;
- Funds required to service any outstanding loans;
- Liquidity and return ratios;
- Statutory obligations and requirements thereof;
- Any other significant developments or other business requirements that require cash investments.

##### c. External factors that shall be considered for declaration of dividend

The Board of Directors of the Company shall consider the following external parameters while declaring dividend or recommending dividend to shareholders:

- Any significant changes in macro-economic environment affecting India or the geographies in which the Company operates, or the business of the Company;

- Any political, tax and regulatory changes in the geographies in which the Company operates;
- Any significant change in the business or healthcare sector environment resulting in the Company making significant investments to effect the necessary changes to its business model;
- Any changes in the competitive environment requiring significant investment;
- Financing costs in the market and future outlook thereof.

**d. Policy as to how the retained earnings shall be utilized**

The consolidated profits earned by the Company can either be retained in the business or used for various purposes as outlined in clause (b) above or it can be distributed to the shareholders.

**e. Provisions in regard to various classes of shares**

The provisions contained in this policy shall apply to all classes of Shares of the Company subject to necessary regulations contained in the Articles of Association of the Company.

**3. Review**

This policy will be reviewed and amended as and when required by the Board.

**4. Limitation and Amendment**

In the event of any conflict between the Act or the SEBI Regulations or any other statutory enactments ("Regulations") and the provisions of this policy, the Regulations shall prevail over this policy. Any subsequent amendment / modification in the Regulations, in this regard shall automatically apply to this policy.

FORM AOC-1

(Pursuant to the first proviso to sub-section (3) of section 129 of read with Rule 5 of the Company (Accounts) Rules, 2014)  
Statement containing salient features of the financial statements of subsidiaries or associate companies or joint ventures

Part A- Subsidiaries

Sl no.	Name of the Subsidiary/ Step-down subsidiary	Country	Currency	Exchange Rate	Share Capital	Other equity	Total Assets	Total Liabilities (excluding share capital and other equity)	Investments	Turnover	Profit before taxation	Profit after taxation	Proposed Dividend	Percentage of beneficial holding	Percentage of legal holding*
<b>Direct Subsidiaries</b>															
1	Affinity Holdings Private Limited	Mauritius	USD	74.81	0.01	1,767.51	2,116.35	348.84	2,089.50	100.84	100.51	96.57	-	100%	100%
2	Ambody Infrastructure Private Limited	India	₹	1.00	15.01	55.26	91.84	21.57	-	-	(0.19)	(0.19)	-	100%	100%
3	Aster DM Healthcare (Irvandrum) Private Limited	India	₹	1.00	8.01	(15.26)	92.32	99.58	-	-	(0.30)	(0.30)	-	100%	100%
4	DM Med City Hospitals (India) Private Limited	India	₹	1.00	0.01	68.39	117.17	48.77	0.02	4.73	0.09	0.51	-	100%	100%
5	Dr. Ramesh Cardiac and Multispecialty Hospital Private Limited	India	₹	1.00	10.79	105.63	239.86	123.45	41.86	214.68	7.45	4.50	-	51%	51%
6	Malabar Institute of Medical Sciences Limited	India	₹	1.00	99.91	337.50	822.60	385.19	9.29	487.52	12.66	11.98	-	74%	74%
7	Prerana Hospital Limited	India	₹	1.00	4.14	28.47	94.61	62.00	0.00	72.06	5.29	5.29	-	87%	87%
8	Sri Sainatha Multispecialty Hospitals Private Limited	India	₹	1.00	7.02	24.48	59.93	28.44	-	56.07	1.03	0.77	-	77%	77%
9	Aster Clinical Lab LLP	India	₹	1.00	1.00	(1.14)	20.97	21.11	-	0.05	(1.14)	(1.14)	-	100%	100%
<b>Step-down Subsidiaries</b>															
1	Active Holdings Limited	UAE	AED	20.37	0.37	(0.25)	14.00	13.87	12.22	-	(0.21)	(0.21)	-	0%	99%
2	Al Rafa Holdings Limited	UAE	AED	20.37	0.37	(0.87)	0.41	0.90	-	-	(0.09)	(0.09)	-	100%	0%
3	Al Rafa Investments Limited	UAE	AED	20.37	0.37	(1.62)	0.82	2.07	0.37	-	(0.17)	(0.17)	-	100%	0%
4	Al Rafa Medical Centre LLC	UAE	AED	20.37	0.61	(28.89)	34.48	62.75	-	17.29	(7.11)	(7.11)	-	51%	40%
5	Al Raffah Hospital LLC	Oman	AED	20.37	5.87	76.55	708.16	625.75	-	392.11	15.86	15.42	-	100%	70%
6	Al Raffah Medical Centre LLC	Oman	AED	20.37	2.93	(7.74)	10.20	15.01	-	11.24	0.47	0.11	-	100%	70%
7	Al Raffah Pharmacies Group LLC	Oman	AED	20.37	2.93	0.43	5.88	2.51	-	4.82	0.53	0.41	-	100%	70%
8	Al Shafar Pharmacy LLC; AUH **	UAE	AED	20.37	0.61	(1.72)	0.01	1.12	-	-	(0.04)	(0.04)	-	51%	49%
9	Alfa Drug Store LLC	UAE	AED	20.37	0.61	140.71	179.16	37.84	-	135.27	49.02	49.02	-	100%	49%
10	Alfa Investments Limited #	UAE	AED	20.37	0.37	(0.32)	14.36	14.31	0.37	-	(0.28)	(0.28)	-	0%	0%
11	Alfaone FZ LLC	UAE	AED	20.37	0.20	-	0.20	-	-	-	-	-	-	100%	100%
12	Asma Pharmacy LLC	UAE	AED	20.37	0.61	1.21	6.63	4.81	-	6.92	0.10	0.10	-	50%	49%
13	Aster Al Shafar Pharmacies Group LLC	UAE	AED	20.37	6.11	4.57	53.97	43.29	-	88.49	0.73	0.73	-	51%	49%
14	Aster Day Surgery Centre LLC (formerly known as Aster IVF and Women Clinic LLC)	UAE	AED	20.37	0.61	(16.03)	26.05	41.48	-	-	(2.09)	(2.09)	-	82%	49%

Sl no. subsidiary	Name of the Subsidiary/ Step-down	Country	Currency	Exchange Rate	Share Capital	Other equity	Total Assets	Total Liabilities (excluding share capital and other equity)	Investments	Turnover	Profit before taxation	Profit after taxation	Proposed Dividend	(amount in ₹ crores)	
														Percentage of beneficial holding	Percentage of legal holding*
15	Aster DCC Pharmacy LLC	UAE	AED	20.37	0.61	(6.41)	15.84	21.64	-	11.81	(2.70)	(2.70)	-	70%	70%
16	Aster DM Healthcare FZC	UAE	AED	20.37	2,086.01	365.72	7,090.29	4,638.56	905.55	1,410.40	426.46	426.46	-	100%	100%
17	Aster DM Healthcare INC	Philippines	AED	20.37	8.15	(7.59)	3.16	2.60	-	3.14	20.91	20.91	-	90%	90%
18	Aster DM Healthcare SPC	Bahrain	AED	20.37	1.02	(59.73)	30.18	88.89	-	40.54	(9.72)	(9.72)	-	100%	100%
19	Aster Grace Nursing and Physiotherapy LLC	UAE	AED	20.37	0.61	0.41	7.13	6.12	-	7.92	(0.68)	(0.68)	-	60%	29%
20	Aster Kuwait Pharmaceuticals and Medical Equipment Company WLL	Kuwait	AED	20.37	15.89	(12.14)	6.43	2.66	-	20.30	32.44	32.44	-	54%	2%
21	Aster Medical Centre LLC**	UAE	AED	20.37	0.61	(27.88)	0.47	27.74	-	-	-	-	-	90%	39%
22	Aster Opticals LLC	UAE	AED	20.37	0.61	(16.92)	39.31	55.62	-	9.42	(4.44)	(4.44)	-	60%	49%
23	Aster Pharmacies Group LLC	UAE	AED	20.37	0.61	330.10	930.50	599.79	-	1,681.79	185.13	185.13	-	100%	49%
24	Aster Pharmacy LLC, AUH	UAE	AED	20.37	0.61	1.30	5.38	3.47	-	15.34	0.69	0.69	-	100%	49%
25	Aster Primary Care LLC (formerly known as Dr. Moopen's Medical Clinic LLC)	UAE	AED	20.37	0.61	(0.85)	7.30	7.53	-	6.39	0.40	0.40	-	71%	40%
26	Aster Ramesh Duhita LLP	India	₹	1.00	0.73	(0.49)	0.83	0.60	-	0.93	(0.31)	(0.31)	-	51%	51%
27	Dar Al Shifa Medical Centre LLC	UAE	AED	20.37	0.61	(2.73)	10.89	13.00	-	9.94	(2.05)	(2.05)	-	51%	40%
28	DM Healthcare LLC	UAE	AED	20.37	6.11	166.59	828.83	656.13	1.04	1,115.04	177.89	177.89	-	100%	100%
29	DM Pharmacies LLC	UAE	AED	20.37	0.61	16.15	42.48	25.72	-	12.18	1.91	1.91	-	100%	49%
30	Dr. Moopens Aster Hospital WLL	Qatar	AED	20.37	0.41	(80.77)	271.90	352.26	-	113.05	3.12	6.00	-	99%	49%
31	Dr. Moopens Healthcare Management Services LLC	UAE	AED	20.37	0.61	(123.48)	53.38	176.24	-	42.36	(67.16)	(67.16)	-	100%	49%
32	Dr. Moopen's Healthcare Management Services WLL	Qatar	AED	20.37	3.46	209.17	429.35	216.72	0.61	233.21	13.19	12.05	-	99%	49%
33	E-Care International Medical Billing Services Co. LLC	UAE	AED	20.37	10.18	3.05	105.97	92.74	-	11.42	7.34	7.34	-	80%	51%
34	Emed Human Resources India Private Limited	India	₹	1.00	0.02	0.45	1.38	0.91	-	-	-	-	-	100%	100%
35	Eurohealth Systems FZ LLC	UAE	AED	20.37	0.20	16.18	26.33	9.96	-	17.91	4.14	4.14	-	100%	95%
36	Ezhimala Infrastructure LLP	India	₹	1.00	0.01	(0.03)	9.32	9.34	-	-	(0.03)	(0.03)	-	40%	40%
37	Grand Optics LLC	UAE	AED	20.37	0.61	(89.68)	72.89	161.95	-	63.20	(1.20)	(1.20)	-	85%	85%
38	Harley Street Dental LLC	UAE	AED	20.37	0.31	(4.25)	6.19	10.13	-	7.33	(0.70)	(0.70)	-	38%	74%
39	Harley Street LLC	UAE	AED	20.37	0.31	(0.11)	4.77	4.58	-	-	(0.00)	(0.00)	-	60%	9%
40	Harley Street Medical Centre LLC	UAE	AED	20.37	0.31	37.83	113.16	75.02	-	138.22	7.50	7.50	-	60%	9%
41	Harley street Pharmacy LLC	UAE	AED	20.37	0.31	(0.93)	7.97	8.59	-	11.81	0.51	0.51	-	60%	9%
42	Med Shop Drugs Store LLC	UAE	AED	20.37	0.61	87.62	929.97	841.74	-	358.35	2.05	2.05	-	100%	49%
43	Medcare Hospital LLC	UAE	AED	20.37	10.18	1,040.33	2,331.79	1,281.28	-	1,850.68	227.47	227.47	-	85%	30%
44	Medshop Garden Pharmacy LLC	UAE	AED	20.37	0.61	21.43	31.02	8.98	-	43.81	4.48	4.48	-	100%	49%
45	Metro Medical Center L.L.C	UAE	AED	20.37	0.61	3.36	12.78	8.81	-	18.51	0.88	0.88	-	66%	66%
46	Metro Meds Pharmacy L.L.C	UAE	AED	20.37	0.61	3.71	11.88	7.56	-	9.51	1.78	1.78	-	66%	66%



SI no.	Name of the Subsidiary/ Step-down subsidiary	Country	Currency	Exchange Rate	Share Capital	Other equity	Total Assets	Total Liabilities (excluding share capital and other equity)	Investments	Turnover	Profit before taxation	Profit after taxation	Proposed Dividend	Percentage of beneficial holding	Percentage of legal holding*
47	Modern Dar Al Shifa Pharmacy LLC	UAE	AED	20.37	0.61	8.40	15.47	6.45	-	38.30	2.72	2.72	-	51%	40%
48	New Aster Pharmacy DMCC	UAE	AED	20.37	0.41	7.02	10.17	2.74	-	15.92	1.84	1.84	-	100%	100%
49	Noor Al Shefa Clinic LLC	UAE	AED	20.37	0.61	9.13	19.20	9.46	-	21.04	2.71	2.71	-	70%	70%
50	Oman Al Khair Hospital L.L.C	Oman	AED	20.37	9.78	0.26	34.58	24.54	-	32.36	(3.04)	(3.08)	-	60%	42%
51	Orange Pharmacies LLC	Jordan	AED	20.37	0.32	(27.89)	25.94	53.52	-	55.68	(1.89)	(1.89)	-	51%	0%
52	Premium Healthcare Limited	UAE	AED	20.37	0.37	1.93	3.01	0.70	-	6.61	1.00	1.00	-	80%	80%
53	Radiant Healthcare LLC	UAE	AED	20.37	0.61	27.08	63.04	35.35	-	21.15	(6.83)	(6.83)	-	76%	76%
54	Rafa Pharmacy LLC	UAE	AED	20.37	0.61	(2.18)	3.74	5.32	-	9.88	0.23	0.23	-	100%	49%
55	Komali Fertility Centre LLP (formerly known as Ramesh Fertility Centre LLP)	India	₹	1.00	0.80	0.33	1.33	0.20	0.05	1.75	0.64	0.49	-	50%	50%
56	Samary Pharmacy LLC	UAE	AED	20.37	0.61	9.89	12.45	1.95	-	10.09	2.46	2.46	-	70%	70%
57	Sanad Al Rahma for Medical Care LLC	Kingdom of Saudi Arabia	AED	20.37	49.88	458.51	694.31	185.92	-	436.04	(25.79)	(32.48)	-	97%	97%
58	Sanghamitra Hospitals Private Limited	India	₹	1.00	6.27	7.54	29.54	15.74	-	41.76	4.62	3.50	-	51%	51%
59	Shindagha Pharmacy LLC	UAE	AED	20.37	0.61	(1.00)	6.71	7.09	-	9.15	(0.61)	(0.61)	-	90%	49%
60	Symphony Healthcare Management Services LLC	UAE	AED	20.37	0.61	(53.95)	123.39	176.73	-	178.14	(29.09)	(29.09)	-	100%	0%
61	Union Pharmacy LLC	UAE	AED	20.37	0.61	6.56	35.68	28.50	-	3.17	(0.71)	(0.71)	-	75%	37%
62	Wahat Al Aman Home Healthcare LLC	UAE	AED	20.37	0.20	25.94	40.69	14.54	-	31.90	9.22	9.22	-	100%	49%
63	Welcare Polyclinic W.L.L	Qatar	AED	20.37	0.41	(2.62)	9.25	11.46	-	17.26	0.76	0.77	-	50%	45%
64	Zabeel Pharmacy LLC	UAE	AED	20.37	0.61	(0.58)	2.86	2.83	-	6.27	0.36	0.36	-	51%	49%
65	Zahrath Al Shefa Medical Center LLC	UAE	AED	20.37	0.61	(0.27)	4.34	4.00	-	4.61	0.24	0.24	-	70%	70%
66	Zahrath Al Shefa Pharmacy LLC	UAE	AED	20.37	0.61	2.34	3.81	0.86	-	3.97	0.77	0.77	-	70%	70%
67	Aster Hospital Sonapur L.L.C	UAE	AED	20.37	0.61	-	0.61	-	-	-	-	-	-	90%	90%

Name of the subsidiaries which are yet to commence operations

- Alfaone FZ LLC

- Aster Clinical Lab LLP

- Ezhimala Infrastructure LLP

Name of the subsidiaries which have been liquidated or sold during the year

- Ibn Alhatham Pharmacy LLC (wound-up)

- Maryam Pharmacy LLC (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 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.

#Although the percentage of voting rights as a result of legal holding by the Group is Nil, the Group has the power to appoint/replace all members of the Board of Directors. Consequently Group has control over the entity.

All numbers have been converted from foreign currency to ₹ at the closing rate

**PART B-Associates or Joint Ventures**

(amount in ₹ crores)					
SI no.	Name of the Associate or Joint Venture	AAQ Healthcare Investments LLC	Aries Holdings FZC	AI Mutamaizah Medicare Healthcare Investment Co. LLC	MIMS Infrastructure and Properties Private Limited
1	Latest Audited Balance Sheet Date	March 31, 2020	March 31, 2020	December 31, 2019	March 31, 2020
2	Date on which the associate was associated or acquired	March 27, 2016	July 10, 2013	May 6, 2018	July 6, 2010
3	Shares of associate held by Company on the year end No.	99 equity shares of AED 1,000 each	1,250 equity shares of AED 1,000 each	735 equity shares of AED 100 each	0.66 crores of equity shares of ₹ 10 each and 0.27 crores of preference shares of ₹ 10 each
	Amount of investment in associate	0.20	2.55	0.15	9.29
	Extent of holding - Percentage of beneficial holding	33%	25%	49%	36%
	- Percentage of legal holding	33%	25%	49%	36%
4	Description of how there is a significant influence	(Due to percentage of share capital)			
5	Reason why the associate/joint venture is not Consolidated	(Consolidated as per IND-AS 28)			
6	Networth attributable to shareholding as per the latest audited balance sheet	1.61	4.51	(8.53)	8.90
7	Profit/(loss) for the year				
	i. considered in consolidation*	1.40	1.74	(3.46)	0.13
	ii. Not considered in consolidation	-	-	-	-

\*Groups share in profit/ (loss) for the year

Name of associate/ joint venture which are yet to commence operations - NIL

Name of associate/ joint venture which have been liquidated or sold during the year-The Company has increased its shareholding in Emed Human Resources India Private Limited from 33.33% to 100%.



## Annexure 3

### FORM AOC-2

#### (Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

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

#### 1. Details of contracts or arrangements not at arm's length basis: Nil

#### 2. Details of contracts or arrangements or transactions at arm's length basis:

Sl no.	Name(s) of the related party and nature of relationship	Nature of contract/arrangements/transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1	Aster DM Healthcare (Tivandrum) Private Limited, wholly-owned subsidiary	Expenses incurred on behalf of subsidiaries/ associates Lease rental for medical equipment Expenses incurred on behalf of subsidiaries/ associates Repayment from subsidiaries	On going On going On going On going	Reimbursement of expenses. Value of transactions for FY 2019-20 is ₹ 0.31 crore. Lease rental for medical equipment. Value of transactions for FY 2019-20 is ₹ 0.05 crore. Reimbursement of expenses. Value of transactions for FY 2019-20 is ₹ 1.06 crore. Repayment from subsidiaries. Value of transactions for FY 2019-20 is ₹ 0.01 crore.	February 13, 2019 February 13, 2019 February 13, 2019 & May 28, 2019 February 13, 2019	Nil Nil Nil Nil
2	DM Med City Hospitals (India) Private Limited, wholly-owned subsidiary	Expenses incurred by subsidiaries/ associates on behalf of company Other Income	On going On going	Expenses incurred by subsidiary on behalf of company. Value of transactions for FY 2019-20 is ₹ 0.07 crore. Other Income. Value of transactions for FY 2019-20 is ₹ 0.0034 crore.	February 13, 2019 May 28, 2019	Nil Nil
3	Ambady Infrastructure Private Limited, wholly-owned subsidiary	Lease rental for land Guarantee commission expense	On going On going	Lease rental paid for land. Value of transactions for FY 2019-20 is ₹ 1.00 crore. Guarantee commission paid to the subsidiary for guarantee extended on behalf of the loans availed by the Company. Value of transaction for FY 2019-20 is ₹ 0.13 crore.	June 23, 2020 February 13, 2019	Nil Nil
4	Sri Sainatha Multispeciality Hospitals Private Limited, subsidiary in which the Company holds 77% stake	Expenses incurred on behalf of subsidiaries/ associates Repayment from subsidiaries Other Income	On going On going On going	Reimbursement of expenses. Value of transactions for FY 2019-20 is ₹ 0.02 crore. Reimbursement of expenses. Value of transactions for FY 2019-20 is ₹ 0.12 crore. Repayment from subsidiaries. Value of transactions for FY 2019-20 is ₹ 0.0035 crore. Other Income. Value of transactions for FY 2019-20 is ₹ 0.03 crore.	May 28, 2019 February 13, 2019 February 13, 2019 May 28, 2019	Nil Nil Nil Nil

Sl no.	Name(s) of the related party and nature of relationship	Nature of contract/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	(amount in ₹ crores)	
				Salient terms of the contracts or arrangements or transactions including the value, if any	Amount paid as advances, if any
5	Prerana Hospital Limited, subsidiary in which the Company holds 87% stake	Expenses incurred on behalf of subsidiaries/ associates	On going	Reimbursement of expenses. Value of transactions for FY 2019-20 is ₹ 0.10 crore.	Nil
		Repayment from subsidiaries	On going	Repayment from subsidiaries. Value of transactions for FY 2019-20 is ₹ 0.01 crore.	Nil
		Expenses incurred by subsidiaries/ associates on behalf of company	On going	Expenses incurred by subsidiary on behalf of company. Value of transactions for FY 2019-20 is ₹ 0.0011 crore.	Nil
		Other Income	On going	Other Income. Value of transactions for FY 2019-20 is ₹ 0.04 crore.	Nil
		Guarantee commission received	On going	Guarantee commission received on the corporate guarantee extended on behalf of the loans availed by the subsidiary. Value of transaction for FY 2019-20 is ₹ 0.26 crore.	Nil
6	Dr.Ramesh Cardiac and Multi- Speciality Hospital Private Limited, Subsidiary in which the Company holds 51% stake	Expenses incurred on behalf of subsidiaries/ associates	On going	Reimbursement of expenses. Value of transaction for FY 2019-20 is ₹ 0.0043 crore.	Nil
		Repayment from subsidiaries	On going	Repayment from subsidiaries. Value of transactions for FY 2019-20 is ₹ 0.05 crore.	Nil
		Other Income	On going	Other Income. Value of transactions for FY 2019-20 is ₹ 0.0025 crore.	Nil
		Expenses incurred on behalf of subsidiaries/ associates	On going	Reimbursement of expenses. Value of transaction for FY 2019-20 is ₹ 0.62 crore.	Nil
		Repayment from subsidiaries	On going	Repayment from subsidiaries. Value of transactions for FY 2019-20 is ₹ 0.08 crore.	Nil
7	Malabar Institute of Medical Sciences Limited, subsidiary in which the Company holds 74% stake	Expenses incurred by subsidiaries/ associates on behalf of company	On going	Expenses incurred by subsidiary on behalf of company. Value of transaction for FY 2019-20 is ₹ 0.01 crore.	Nil
		Collection by company on behalf of subsidiaries	On going	Collection by company on behalf of subsidiaries. Value of transaction for FY 2019-20 is ₹ 0.13 crore.	Nil
		Sale of Medical consumables	On going	Sale of Medical consumables. Value of transactions for FY 2019-20 is ₹ 0.08 crore.	Nil
		Other Income	On going	Other Income. Value of transactions for FY 2019-20 is ₹ 0.26 crore.	Nil
		Guarantee commission received	On going	Guarantee commission received on the corporate guarantee extended on behalf of the loans availed by the subsidiary. Value of transaction for FY 2019-20 is ₹ 0.73 crore.	Nil
8	Emed Human Resources India Private Limited, wholly-owned step down subsidiary	Other expenses	On going	Other expenses. Value of transactions for FY 2019-20 is ₹ 0.0017 crore.	Nil
		Expenses incurred on behalf of subsidiaries/ associates	On going	Reimbursement of expenses. Value of transaction for FY 2019-20 is ₹ 0.30 crore.	Nil
		Repayment to subsidiaries	On going	Repayment to subsidiaries. Value of transactions for FY 2019-20 is ₹ 0.13 crore.	Nil
		Interest on loan to related parties	On going	Interest on loan received from the Associate. Value of transaction for FY 2019-20 is ₹ 0.02 crore.	Nil
		Other expenses	On going	Other Expenses. Value of transaction for FY 2019-20 is ₹ 0.08 crore.	Nil

Sl no.	Name(s) of the related party and nature of relationship	Nature of contract/ arrangements/transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
9	Aster Clinical Lab LLP, Company owns 100% stake	Expenses incurred on behalf of subsidiaries/ associates Repayment from subsidiaries	On going	Reimbursement of expenses. Value of transaction for FY 2019-20 is ₹ 0.60 crore. Repayment from subsidiaries. Value of transaction for FY 2019-20 is ₹ 0.0001 crore. Interest on loan. Value of transaction for FY 2019-20 is ₹ 0.29 crore.	November 12, 2019	Nil
		Expenses incurred on behalf of subsidiaries/ associates Repayment to subsidiaries	On going	Reimbursement of expenses. Value of transaction for FY 2019-20 is ₹ 0.01 crore.	May 28, 2019	Nil
	DM Education & Research Foundation, Dr. Azad Moopen (Chairman and Managing Director), Ms. Alisha Moopen (Deputy Managing Director), Mrs. Naseera Azad (relative of Dr. Azad Moopen), Ms. Zeba Moopen (relative of Dr. Azad Moopen) are Trustees in this trust	Repayment to subsidiaries Income from consultancy services Lease rental for land Other expenses	On going	Reimbursement of expenses. Value of transaction for FY 2019-20 is ₹ 5.77 crore. Income from consultancy services. Value of transaction for FY 2019-20 is ₹ 1.23 crore. Lease rental paid for land. Value of transactions for FY 2019-20 is ₹ 0.74 crore. Other expenses. Value of transactions for FY 2019-20 is ₹ 4.79 crore.	June 23, 2020	Nil
10		Income from consultancy services	On going	Income from consultancy services. Value of transaction for FY 2019-20 is ₹ 1.23 crore.	February 13, 2019 & May 28, 2019	Nil
		Lease rental for land	On going	Lease rental paid for land. Value of transactions for FY 2019-20 is ₹ 0.74 crore.	June 23, 2020	Nil
		Other expenses	On going	Other expenses. Value of transactions for FY 2019-20 is ₹ 4.79 crore.	February 13, 2019	Nil
11	Wayanad Infrastructure Private Limited, Dr. Azad Moopen (Chairman and Managing Director), Mr. T J Wilson (Non- Executive Director), Ms. Alisha Moopen (Deputy Managing Director), Mr. Anoop Moopen (Non- Executive Director), Mr. Shamsudheen Bin Mohideen Mammu Haji (Non -Executive Director), Mrs. Naseera Azad Moopen (relative of Dr. Azad Moopen), Ms. Zeba Moopen (relative of Dr. Azad Moopen), Ms. Ziham Moopen (relative of Dr. Azad Moopen) are Directors in this company	Other expenses	On going	Other expenses. Value of transactions for FY 2019-20 is ₹ 0.01 crore.	May 28, 2019	Nil
		Expenses incurred on behalf of subsidiaries/ associates	On going	Reimbursement of expenses. Value of transactions for FY 2019-20 is ₹ 2.31 crore.	February 13, 2019 May 28, 2019 and June 23, 2020	Nil
12	Dr. Moopens Healthcare Management Services UAE	Repayment from subsidiaries Collection by subsidiaries on behalf of company Other Income	On going	Reimbursement of expenses. Value of transaction for FY 2019-20 is ₹ 0.65 crore. Collection by subsidiary on behalf of the Company. Value of transactions for FY 2019-20 is ₹ 2.02 crore. Other Income. Value of transaction for FY 2019-20 is ₹ 0.45 crore.	June 23, 2020	Nil
		Expenses incurred on behalf of subsidiaries/ associates	On going	Reimbursement of expenses. Value of transaction for FY 2019-20 is ₹ 0.13 crore.	February 13, 2019 & May 28, 2019	Nil
13	Aster DM Healthcare FZC, wholly owned step-down subsidiary in UAE	Expenses incurred on behalf of subsidiaries/ associates	On going	Reimbursement of expenses. Value of transaction for FY 2019-20 is ₹ 0.08 crore.	June 23, 2020	Nil
		Expenses incurred on behalf of subsidiaries/ associates	On going	Reimbursement of expenses. Value of transaction for FY 2019-20 is ₹ 0.13 crore.	May 28, 2019	Nil
14	Al Raffah Hospital LLC, wholly owned step-down subsidiary in Oman	Expenses incurred on behalf of subsidiaries/ associates Other expenses	On going	Reimbursement of expenses. Value of transaction for FY 2019-20 is ₹ 0.08 crore. Other expenses. Value of transactions for FY 2019-20 is ₹ 0.12 crore.	February 13, 2019 May 28, 2019	Nil

## Annexure 4

### PARTICULARS OF EMPLOYEES

(Pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

- a. The ratio of the remuneration of Directors and Key Managerial Personnel to the median remuneration of the employees of the Company for the financial year:

Name of the Director/KMP and designation	Remuneration during FY 2019-20	(amount in ₹ crores)	
		Percentage increase in remuneration	Ratio to median remuneration
Dr. Azad Moopen*	0.60	Nil	19.98
Chairman and Managing Director			
Mr. Suresh Muthukrishna Kumar	0.16	Nil	5.33
Non-Executive Independent Director			
Mr. Daniel Robert Mintz	Nil	NA	NA
Non-Executive Director			
Prof. Biju Varkkey	0.14	Nil	4.66
Non-Executive Independent Director			
Mr. Shamsudheen Bin Mohideen Mammu Haji	Nil	NA	NA
Non-Executive Director			
Mr. T J Wilson**	Nil	NA	NA
Non-Executive Director			
Mr. Anoop Moopen	Nil	NA	NA
Non-Executive Director			
Ms. Alisha Moopen***	Nil	NA	NA
Deputy Managing Director			
Dr. Layla Mohamad Hassan Ali Almarzooqi	0.10	Nil	3.33
Non-Executive Independent Director			
Mr. Daniel James Snyder****	0.13	Nil	4.33
Non-Executive Independent Director			
Mr. Ravi Prasad*****	0.16	Nil	5.33
Non-Executive Independent Director			
Mr. Maniedath Madhavan Nambiar****	0.14	NA	4.66
Non-Executive Independent Director			
Mr. Sreenath Reddy****	Nil	NA	NA
Group Chief Financial Officer			
Ms. Puja Aggarwal	0.22	14%	7.33
Company Secretary and Compliance Officer			

There is no increase in the remuneration paid to independent Directors. Sitting fees of ₹ 1,00,000 is paid per meeting attended. However, the total remuneration received tends to change based on the meeting attended. Additionally, the Independent Directors are reimbursed for their expenses incurred in performance of official duties.

\* Dr. Azad Moopen also received remuneration of AED 72,00,000 during FY 2019-20 from Dr. Moopen's Healthcare Management Services LLC. He is entitled to gratuity payments and leave encashments as per the policies.

\*\* Mr. T J Wilson received remuneration of AED 15,89,600 and bonus of AED 2,26,800 during FY2019-20 from Dr. Moopen's Healthcare Management Services LLC. He is entitled to gratuity payments and leave encashments as per the policies.

\*\*\* Ms. Alisha Moopen received remuneration of AED 19,76,000 and bonus of AED 2,88,000 during FY 2019-20 from Dr. Moopen's Healthcare Management Services LLC. She is entitled to gratuity payments and leave encashments as per the policies.

\*\*\*\*Mr. Sreenath Reddy received remuneration of AED 15,71,350 and bonus of AED 2,16,000 during FY 2019-20 from Dr. Moopen's Healthcare Management Services LLC. He is entitled to gratuity payments and leave encashments as per the policies.

\*\*\*\*\*Mr. Maniedath Madhavan Nambiar resigned from the Board of Directors of the Company with effect from February 11, 2020.

\*\*\*\*\*Mr. Ravi Prasad and Mr. Daniel James Snyder retired from the Board of Directors of the Company with effect from April 20, 2020.

- b. The percentage increase in the median remuneration of employees in the financial year: 4.22%
- c. The number of permanent employees on the rolls of Company: 3,595.
- d. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: The average increase in the salaries of employees other than the managerial personnel is 6.43%. There was no increase in the managerial remuneration during the period under review.
- e. The Company affirms that the remuneration is as per the remuneration policy adopted by the Company.



f. The names of the top ten employees in terms of remuneration drawn\*

Sl no.	Name of the employee	Designation	Remuneration received (in Crore)	Nature of employment, whether contractual or otherwise	Qualification	Experience in no. of years	Date of commencement of employment	Age	Previous employer	% of equity shares held by the employee in the company	If relative of any director or manager of the company and if so, name of such director or manager
1	Dr.Harish Pillai	Chief Executive Officer – Aster India	2.34	Permanent	MBBS, MHM, MBA	30	27-05-2013	52	AS Salam International Hospital	0.0324	NA
2	Dr.Nitish Shetty	Chief Executive Officer – Aster CMI	1.27	Permanent	MBBS, MD	20	24-10-2014	49	BGS Global Hospital	0.0020	NA
3	Dr.Satish Prasad Rath	Chief Innovation Officer	1.12	Permanent	MBBS, MD	16	03-07-2019	44	Xerox research Canter India, Conduent labs	Nil	NA

\*The employees in receipt of remuneration of not less than one crore and two lakh rupees per annum and not less than eight lakh and fifty thousand rupees per month are covered in the list above.

g. If employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the Managing Director or Whole-time Director or Manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company – Not Applicable.

## Annexure 5

### DISCLOSURE WITH RESPECT TO EMPLOYEES STOCK OPTION PLAN (ESOP) OF THE COMPANY

(Pursuant to Rule 12 (9) of the Companies (Share Capital and Debentures) Rules 2014 and SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015)

#### A. Description on the ESOP Scheme

- (a) Date of Shareholders' approval – March 2, 2013 and December 22, 2018
- (b) Total number of options approved under ESOP – 46,28,250
- (c) Vesting requirements

Performance, Milestone & Incentive	Loyalty Options								
Options granted shall not vest prior to expiry of 12 months from the date of Grant. The options shall vest based on the performance of the company.	The Loyalty options shall vest based on the number of years of completion of service in the following pattern with minimum vesting period of 1 year from date of grant:								
	<table border="1" style="width: 100%;"> <thead> <tr> <th style="text-align: left;">Vesting period</th> <th style="text-align: left;">Percentage of Loyalty Option to vest</th> </tr> </thead> <tbody> <tr> <td>At the end of 3 years</td> <td style="text-align: right;">37.5%</td> </tr> <tr> <td>At the end of 6 years</td> <td style="text-align: right;">37.5%</td> </tr> <tr> <td>At the end of 9 years</td> <td style="text-align: right;">25%</td> </tr> </tbody> </table>	Vesting period	Percentage of Loyalty Option to vest	At the end of 3 years	37.5%	At the end of 6 years	37.5%	At the end of 9 years	25%
Vesting period	Percentage of Loyalty Option to vest								
At the end of 3 years	37.5%								
At the end of 6 years	37.5%								
At the end of 9 years	25%								

- (d) Exercise price or pricing formula – The exercise price shall be in the range of from ₹10 to a maximum of 25% discount on weighted average market value on the latest trading day in NSE prior to Nomination & Remuneration Committee meeting at which grant is made
- (e) Maximum term of options granted - 14 years
- (f) Source of shares – Secondary
- (g) Variation in terms of options – Some performance options granted during the period shall vest over three years based on the performance of the Company.
- (h) Material change in the scheme and whether the scheme(s) is / are in compliance with the regulations – Clauses of the scheme relating to the period of exercise in case of death/permanent disability and resignation/retirement of the option holder has been amended to extend the period of exercise. The ESOP Scheme is in compliance with the SEBI (Share Based Employee Benefits) Regulations, 2014.

#### B. Accounting Of ESOP

- (a) Method used to account for ESOP's – Fair value method is used for accounting of ESOPs
- (b) The impact on the profits and EPS of the Company- Refer Note 31 and 39 of Notes to accounts
- (c) Relevant disclosures in terms of the 'Guidance note on accounting for employee share-based payments' issued by ICAI or any other relevant accounting standards as prescribed from time to time – Refer Note 39 of Notes to accounts



### C. Option movement during the year

Particulars	Incentive	Milestone	Performance	Loyalty	Total
Number of options outstanding at the beginning of the period	1,66,829	1,15,472	8,42,579	5,21,200	16,46,080
Number of options granted during the year	-	-	9,17,100	5,62,400	14,79,500
Number of options forfeited / lapsed during the year	21,498	29,479	6,90,050	2,69,500	10,10,527
Number of options vested during the year	-	-	-	2,16,115	2,16,115
Number of options exercised during the year	1,24,305	65,092	-	97,420	2,86,817
Number of shares arising as a result of exercise of options	1,24,305	65,092	NIL	97,420	2,86,817
Money realized by exercise of options (₹), if scheme is implemented directly by the company	NIL	NIL	NIL	NIL	NIL
Loan repaid by the Trust during the year from exercise price received	NIL	NIL	NIL	NIL	NIL
Number of options outstanding at the end of the year	21,026	20,901	10,69,629	7,16,680	18,28,236
Number of options exercisable at the end of the year	7,651	7,651	-	1,64,475	1,79,777
Weighted-average exercise prices of options outstanding at the end of year	Refer Note 39 of Notes to accounts				
Weighted-average fair values of options granted	Refer Note 39 of Notes to accounts				

### D. Options granted to the employees of the Company during the year

#### (a) Options granted to Senior managerial personnel during the year

Name of the employee	Designation	Type of option	No. of options	Exercise Price (in ₹)
Ms. Fara Siddiqi	Group Chief Human Resource Officer	Performance	60,000	89
		Loyalty	40,000	10
Mr. Jobilal Vavachan	CEO- Aster Primary Healthcare	Performance	45,000	89
		Loyalty	30,000	10
Mr.Veneeth Purushottaman	Group Chief Information Officer	Performance	33,000	89
		Loyalty	22,000	10
Mr. Antony Petit	Group Chief Procurement Officer	Performance	24,000	89
		Loyalty	16,000	10
Mr. Sreenath Reddy	Group Chief Financial Officer	Performance	15,000	89
		Loyalty	10,000	10
Dr. Harish Pillai	CEO – Aster India	Performance	12,000	89
		Loyalty	8,000	10
Dr. Malathi A	Group Chief Quality Officer & Group Chief Medical Officer	Performance	9,000	89
		Loyalty	6,000	10
Mr. T J Wilson	Non-Executive Director & Group Head - Governance & Corporate Affairs	Performance	9,000	89
		Loyalty	6,000	10

#### (b) Any other employee who received a grant during the year, options amounting to 5% or more of option granted during the year

Name of the employee	Designation	Type of option	No. of options	Exercise Price (in ₹)
Ms. Fara Siddiqi	Group Chief Human Resource Officer	Performance	60,000	89
		Loyalty	40,000	10
Mr. Jobilal Vavachan	CEO- Aster Primary Healthcare	Performance	45,000	89
		Loyalty	30,000	10

#### (c) Identified employees who were granted options during the year, equal to or exceeding 1% of the issued capital excluding outstanding warrants and conversions of the Company at the time of grant – NIL

## E. Disclosures in respect of transactions made by Trust under ESOP Scheme

### (a) General information on the scheme

Sl no.	Particulars	Details
1	Name of the Trust	DM Healthcare Employees Welfare Trust
2	Details of the Trustee(s)	Mr. Sooraj P and Mr. Monu Kurian
3	Amount of loan disbursed by company/any company in the group, during the year	NIL
4	Amount of loan outstanding (repayable to company/ any company in the group) as at the end of the year	₹ 23.14 Crores
5	Amount of loan, if any, taken from any other source for which company/any company in the group has provided any security or guarantee	NIL
6	Any other contribution made to the Trust during the year	NIL

### (b) Brief details of transactions in shares by the Trust

Number of shares	As a percentage of paid-up equity capital as at the end of the year immediately preceding the year in which shareholders' approval was obtained
Held at the beginning of the year	30,03,952
Acquired during the year	Nil
Sold during the year	Nil
Transferred to the employees during the year	1,31,336
Held at the end of the year	28,72,616

## F. A description of the method and significant assumptions used during the year to estimate the fair value of options including the following information:

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.

(a) the weighted-average values of share price, exercise price, expected volatility, expected option life, expected dividends, the risk-free interest rate and any other inputs to the model	Refer Note 39 of Notes to accounts
(b) the method used and the assumptions made to incorporate the effects of expected early exercise	Refer Note 39 of Notes to accounts
(c) Determination of expected volatility, including an explanation of the extent to which expected volatility was based on historical volatility	Refer Note 39 of Notes to accounts
(d) Other features of the option grant incorporated into the measurement of fair value	Refer Note 39 of Notes to accounts

## G. Grants made in three years prior to IPO

Disclosures in respect of grants made in three years prior to IPO under DM Healthcare Employees Stock Option Plan:

Particulars	Milestone	Incentive	Performance	Loyalty	Total
Number of options outstanding at the beginning of the period	25,251	85,734	5,49,229	3,85,900	10,46,114
Number of options forfeited / lapsed during the period	1,498	9,534	3,65,400	1,68,300	5,44,732
Number of options vested during the period	-	-	-	1,19,265	1,19,265
Number of options exercised during the period	2,852	55,174	-	81,120	1,39,146
Number of shares arising as a result of exercise of options	2,852	55,174	-	81,120	1,39,146
Number of options outstanding at the end of the period	20,901	21,026	1,83,829	1,36,480	3,62,236





## Annexure 6

### ANNUAL REPORT ON CSR ACTIVITIES

(Pursuant to section 135 of the Companies Act, 2013)

One of the core values of the Company is Compassion. We at Aster, believe in serving the society by taking various initiatives contributing to the well-being of the people around. Our CSR policy spells out our key focus areas and our long-term vision towards sustainable development. We have adopted United Nations Sustainable Development Goals and used it as a global framework to develop our sustainability priorities.

Aster DM Healthcare has always been conscious of its duty towards people and society. Aster DM Foundation, a non-profit charitable and philanthropic arm of Aster DM Healthcare, carries out all the Corporate Social Responsibility (CSR) and philanthropic initiatives. The Foundation supports programmes that address underserved and marginalized populations, advance social justice, works towards women and youth empowerment and creating a healthy environment.

A few notable CSR activities of the Aster group are given on page no 38 of this annual report.

#### Objectives of CSR Policy:

- To undertake social projects in designated communities, in a focused manner to generate maximum positive impact.
- The Company is committed to all its stakeholders to conduct business in a socially and environmentally sustainable manner that is transparent and ethical.
- Develop and implement community enablement programmes for sustainable socio-economic development.
- The Company is part of a bigger ecosystem of people, values, organizations, nature and environment, and the company understands that it is its social responsibility to give back to the world.

#### Composition of CSR committee as on March 31, 2020 is as under

Sl no.	Name of the Members	Designation
1	Dr. Azad Moopen	Chairman
2	Mr. Shamsudheen Bin Mohideen Mammu Haji	Member
3	Mr. Anoop Moopen	Member
4	Prof. Biju Varkkey	Member
5	Dr. Layla Mohamed Hassan Ali Almarzooqi	Member

Note:

Mr. Maniedath Madhavan Nambiar ceased to be a Member of the Committee with effect from February 11, 2020

#### Particulars of CSR Activities during FY 2019-20:

1. Average net-profit of the Company for the last three years: ₹ (64.66) crores
2. Prescribed CSR expenditure: Nil
3. Details of CSR spent during the Financial Year:
  - (a) Total amount to be spent for the financial year: Nil
  - (b) Amount unspent if any: Not Applicable
  - (c) Manner in which amount was spent: Although the Company is not required to spend the prescribed amount towards Corporate Social Responsibility as per Companies Act, 2013 an amount of ₹ 2 crores was spent towards house construction and repair project for Kerala flood victims. The approval of the shareholders has been obtained under Section 181 of the Companies Act, 2013 at the Annual General Meeting held on August 8, 2019 for making the above mentioned contribution.
4. Reasons for not spending the prescribed amount: Not Applicable

The CSR Committee hereby confirms that the implementation and monitoring of CSR Policy is in compliance with CSR objectives and CSR Policy of the Company.

## Annexure 7

### FORM MR 3

### SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2020

(Pursuant to section 204(1) of the Companies Act, 2013 and RuleNo.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014)

To  
 The Members,  
**Aster DM Healthcare Limited**  
 (CIN: L85110KL2008PLC021703)  
 IX/475L, Aster Medcity, Kuttisahib Road,  
 Near Kothad Bridge, South Chittoor P.O,  
 Cheranalloor, Kochi – 682027, Kerala, India

I, M Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries have conducted the Secretarial Audit of the compliance 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my 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, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 2020 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 herein:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 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 regulations made thereunder to the extent of Foreign Direct Investment and Overseas Direct Investment;
- (v) The following Regulations and Guidelines prescribed under The Securities and Exchange Board of India Act, 1992 ('SEBI Act'); including amendment/ reenactment made thereto;

- 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, 2018;
- d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018
- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- 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;
- (vi) The Management has identified and confirmed compliances with certain laws as specifically applicable to the Company: Refer Annexure- A

I have also examined compliance with the applicable Regulations/ Clauses of the following:

- i. The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited under The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and
- ii. Secretarial Standards (SS-1) for Board Meeting and Secretarial Standards (SS-2) – for General Meeting issued by The Institute of Company Secretaries of India.

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.

- a) Alfaone FZ LLC was incorporated in Dubai on October 09, 2019 as a wholly owned subsidiary of Aster DM Healthcare FZC, a step-down subsidiary of the Company, the disclosure of which was made to the stock exchanges on October 31, 2019 without providing explanation for such delayed disclosure.



b) In compliance with the provisions of The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's "Code for Prohibition of Insider Trading in the Securities of Aster DM Healthcare Limited" the Company had restricted its "designated persons" from trading in its securities during the period between July 01, 2019 and August 09, 2019 on account of consideration of its financial results for the quarter ended on June 30, 2019. On July 09, 2019, one of the Non-Executive Director of the Company, based on the pre-clearance received from the Company's Compliance Officer, bought 25,000 equity shares of the Company from the market. Upon being made aware of the transaction and its potential non-compliance, the Compliance Officer reported the same to the management and the Company's Audit Committee who initiated an enquiry into the matter. The Company has since informed The Securities and Exchange Board of India that the said trade was executed by the Director based on the pre-clearance issued inadvertently by the Compliance Officer and that the Director did not possess any unpublished price sensitive information at the time of seeking pre-clearance for the said trade.

**I further report that** the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the act.

Adequate notice is given to all Directors to schedule the Board & Committee Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and 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. As per the minutes of the meetings duly recorded and signed by the Chairman, the decisions of the Board were unanimous, and no dissenting views have been recorded.

**I further report 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.

**I further report that** during the audit period the company has

- a) obtained order dated December 24, 2019 from the Regional Director, Southern Region, Chennai for Shifting of registered office of the Company from the State of Kerala to State of Karnataka.
- b) bought back of 57,14,285 equity shares fully paid up of ₹ 10 each of the Company representing approximately 1.13% of the total paid up equity share capital of the Company at a price of ₹ 210 per equity share for an aggregate amount of up to ₹ 120,00,00,000 being 4.69% and 5.42% of the fully paid up equity share capital and free reserves as per the latest audited standalone and consolidated financial statements respectively of the Company as at March 31, 2019.

For **M Damodaran & Associates LLP**

**M Damodaran**

Managing Partner

FCS No: 5837

COP No: 5081

Place: Chennai

Date: June 22, 2020

ICSI UDIN No: F005837B000363601

## Annexure-A

1. Air (Prevention & Control of Pollution) Act 1981 and rules thereunder
2. Atomic Energy (Radiation Protection) Rules, 2004
3. Atomic Energy Act, 1962
4. Batteries (Management and Handling) Rules, 2001
5. Bio-Medical Waste Management Rules, 2016
6. Birth & Death and Marriage Registration Act
7. Code of Ethics for Doctors and Nurses
8. Contract Labour (Regulation & Abolition) Act, 1970
9. Copyright Act, 1957
10. Drugs (Prices Control) Order, 2013
11. Drugs and Cosmetics Act, 1940
12. Electricity Act 2003
13. Employees' Compensation Act, 1923
14. Employees' Provident Funds and Miscellaneous Provisions Act, 1952
15. Employers State Insurance Act, 1948
16. Environment Protection Act, 1986
17. Equal Remuneration Act, 1976
18. Food Safety and Standards Act, 2006 and Rules 2011 along with regulations.
19. Goods and Service Act, 2014
20. Guidelines for Clinical Management of HIV / Aids
21. Hazardous and Other Wastes (Management and Trans boundary Movement) Rules, 2016
22. Income Tax Act 1961 and Indirect Tax Law\
23. Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002
24. Indian Medical Council Act, 1956
25. Indian Medical Degree Act, 1916
26. Indian Nursing Council Act, 1947
27. Indian Stamp Act, 1999
28. Industrial Disputes Act, 1947
29. Inter-State Migrant Workers (Regulation of Employment and Conditions of Services) Act, 1979
30. Karnataka Lifts, Escalators and Passenger Conveyors Act, 2012
31. Karnataka Lifts, Escalators and Passenger Conveyors Rules, 2015
32. Karnataka Private Medical Establishments Act, 2007
33. Karnataka Fire Force Act, 1964
34. Kerala Fire Force Act, 1962
35. Kerala Lifts and Escalators Act, 2013 and Kerala Lifts and Escalators Rules, 2012
36. Kerala Panchayat Raj – Transplantation of Human Organs Act, 1994
37. Kerala Panchayat Raj Act, 1994 and Kerala Panchayat Raj (Registration of Private Hospitals and Paramedical Establishments) Rules, 1997
38. Legal Metrology Act, 2009
39. Medical Termination of Pregnancy Act, 1971
40. Minimum Wages Act, 1948
41. Narcotic Drugs and Psychotropic Substances Act, 1985
42. Payment of Bonus Act, 1965
43. Payment of Gratuity Act, 1972
44. Payment of Wages Act, 1936
45. Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994
46. Radiation Protection Rules, 1971
47. Radiation Surveillance Procedures for Medical Application of Radiation, 1989
48. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
49. Shops and Commercial Establishment Acts, and
50. The Drugs and Magic Remedies (Objectionable Advertisements) Act, 1954
51. The Environment (Protection) Act, 1986
52. The Explosives Act, 1884
53. The Indian Boilers Act, 1923
54. The Minimum Wages Act, 1948
55. The Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001
56. Trade Marks Act, 1999
57. Transplantation of Human Organ Act
58. Transplantation of Human Organs and Tissues Act, 1994
59. Water (Prevention & Control of Pollution) Act 1974 and rules thereunder
60. Water (Prevention & Control of Pollution) Cess Act, 1977



## DISCLAIMER CERTIFICATE

To  
The Members,  
**Aster DM Healthcare Limited**  
(CIN: L85110KL2008PLC021703)  
IX/475L, Aster Medcity, Kuttisahib Road,  
Near Kothad Bridge, South Chittoor P.O,  
Cheranalloor, Kochi – 682027, Kerala, India

My report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices, I followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to the verification of procedures on test basis.
6. 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.

For **M Damodaran & Associates LLP**

Place: Chennai  
Date: June 22, 2020

**M Damodaran**  
Managing Partner  
FCS No: 5837  
COP No: 5081  
ICSI UDIN No: F005837B000363601

## Annexure 7A

### SECRETARIAL COMPLIANCE REPORT OF ASTER DM HEALTHCARE LIMITED

**For the financial year ended March 31, 2020**

(Pursuant to Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/CMD1/27/2019 dated February 08, 2019)

I, M Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries have conducted the Secretarial Compliance Audit of the applicable The Securities and Exchange Board of India Regulations and the circulars / guidelines issued thereunder for the financial year ended March 31, 2020 for ASTER DM HEALTHCARE LIMITED ("the Company"). The audit was conducted in a manner that provided me a reasonable basis for evaluating the statutory compliances and expressing my opinion thereon.

I have examined:

- a) the documents and records made available to me and explanation provided by the Company;
- b) the filings/ submissions made by the Company to the stock exchanges;
- c) website of the Company;
- d) any other document(s)/ filing(s), as may be relevant, which has been relied upon to make this certification, for the year ended March 31, 2020 ("Review Period") in respect of compliance with the provisions of:
  - i. The Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and
  - ii. The Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations prescribed under The Securities and Exchange Board of India Act, 1992 ("SEBI Act") whose provisions and

the circulars/guidelines issued thereunder, (wherever applicable), have been examined, include: -

- a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018.
- c) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.
- d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018.
- e) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.
- f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008.- Not applicable during the review period.
- g) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible and Redeemable Preference Shares) Regulations, 2013 - Not applicable during the review period.
- h) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015.
- i) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993.
- j) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.
- k) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 -Not applicable during the review period.



Based on my examination and verification of the documents and records produced to me and according to the information and explanations provided to me by the Company, I report that, during the Review Period:

- a) The Company has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below: -

Sl no.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
1	Disclosure of information under Regulation 30 of The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015	Alfaone FZ LLC was incorporated in Dubai on October 09, 2019 as a wholly owned subsidiary of Aster DM Healthcare FZC, a step-down subsidiary of the Company, the disclosure of which was made to the stock exchanges on October 31, 2019 without providing explanation for such delayed disclosure.	Para A, Part A of Schedule III to The Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 prescribes certain events upon occurrence of which, the company shall not later than twenty-four hours from the occurrence of such event, make disclosure to the stock exchanges without any application of the guidelines for materiality. Further, in case the disclosure is made after twenty-four hours of occurrence of the event, the company shall, along with such disclosure, provide explanation for delay. The Management has informed us that the lag in reporting was due to the delay in receiving the license from the registration authority.
2	The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's "Code for Prohibition of Insider Trading in the Securities of Aster DM Healthcare Limited"	In compliance with the provisions of The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and the Company's "Code for Prohibition of Insider Trading in the Securities of Aster DM Healthcare Limited" the Company had restricted its "designated persons" from trading in its securities during the period between July 01, 2019 and August 09, 2019 on account of consideration of its financial results for the Quarter ended on June 30, 2019. On July 09, 2019, one of the Non-Executive Directors of the Company, based on the pre-clearance received from the Company's Compliance Officer, bought 25,000 equity shares of the Company from the market.	Upon being made aware of the transaction and its potential non-compliance, the Compliance Officer reported the same to the management and the Company's Audit Committee who initiated an enquiry into the matter. The Company has since informed The Securities and Exchange Board of India that the said trade was executed by the Director based on the pre-clearance issued inadvertently by the Compliance Officer and that the Director did not possess any unpublished price sensitive information at the time of seeking pre-clearance for the said trade.

The Company has complied the provision of the SEBI circular CIR/CFD/CMD1/114/2019 dated October 18, 2019 on changes in terms of appointment of Statutory Auditors, the Company has amended the terms of appointment of the Statutory Auditor to give effect to the said circular.

- a) The Company has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my examination of those records.
- b) There were no instances for actions taken against the Company / its promoters/ directors/ material subsidiaries either by the SEBI or by Stock Exchanges- (including under the Standard Operating Procedures issued by the SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.
- c) The Company was not required to take any action with regard to compliance with the observations made in previous reports as the same was not applicable.

For **M Damodaran & Associates LLP**

**M Damodaran**  
Managing Partner  
FCS No: 5837  
COP No: 5081

ICSI UDIN No: F005837B000363623

Place: Chennai  
Date: June 22, 2020

## Annexure 8

### FORM NO. MGT 9

### EXTRACT OF ANNUAL RETURN

As on financial year ended on March 31, 2020

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

#### I. REGISTRATION & OTHER DETAILS

1	CIN	L85110KL2008PLC021703
2	Registration Date	January 18, 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	Hospital Activities	86110	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sl no.	Name and address of the Company	CIN	Holding/ Subsidiary/ Step-down subsidiary/ Associate	% of beneficial holding	% of legal holding*	Country
1	Ambady Infrastructure Private Limited	U45201KL2008PTC021727	Subsidiary	100%	100%	India
2	Aster DM Healthcare (Trivandrum) Private Limited	U85110KL2010PTC025573	Subsidiary	100%	100%	India
3	DM Med City Hospitals (India) Private Limited	U85110KL2009PTC024999	Subsidiary	100%	100%	India
4	Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited	U73100AP1995PTC020491	Subsidiary	51%	51%	India
5	Malabar Institute of Medical Sciences Limited	U85110KL1995PLC008677	Subsidiary	74%	74%	India
6	Prerana Hospital Limited	U85110PN1996PLC104292	Subsidiary	87%	87%	India
7	Sri Sainatha Multispeciality Hospitals Private Limited	U85110TG2007PTC054118	Subsidiary	77%	77%	India
8	Aster Clinical Lab LLP	AAP-8163	Subsidiary	100%	100%	India
9	Affinity Holdings Private Limited	NA	Subsidiary	100%	100%	Mauritius
10	Emed Human Resources India Private Limited	U74900KL2010PTC025639	Step-down Subsidiary	100%	100%	India
11	Sanghamitra Hospitals Private Limited	U85110AP2008PTC060069	Step-down Subsidiary	51%	51%	India
12	Aster Ramesh Duhita LLP	AAM-2399	Step-down Subsidiary	51%	51%	India
13	Komali Fertility Centre LLP (formerly known as Ramesh Fertility Centre LLP)	AAN-8110	Step-down Subsidiary	50%	50%	India
14	Ezhimala Infrastructure LLP	AAP-7788	Step-down Subsidiary	40%	40%	India
15	Active Holdings Limited		Step-down Subsidiary	0%	99%	UAE
16	Al Rafa Holdings Limited		Step-down Subsidiary	100%	0%	UAE
17	Al Rafa Investments Limited		Step-down Subsidiary	100%	0%	UAE
18	Al Rafa Medical Centre LLC		Step-down Subsidiary	51%	40%	UAE
19	Al Raffah Hospital LLC		Step-down Subsidiary	100%	70%	Oman
20	Al Raffah Medical Centre LLC		Step-down Subsidiary	100%	70%	Oman
21	Al Raffah Pharmacies Group LLC		Step-down Subsidiary	100%	70%	Oman
22	Al Shafar Pharmacy LLC, AUH **		Step-down Subsidiary	51%	49%	UAE
23	Alfa Drug Store LLC		Step-down Subsidiary	100%	49%	UAE
24	Alfa Investments Limited #		Step-down Subsidiary	0%	0%	UAE





SI no.	Name and address of the Company	CIN	Holding/ Subsidiary/ Step-down subsidiary/ Associate	% of beneficial holding	% of legal holding*	Country
25	Alfaone FZ LLC		Step-down Subsidiary	100%	100%	UAE
26	Asma Pharmacy LLC		Step-down Subsidiary	50%	49%	UAE
27	Aster Al Shafar Pharmacies Group LLC		Step-down Subsidiary	51%	49%	UAE
28	Aster Day Surgery Centre LLC (formerly known as Aster IVF and Women Clinic LLC)		Step-down Subsidiary	82%	49%	UAE
29	Aster DCC Pharmacy LLC		Step-down Subsidiary	70%	70%	UAE
30	Aster DM Healthcare FZC		Step-down Subsidiary	100%	100%	UAE
31	Aster DM Healthcare INC		Step-down Subsidiary	90%	90%	Philippines
32	Aster DM Healthcare SPC		Step-down Subsidiary	100%	100%	Bahrain
33	Aster Grace Nursing and Physiotherapy LLC		Step-down Subsidiary	60%	29%	UAE
34	Aster Kuwait Pharmaceuticals and Medical Equipment Company W.L.L		Step-down Subsidiary	54%	2%	Kuwait
35	Aster Medical Centre LLC**		Step-down Subsidiary	90%	39%	UAE
36	Aster Opticals LLC		Step-down Subsidiary	60%	49%	UAE
37	Aster Pharmacies Group LLC		Step-down Subsidiary	100%	49%	UAE
38	Aster Pharmacy LLC, AUH		Step-down Subsidiary	100%	49%	UAE
39	Aster Primary Care LLC (formerly known as Dr. Moopen's Medical Clinic LLC)		Step-down Subsidiary	71%	40%	UAE
40	Dar Al Shifa Medical Centre LLC		Step-down Subsidiary	51%	40%	UAE
41	DM Healthcare LLC		Step-down Subsidiary	100%	100%	UAE
42	DM Pharmacies LLC		Step-down Subsidiary	100%	49%	UAE
43	Dr. Moopens Aster Hospital WLL		Step-down Subsidiary	99%	49%	Qatar
44	Dr. Moopens Healthcare Management Services LLC		Step-down Subsidiary	100%	49%	UAE
45	Dr. Moopen's Healthcare Management Services WLL		Step-down Subsidiary	99%	49%	Qatar
46	E-Care International Medical Billing Services Co. LLC		Step-down Subsidiary	80%	51%	UAE
47	Eurohealth Systems FZ LLC		Step-down Subsidiary	100%	95%	UAE
48	Grand Optics LLC		Step-down Subsidiary	85%	85%	UAE
49	Harley Street Dental LLC		Step-down Subsidiary	38%	74%	UAE
50	Harley Street LLC		Step-down Subsidiary	60%	9%	UAE
51	Harley Street Medical Centre LLC		Step-down Subsidiary	60%	9%	UAE
52	Harley street Pharmacy LLC		Step-down Subsidiary	60%	9%	UAE
53	Med Shop Drugs Store LLC		Step-down Subsidiary	100%	49%	UAE
54	Medcare Hospital LLC		Step-down Subsidiary	85%	30%	UAE
55	Medshop Garden Pharmacy LLC		Step-down Subsidiary	100%	49%	UAE
56	Metro Medical Center L.L.C		Step-down Subsidiary	66%	66%	UAE
57	Metro Meds Pharmacy L.L.C		Step-down Subsidiary	66%	66%	UAE
58	Modern Dar Al Shifa Pharmacy LLC		Step-down Subsidiary	51%	40%	UAE
59	New Aster Pharmacy DMCC		Step-down Subsidiary	100%	100%	UAE
60	Noor Al Shefa Clinic LLC		Step-down Subsidiary	70%	70%	UAE
61	Oman Al Khair Hospital L.L.C		Step-down Subsidiary	60%	42%	Oman
62	Orange Pharmacies LLC		Step-down Subsidiary	51%	0%	Jordan
63	Premium Healthcare Limited		Step-down Subsidiary	80%	80%	UAE
64	Radiant Healthcare L.L.C		Step-down Subsidiary	76%	76%	UAE
65	Rafa Pharmacy LLC		Step-down Subsidiary	100%	49%	UAE
66	Samary Pharmacy LLC		Step-down Subsidiary	70%	70%	UAE
67	Sanad Al Rahma for Medical Care LLC		Step-down Subsidiary	97%	97%	Kingdom of Saudi Arabia
68	Shindagha Pharmacy LLC		Step-down Subsidiary	90%	49%	UAE
69	Symphony Healthcare Management Services LLC		Step-down Subsidiary	100%	0%	UAE
70	Union Pharmacy LLC		Step-down Subsidiary	75%	37%	UAE
71	Wahat Al Aman Home Healthcare LLC		Step-down Subsidiary	100%	49%	UAE
72	Welcare Polyclinic W.L.L		Step-down Subsidiary	50%	45%	Qatar
73	Zabeel Pharmacy LLC		Step-down Subsidiary	51%	49%	UAE
74	Zahrath Al Shefa Medical Center LLC		Step-down Subsidiary	70%	70%	UAE
75	Zahrath Al Shefa Pharmacy LLC		Step-down Subsidiary	70%	70%	UAE
76	Aster Hospital Sonapur L.L.C		Step-down Subsidiary	90%	90%	UAE
77	AAQ Healthcare Investments LLC		Associate	33%	33%	UAE
78	Al Mutamaizah Medcare Healthcare Investment Co. LLC		Associate	49%	49%	UAE
79	Aries Holdings FZC		Associate	25%	25%	UAE
80	MIMS Infrastructure and Properties Private Limited	U70102KL2010PTC026300	Associate	36%	36%	India

**Note:**

\*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 the consolidated financial information.

\*\*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 Group is Nil, the Group has the power to appoint/replace all members of the Board of Directors. Consequently Group has control over the entity.

#### IV. SHARE HOLDING PATTERN

(Equity share capital breakup as percentage of total equity)

##### (i) Category-wise Share Holding

Category Code	Category of Shareholder	No. of Shares held at the beginning of the year [As on April 01, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
<b>(A)</b>	<b>Promoter and Promoter Group</b>									
<b>(1)</b>	<b>Indian</b>									
(a)	Individual/ HUF	0	0	0	0.00	0	0	0	0.00	0.00
(b)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Financial Institutions/Banks	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total (A) (1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>(2)</b>	<b>Foreign</b>									
(a)	Individuals (NRIs/Foreign Individuals)	22,94,510	0	22,94,510	0.45	23,25,269	0	23,25,269	0.47	0.01
(b)	Bodies Corporate	18,87,06,090	0	18,87,06,090	37.35	18,68,53,810	0	18,68,53,810	37.41	0.06
(c)	Institutions	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub Total (A) (2)</b>	<b>19,10,00,600</b>	<b>0</b>	<b>19,10,00,600</b>	<b>37.80</b>	<b>18,91,79,079</b>	<b>0</b>	<b>18,91,79,079</b>	<b>37.87</b>	<b>0.07</b>
	<b>Total A=A(1)+A(2)</b>	<b>19,10,00,600</b>	<b>0</b>	<b>19,10,00,600</b>	<b>37.80</b>	<b>18,91,79,079</b>	<b>0</b>	<b>18,91,79,079</b>	<b>37.87</b>	<b>0.07</b>
<b>(B)</b>	<b>Public Shareholding</b>									
<b>(1)</b>	<b>Institutions</b>									
(a)	Mutual Funds	69,34,749	0	69,34,749	1.37	2,48,33,785	0	2,48,33,785	4.97	3.60
(b)	Financial Institutions/Banks	18,094	0	18,094	0.00	31,49,362	0	31,49,362	0.63	0.63
(c)	Alternate Investment Funds	46,19,344	0	46,19,344	0.91	45,59,668	0	45,59,668	0.91	0.00
(d)	Central Government/State Government(s)	0	0	0	0.00	0	0	0	0.00	0.00
(e)	Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
(f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
(g)	Foreign Institutional Investors	0	0	0	0.00	0	0	0	0.00	0.00
(h)	Foreign Portfolio Investors	2,41,82,759	0	2,41,82,759	4.79	4,09,86,108	0	4,09,86,108	8.21	3.42
(i)	Foreign Venture Capital Funds	1,34,63,462	0	1,34,63,462	2.66	1,29,99,534	0	1,29,99,534	2.60	-0.06
(j)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
(k)	Others	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-Total (B)(1):-</b>	<b>4,92,18,408</b>	<b>0</b>	<b>4,92,18,408</b>	<b>9.74</b>	<b>8,65,28,457</b>	<b>0</b>	<b>8,65,28,457</b>	<b>17.32</b>	<b>7.58</b>
<b>(2)</b>	<b>Non-Institutions</b>									
(a)	Bodies Corporate	4,67,19,897	0	4,67,19,897	9.25	80,95,368	0	80,95,368	1.62	-7.63
(b)	Individuals									
i)	Individual shareholders holding nominal share capital upto ₹ 1 lakhs	1,07,90,123	19,862	1,08,09,985	2.14	93,96,490	19,862	94,16,352	1.89	-0.25
ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs	32,47,308	76,23,652	1,08,70,960	2.15	53,49,035	43,60,550	97,09,585	1.94	-0.21
(c)	Others									
	Foreign Companies	16,48,12,871	1	16,48,12,872	32.62	16,33,99,695	1	16,33,99,696	32.71	0.09
	Clearing Members	87,625	0	87,625	0.02	12,59,797	0	12,59,797	0.25	-0.23
	NBFC	1,338	0	1,338	0.00	0	0	0	0.00	0.00
	Non Resident Indians (Repatriation)	2,45,13,808	13,42,701	2,58,56,509	5.12	2,42,84,461	16,22,491	2,59,06,952	5.19	0.07
	Non Resident Indians (Non-Repatriation)	24,34,871	0	24,34,871	0.48	27,59,394	0	27,59,394	0.55	0.07
	Hindu Undivided Family	4,10,328	0	4,10,328	0.08	3,85,764	0	3,85,764	0.08	0.00
	Trusts	0	0	0	0.00	0	0	0	0.00	0.00
(d)	Qualified Foreign Investor	0	0	0	0.00	0	0	0	0.00	0.00
	<b>Sub-total (B)(2)</b>	<b>25,30,18,169</b>	<b>89,86,216</b>	<b>26,20,04,385</b>	<b>51.86</b>	<b>21,49,30,004</b>	<b>60,02,904</b>	<b>22,09,32,908</b>	<b>44.23</b>	<b>-7.63</b>
	<b>Total (B)=B(1)+B(2)</b>	<b>30,22,36,577</b>	<b>89,86,216</b>	<b>31,12,22,793</b>	<b>61.60</b>	<b>30,14,58,461</b>	<b>60,02,904</b>	<b>30,74,61,365</b>	<b>61.55</b>	<b>-0.05</b>
	<b>Total (A+B)</b>	<b>49,32,37,177</b>	<b>89,86,216</b>	<b>50,22,23,393</b>	<b>99.41</b>	<b>49,06,37,540</b>	<b>60,02,904</b>	<b>49,66,40,444</b>	<b>99.42</b>	<b>0.02</b>



Category Code	Category of Shareholder	No. of Shares held at the beginning of the year [As on April 01, 2019]				No. of Shares held at the end of the year [As on March 31, 2020]				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(C)	<b>Non-promoter-Non public</b>									
(1)	Custodian/DR Holder	0	0	0	0.00	0	0	0	0.00	0.00
(2)	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	30,03,952	0	30,03,952	0.59	28,72,616	0	28,72,616	0.58	-0.02
	<b>Sub-Total (C)</b>	<b>30,03,952</b>	<b>0</b>	<b>30,03,952</b>	<b>0.59</b>	<b>28,72,616</b>	<b>0</b>	<b>28,72,616</b>	<b>0.58</b>	<b>-0.02</b>
	<b>Grand Total (A+B+C)</b>	<b>49,62,41,129</b>	<b>89,86,216</b>	<b>50,52,27,345</b>	<b>100.00</b>	<b>49,35,10,156</b>	<b>60,02,904</b>	<b>49,95,13,060</b>	<b>100.00</b>	

### (ii) Shareholding of Promoter

S.NO	Promoter's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	% of Shares Pledged/ encumbered to total shares	No. of Shares	% of total Shares of the company	% of Shares Pledged / encumbered to total shares	
1	Union Investments Private Limited	18,87,06,090	37.35	0.00	18,68,53,810	37.41	0.00	0.06
2	Dr. Azad Moopen	17,50,720	0.35	0.00	17,33,536	0.35	0.00	0.00
3	Ms. Ziham Moopen	1,73,200	0.03	0.00	1,71,500	0.03	0.00	0.00
4	Ms. Alisha Moopen	1,16,990	0.02	0.00	1,69,122	0.03	0.00	0.01
5	Mrs. Naseera Azad	1,44,000	0.03	0.00	1,42,587	0.03	0.00	0.00
6	Ms. Zeba Azad Moopen	1,09,600	0.02	0.00	1,08,524	0.02	0.00	0.00
	<b>TOTAL</b>	<b>19,10,00,600</b>	<b>37.80</b>	<b>0.00</b>	<b>18,91,79,079</b>	<b>37.87</b>	<b>0.00</b>	<b>0.07</b>

Note: Shareholding of Ms. Alisha Moopen is 2,15,842 (46,720 shares were acquired between March 27, 2020 to March 31, 2020 and pending for settlement)

### (iii) Change in Promoters' Shareholding

S.NO	Particulars	Date	Increase/ Decrease in shareholding	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>1</b>	<b>Union Investments Private Limited</b>						
	At the beginning of the year			18,87,06,090	37.35	18,87,06,090	37.35
	Changes during the year	March 13, 2020	Sale	18,52,280		18,68,53,810	37.41
	<b>At the end of the year</b>			<b>18,68,53,810</b>	<b>37.41</b>		
<b>2</b>	<b>Dr. Azad Moopen</b>						
	At the beginning of the year			17,50,720	0.35	17,50,720	0.35
	Changes during the year	March 13, 2020	Sale	(17,184)		17,33,536	0.35
	<b>At the end of the year</b>			<b>17,33,536</b>	<b>0.35</b>		
<b>3</b>	<b>Ms. Ziham Moopen</b>						
	At the beginning of the year			1,73,200	0.03	1,73,200	0.03
	Changes during the year	March 13, 2020	Sale	(1,700)		1,71,500	0.03
	<b>At the end of the year</b>			<b>1,71,500</b>	<b>0.03</b>		
<b>4</b>	<b>Ms. Alisha Moopen</b>						
	At the beginning of the year			1,16,990	0.02	1,16,990	0.02
	Changes during the year	March 13, 2020	Sale	(1,148)		1,15,842	0.02
		March 27, 2020	Purchase	50,000		1,65,842	0.03
		March 31, 2020	Purchase	3,280		1,69,122	0.03
	<b>At the end of the year</b>			<b>1,69,122</b>	<b>0.03</b>		
<b>5</b>	<b>Mrs. Naseera Azad</b>						
	At the beginning of the year			1,44,000	0.03	1,44,000	0.03
	Changes during the year	March 13, 2020	Sale	(1,413)		1,42,587	0.03
	<b>At the end of the year</b>			<b>1,42,587</b>	<b>0.03</b>		
<b>6</b>	<b>Ms. Zeba Azad Moopen</b>						
	At the beginning of the year			1,09,600	0.02	1,09,600	0.02
	Changes during the year	March 13, 2020	Sale	(1,076)		1,08,524	0.02
	<b>At the end of the year</b>			<b>1,08,524</b>	<b>0.02</b>		

Note: Shareholding of Ms. Alisha Moopen is 2,15,842 (46,720 shares were acquired between March 27, 2020 to March 31, 2020 and pending for settlement)

**(iv) Shareholding Pattern of top ten Shareholders as on March 31, 2020**

(Other than Directors, Promoters and Holders of GDRs and ADRs):

S.NO	For each of the Top 10 Shareholders	Date	Increase/ Decrease in shareholding	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>1</b>	<b>Olympus Capital Asia Investments Limited</b>						
	At the beginning of the year			11,63,11,853	23.29	11,63,11,853	23.29
	Changes during the year	March 13, 2020	Sale	(12,51,546)		11,50,60,307	23.03
	<b>At the end of the year</b>			<b>11,50,60,307</b>	<b>23.03</b>		
<b>2</b>	<b>RIMCO Mauritius Limited</b>						
	At the beginning of the year			5,10,86,710	10.23	5,10,86,710	10.23
	Changes during the year	March 13, 2020	Sale	(5,01,238)		5,05,85,472	10.13
	<b>At the end of the year</b>			<b>5,05,85,472</b>	<b>10.13</b>		
<b>3</b>	<b>HDFC Small Cap Fund</b>						
	At the beginning of the year			-	0.00		
	Changes during the year	June 29, 2019	Purchase	83,00,000		83,00,000	1.66
		July 12, 2019	Purchase	2,05,000		85,05,000	1.70
		July 19, 2019	Purchase	4,73,670		89,78,670	1.80
		July 26, 2019	Purchase	3,82,030		93,60,700	1.87
		August 02, 2019	Purchase	3,87,500		97,48,200	1.95
		August 09, 2019	Purchase	1,75,300		99,23,500	1.99
		August 16, 2019	Purchase	2,88,000		1,02,11,500	2.04
		August 23, 2019	Purchase	1,68,000		1,03,79,500	2.08
		August 30, 2019	Purchase	39,000		1,04,18,500	2.09
		September 06, 2019	Purchase	4,30,400		1,08,48,900	2.17
		September 20, 2019	Purchase	2,87,900		1,11,36,800	2.23
		October 11, 2019	Purchase	5,46,100		1,16,82,900	2.34
		October 18, 2019	Purchase	78,300		1,17,61,200	2.35
		October 25, 2019	Purchase	1,55,000		1,19,16,200	2.39
		November 01, 2019	Purchase	37,800		1,19,54,000	2.39
		November 08, 2019	Purchase	98,000		1,20,52,000	2.41
		January 31, 2020	Purchase	48,000		1,21,00,000	2.42
		March 13, 2020	Sale	(1,18,241)		1,19,81,759	2.40
		March 27, 2020	Purchase	13,98,000		1,33,79,759	2.68
		March 31, 2020	Purchase	10,00,000		1,43,79,759	2.88
	<b>At the end of the year</b>			<b>1,43,79,759</b>	<b>2.88</b>		
<b>4</b>	<b>Mr. Rashid Aslam Bin Mohideen</b>						
	At the beginning of the year			1,12,25,214	2.25	1,12,25,214	2.25
	Changes during the year			-			
	<b>At the end of the year</b>			<b>1,12,25,214</b>	<b>2.25</b>		
<b>5</b>	<b>Indium IV Mauritius Holdings Limited</b>						
	At the beginning of the year			1,08,77,770	2.18	1,08,77,770	2.18
	Changes during the year	March 13, 2020	Sale	(1,24,320)		1,07,53,450	2.15
	<b>At the end of the year</b>			<b>1,07,53,450</b>	<b>2.15</b>		
<b>6</b>	<b>TATA AIA Life Insurance Company Limited-Whole Life Mid Cap Equity Fund-ULIF 009 04/01/07 WLE 110</b>						
	At the beginning of the year			0	0.00	0	0.00
	Changes during the year	June 29, 2019	Purchase	50,00,000		50,00,000	1.00
		July 05, 2019	Purchase	1,10,000		51,10,000	1.02
		December 06, 2019	Purchase	45,000		51,55,000	1.03
		January 03, 2020	Purchase	81,064		52,36,064	1.05
		January 17, 2020	Purchase	25,00,000		77,36,064	1.55
		January 24, 2020	Purchase	13,91,395		91,27,459	1.83
		January 31, 2020	Purchase	5,54,082		96,81,541	1.94
		February 07, 2020	Purchase	1,03,819		97,85,360	1.96



S.NO	For each of the Top 10 Shareholders	Date	Increase/ Decrease in shareholding	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
		February 14, 2020	Purchase	3,36,778		1,01,22,138	2.03
		February 28, 2020	Purchase	16,75,000		1,17,97,138	2.36
		March 13, 2020	Sale	(1,18,369)		1,16,78,769	2.34
		March 27, 2020	Sale	(5,58,000)		1,11,20,769	2.23
		March 31, 2020	Sale	(5,53,425)		1,05,67,344	2.12
	<b>At the end of the year</b>			<b>1,05,67,344</b>	<b>2.12</b>		
<b>7</b>	<b>RIMCO India Limited</b>						
	At the beginning of the year			7,823	0.00	7,823	0.00
	Changes during the year	June 29, 2019	Purchase	17,12,975		17,20,798	0.34
		July 05, 2019	Purchase	82,87,025		1,00,07,823	2.00
		March 13, 2020	Sale	(98,192)		99,09,631	1.98
	<b>At the end of the year</b>			<b>99,09,631</b>	<b>1.98</b>		
<b>8</b>	<b>Steinberg India Emerging Opportunities Fund Limited</b>						
	At the beginning of the year			33,00,000	0.66	33,00,000	0.66
	Changes during the year	June 29, 2019	Purchase	25,55,000		58,55,000	1.17
		October 11, 2019	Purchase	2,03,251		60,58,251	1.21
		November 29, 2019	Purchase	45,969		61,04,220	1.22
		January 10, 2020	Purchase	2,40,000		63,44,220	1.27
		March 13, 2020	Sale	(74,011)		62,70,209	1.26
	<b>At the end of the year</b>			<b>62,70,209</b>	<b>1.26</b>		
<b>9</b>	<b>SBI Long Term Equity Fund</b>						
	At the beginning of the year			55,43,492	1.11	55,43,492	1.11
	Changes during the year	June 14, 2019	Sale	(1,110)		55,42,382	1.11
		June 21, 2019	Sale	(18,379)		55,24,003	1.11
		February 14, 2020	Sale	(2,00,000)		53,24,003	1.07
		March 13, 2020	Sale	(70,734)		52,53,269	1.05
	<b>At the end of the year</b>			<b>52,53,269</b>	<b>1.05</b>		
<b>10</b>	<b>True North Fund V LLP</b>						
	At the beginning of the year			46,19,344	0.92	46,19,344	0.92
	Changes during the year	March 13, 2020	Sale	(59,676)		45,59,668	0.91
	<b>At the end of the year</b>			<b>45,59,668</b>	<b>0.91</b>		

(v) Shareholding of Directors and Key Managerial Personnel

S.NO	Shareholding of each Directors and each Key Managerial Personnel	Date	Increase/ Decrease in shareholding	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
<b>1</b>	<b>Dr. Azad Moopen</b>						
	At the beginning of the year			17,50,720	0.35	17,50,720	0.35
	Changes during the year	March 13, 2020	Sale	-17184		17,33,536	0.35
	<b>At the end of the year</b>			<b>17,33,536</b>	<b>0.35</b>		
<b>2</b>	<b>Ms. Alisha Moopen</b>						
	At the beginning of the year			1,16,990		1,16,990	0.02
	Changes during the year	March 13, 2020	Sale	(1,148)	0.02	1,15,842	0.02
		March 27, 2020	Purchase	50,000		1,65,842	0.03
		March 31, 2020	Purchase	3,280		1,69,122	0.03
	<b>At the end of the year</b>			<b>1,69,122</b>	<b>0.03</b>		
<b>3</b>	<b>Mr. Shamsudheen Bin Mohideen Mammu Haji</b>						
	At the beginning of the year			57,17,829	1.14	57,17,829	1.14
	Changes during the year	March 13, 2020	Sale	(56,097)		56,61,732	1.13
	<b>At the end of the year</b>			<b>56,61,732</b>	<b>1.13</b>		

S.NO	Shareholding of each Directors and each Key Managerial Personnel	Date	Increase/ Decrease in shareholding	Shareholding		Cumulative Shareholding during the year	
				No. of shares	% of total shares	No. of shares	% of total shares
4	<b>Mr. T J Wilson</b>						
	At the beginning of the year			27,37,210	0.54	27,37,210	0.54
	Changes during the year	March 13, 2020	Sale	(26,854)		27,10,356	0.54
	<b>At the end of the year</b>			<b>27,10,356</b>	<b>0.54</b>		
5	<b>Mr. Anoop Moopen</b>						
	At the beginning of the year			10,00,300	0.19	10,00,300	0.19
	Changes during the year	September 12, 2019	Purchase	25,000		10,25,300	0.20
		March 13, 2020	Sale	(10,090)		10,15,210	0.20
		March 20, 2020	Purchase	24,616		10,39,826	0.21
		March 27, 2020	Purchase	41,984		10,81,810	0.21
		March 31, 2020	Purchase	84,100		11,65,910	0.23
	<b>At the end of the year</b>			<b>11,65,910</b>	<b>0.23</b>		
6	<b>Mr. Sreenath Reddy</b>						
	At the beginning of the year			1,28,463	0.03	1,28,463	0.03
	Changes during the year	March 13, 2020	Sale	(1,272)		1,27,191	0.03
	<b>At the end of the year</b>			<b>1,27,191</b>	<b>0.03</b>		

**Note:**

Shareholding of Ms. Alisha Moopen is 2,15,842 (46,720 shares were acquired between March 27, 2020 to March 31, 2020 and pending for settlement)  
Shareholding of Mr. Anoop Moopen is 12,76,114 (1,10,204 shares were acquired between March 27, 2020 to March 31, 2020 and pending for settlement)

## V. INDEBTEDNESS AS ON MARCH 31, 2020

Indebtedness of the Company including interest outstanding/accrued but not due for payment.

Particulars	(Amount in ₹ Crores)			
	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	66.54	58.16	-	124.70
ii) Interest due but not paid	-	-	-	0.00
iii) Interest accrued but not due	-	-	-	0.00
<b>Total (i+ii+iii)</b>	<b>66.54</b>	<b>58.16</b>	<b>0.00</b>	<b>124.70</b>
Change in Indebtedness during the financial year				
* Addition	30.47	0.54	-	31.01
* Reduction	7.66	1.87	-	9.53
Net Change	-	-	-	-
Indebtedness at the end of the financial year				
i) Principal Amount	88.88	56.29	-	145.17
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.47	0.54	-	1.01
<b>Total (i+ii+iii)</b>	<b>89.35</b>	<b>56.83</b>	<b>0.00</b>	<b>146.18</b>



## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

S.NO	Particulars of Remuneration Name	Name of MD/WTD/ Manager		Total Amount
		*Dr. Azad Moopen	**Ms.Alisha Moopen	
		Managing Director	Deputy Managing Director	
	Designation			
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.60	0.00	0.60
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission			
	- as % of profit	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	<b>0.60</b>	<b>0.00</b>	<b>0.60</b>
	<b>Ceiling as per the Act</b>		<b>0.60</b>	

**Note:**

\*Dr. Azad Moopen also received remuneration of AED 72,00,000 per annum from Dr. Moopen's Healthcare Management Services LLC. He is entitled to gratuity payments and leave encashments as per the policies

\*\*Ms. Alisha Moopen received remuneration of AED 19,76,000 and bonus of AED 2,88,000 during FY 2019-20 from Dr. Moopen's Healthcare Management Services LLC. She is entitled to gratuity payments and leave encashments as per the policies

### B. Remuneration to other Directors

S.NO	Particulars of Remuneration	Name of the Directors						Total Amount
		**Mr. Daniel James Snyder	**Mr. Ravi Prasad	*Mr. Maniedath Madhavan Nambiar	Mr.Suresh Muthukrishna Kumar	Prof. Biju Varkkey	Dr. Layla Mohamad Hassan Ali Almarzooqi	
1	Independent Directors							
	Fee for attending board and committee meetings	0.13	0.16	0.14	0.16	0.14	0.10	0.83
	Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil
	<b>Total (1)</b>	<b>0.13</b>	<b>0.16</b>	<b>0.14</b>	<b>0.16</b>	<b>0.14</b>	<b>0.10</b>	<b>0.83</b>
2	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>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Total (B)=(1+2)</b>							<b>0.83</b>
	<b>Total Managerial Remuneration</b>							<b>1.43</b>
	Overall Ceiling as per the Act (1% of the profits calculated under section 198 of the Companies Act, 2013)							₹ 0.60 Crores (does not include the sitting fees paid to Directors)

**Note:**

\*Mr. Maniedath Madhavan Nambiar (DIN: 01122411) had resigned as Non-Executive Independent Director of the Company with effect from the close of the business hours on February 11, 2020

\*\*Mr. Ravi Prasad (DIN: 07022310) and Mr. Daniel James Snyder (DIN:02298099), Non-Executive Independent Directors of the Company had retired from the Board of Directors of the Company on completion of their term of 5 years with effect from April 20, 2020

\*\*\*Mr. T J Wilson received remuneration of AED 15,89,600 and bonus of AED 2,26,800 during FY 2019-20 from Dr. Moopen's Healthcare Management Services LLC. He is entitled to gratuity payments and leave encashments as per the policies.

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

(Amount in ₹ Crores)				
S.NO	Particulars of Remuneration	Name of Key Managerial Personnel & Designation		Total Amount
		*Mr. Sreenath Reddy - CFO	Ms. Puja Aggarwal - CS	
1	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	00	0.22	0.22
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	Nil	Nil	Nil
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	Nil	Nil	Nil
2	Stock Option	Nil	Nil	Nil
3	Sweat Equity	Nil	Nil	Nil
4	Commission	Nil	Nil	Nil
	- as % of profit	Nil	Nil	Nil
	- others, specify	Nil	Nil	Nil
5	Others, please specify	Nil	Nil	Nil
	<b>Total</b>	<b>-</b>	<b>0.22</b>	<b>0.22</b>

**Note:**

\*Mr. Sreenath Reddy received remuneration of AED 15,71,350 and bonus of AED 2,16,000 during FY 2019-20 from Dr. Moopen's Healthcare Management Services LLC. He is entitled to gratuity payments and leave encashments as per the policies

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment/ Compounding fees imposed	Authority [RD / NCLT/ COURT]	Appeal made, if any (give Details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					





## Annexure 9

### CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of the Companies (Accounts) Rules, 2014 is given below:

#### A. Conservation of energy

Various initiatives have been taken by the Company to conserve energy including using alternate sources of energy. Some of the initiatives taken by the Company are as under:

**Operation of AHUs:** Air Handling Units (AHUs) are fitted with VFDs (Variable Frequency Drive) to regulate the blower speed to save energy. Also, the operation theatre AHUs are operated in low frequency for energy saving during night timings and holidays whenever there are no procedures.

**Movement sensors:** Occupancy/movement sensors have been installed in all consulting rooms, conference rooms and cabins as part of energy savings initiative.

**Solar energy:** Solar Power Purchase Agreement has been signed off with Solar Technology vendors for setting up off-site solar power plant for the power requirements. The process will reduce the conventional power supply by 85% and bring down the power expenditure by approximately by 25%.

**Power trading:** Aster Medcity, Kochi had implemented an Open Access Power Purchase through energy exchange by bidding process from May 2019. Power purchase through bidding process had saved approximately 8% of total energy expenditure of Aster Medcity.

#### B. Technology absorption

The Company has adopted new technology to have electronic documentation for every event, which can ease the process for both patients and the hospital management. Further, to increase greater accuracy in performing the surgery, a new technology has been introduced in the neuro department. The details of the same are given below:

**iCare:** A simple to use ticketing system to manage routine interdepartmental requests at hospitals. It gives complete control to senior management on internal processes and drives accountability among staff and improves efficiency in handling internal patient requests. Any service request can be raised

from anywhere in the hospital which also has the location and the severity mentioned. There is an escalation matrix in place for all the departments and every service request raised is routed to the particular department. Each request is closed adhering to the turnover time. This way, the complete cycle of the request is tracked and closed which in turn improves patient satisfaction.

**Intra-Operative Magnetic Resonance Imaging (MRI):** Aster Medcity and Aster RV recently commissioned Intra-Operative MRI from Philips, Ingenia 1.5 Tesla which gives up-to-date insight on surgical progress and tumour resection to support confident intra-operative decisions and to update Neuro navigation. The images are transferred concurrently to the navigation system which guides the surgeon on exact amount of residual tumour, if any.

**Positron Emission Tomography CT:** PET-CT is a nuclear medicine technique which combines, in a single gantry, a positron emission tomography (PET) scanner and an x-ray computed tomography (CT) scanner, to acquire sequential images from both devices in the same session, which are combined into a single superposed (co-registered) image. Thus, functional imaging obtained by PET, which depicts the spatial distribution of metabolic or biochemical activity in the body can be more precisely aligned or correlated with anatomic imaging obtained by CT scanning. The newly installed Siemens Biograph Horizon PET-CT uses TOF technology which enables faster scan, lower injected dose and better image quality. It houses a world class CT which saves up to 24 minutes per scan with fast acquisition and image delivery. This helps in Energy Conservation and aids better patient care.

**O Arm:** Installation of O Arm in Neuro Operation Theatre (OT) for real-time, intra-operative imaging of a patient's anatomy with high quality images and a large field-of-view in both two and three dimensions.

**HBOT:** Hyperbaric oxygen therapy (HBOT) is breathing 100% oxygen while under increased atmospheric pressure. This helps to boost the body's natural healing processes. The chamber enables patient to breathe in pure oxygen while undergoing treatment.

**Aster Connect and PACS App:** This app lets consultants view and finalise discharge summaries, raise orders for tests, add progress notes all at one go without logging in the system. All the radiology reports are all available at one go in the PACS app.

**a. Imported Technology (imported during last three years)**

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
Linear Accelerator -Varian	2017-18	Yes	NA
OT Table-Trumpf Trusystem	2017-18	Yes	NA
Mayfield Skull Clamp System	2017-18	Yes	NA
Surgical Microscope- Opmi Pentero	2017-18	Yes	NA
ENT Workstation-Atmos	2017-18	Yes	NA
Brandon Surgical Lights	2017-18	Yes	NA
Richard Wolf -Gastro/General Surgical Instruments	2017-18	Yes	NA
Richard Wolf-Paediatric Surgical Instruments	2017-18	Yes	NA
Laparoscopy Instruments-Karl Storz	2017-18	Yes	NA
Positron Emission Tomography CT	2018-19	Yes	NA
Brachytherapy Applicator-Elekta	2018-19	Yes	NA
Patients Immobilisation System-Orfit	2018-19	Yes	NA
Stroboscope with Laryngoscope	2019-20	Yes	NA
Intra-Operative MRI	2019-20	Yes	NA
Anaesthesia Machine-GE	2019-20	Yes	NA
Surgical Instruments-Medicon	2019-20	Yes	NA
Karl Storz-Laproscopy system and Instruments	2019-20	Yes	NA

**b. Expenditure on Research and Development: Nil**

**c. Foreign Exchange Earnings and Outgo**

Particulars	(in ₹ crores)	
	2019-20	2018-19
Earnings	126.86	139.51
Expenditure	54.29	22.92
Net Foreign Exchange earnings	72.56	116.59
NFE/earnings (%)	57%	84%



# Corporate Governance Report

## 1. Company's philosophy on corporate governance

Your Company believes that effective corporate governance practices constitute the strong foundation on which successful commercial enterprises are built to last. Company's philosophy on corporate governance oversees business strategies and ensures fiscal accountability, ethical corporate behaviour and fairness to all stakeholders comprising regulators, employees, customers, vendors, investors and the society at large. Strong leadership and effective corporate governance practices have been the Company's hallmark inherited from its culture and ethos. Your Company has a strong legacy of fair, transparent and ethical governance practices. The Company has adopted a Code of Conduct for its Directors and Senior Management, the Code for prevention of Insider Trading which strengthens the Company's corporate governance philosophy and through the timely disclosure of various material events through the Exchanges as well as the Company's website, we ensure that the Company strictly adheres to the values of Corporate Governance.

Your Company is not only in compliance with the requirements stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") with regard to corporate governance but is also committed to sound corporate governance principles and practice and constantly strives to adopt emerging best corporate governance practices being followed worldwide.

A report on compliance with corporate governance principles as prescribed under the Listing Regulations is given below.

## 2. Board of Directors

### a. Board Procedure

A detailed agenda and notes thereon are sent to each Director at least 7 days in advance of Board and Committee Meetings. All material information is incorporated in the agenda for facilitating meaningful and focused discussions at the meeting. The Board reviews strategy and business plans, annual operating plans and capital expenditure budgets, investments, compliance reports, as well as steps taken by the Company to rectify instances of non-compliances, if any. The Board also reviews minutes of

meeting of various Committees of the Board and subsidiary companies, the significant transactions and arrangements entered into by the subsidiary companies, adoption of financial results, transaction pertaining to purchase or disposal of properties, major accounting provisions and write-offs, details of any joint ventures or collaboration agreement, etc.

The Company Secretary records minutes of the proceedings of each Board and Committee meetings. Draft minutes are circulated to Board /Committee members within 15 days from the meeting for their comments. Directors communicate their comments (if any) in writing on the draft minutes within seven days from the date of circulation. The Minutes are entered in the Minute Books within 30 days from the conclusion of the meeting and signed by the Chairperson at the subsequent meeting.

The guidelines for Board and Committee meetings facilitate an effective post meeting follow-up, review and reporting process for decisions taken by the Board and Committees thereof. Important decisions taken at Board/Committee meetings are promptly communicated to the concerned departments/divisions. Action taken Report on decisions/minutes of the previous meeting(s) is placed at the succeeding meeting of the Board/Committee for noting.

### b. Composition and category of Directors, attendance of Directors at meetings and disclosure of relationship between directors inter-se

Your Board consists of an optimal combination of Executive and Non-Executive Independent Directors, representing a judicious mix of in-depth knowledge and experience. The composition of the Board of your Company is in conformity with Regulation 17 of the Listing Regulations and Section 149 of Companies Act, 2013 ("the Act").

As on March 31, 2020, the Board of Directors has 11 Members viz. 9 Non-Executive Director, including 5 Independent Directors, 1 Managing Director and 1 Deputy Managing Director. The profiles of Directors are available on the website of the Company at [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors). Dr. Azad Moopen is related to Ms. Alisha Moopen (Daughter) and Mr. Anoop Moopen (Daughter's Husband). Apart from this, no other Director on our Board is related to each other.

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) are given below.

Name of the Director	DIN	Designation	Category	Number of Board meetings attended during the financial year 2019-20 out of five meetings held	Attendance at the 11th AGM held on August 08, 2019
Dr. Azad Moopen *	00159403	Chairman and Managing Director	Promoter, Executive	5	Yes
Ms. Alisha Moopen **	02432525	Deputy Managing Director	Executive	5	Yes
Mr. T J Wilson	02135108	Director	Non-Executive	5	Yes
Mr. Anoop Moopen	02301362	Director	Non-Executive	5	Yes
Mr. Daniel Robert Mintz	00960928	Director	Non-Executive	2	No
Mr. Shamsudheen Bin Mohideen Mammu Haji	02007279	Director	Non-Executive	5	Yes
Mr. Daniel James Snyder****	02298099	Director	Non-Executive, Independent	5	No
Mr. Maniedath Madhavan Nambiar ***	01122411	Director	Non-Executive, Independent	5	Yes
Mr. Ravi Prasad****	07022310	Director	Non-Executive, Independent	5	Yes
Mr. Suresh Muthukrishna Kumar	00494479	Director	Non-Executive, Independent	5	Yes
Prof. Biju Varkkey	01298281	Director	Non-Executive, Independent	5	Yes
Dr. Layla Mohamed Hassan Ali Almarzooqi	08401425	Director	Non-Executive, Independent	4	Yes

\* Dr. Azad Moopen re-appointed as Managing Director of the Company with effect from December 01, 2019 at the 11th AGM held on August 08, 2019.

\*\*Ms. Alisha Moopen appointed as Deputy Managing Director of the Company with effect from August 07, 2019 vide postal ballot results dated October 14, 2019.

\*\*\*Mr. Maniedath Madhavan Nambiar resigned from the Board of Directors of the Company with effect from February 11, 2020.

\*\*\*\*Mr. Ravi Prasad and Mr. Daniel James Snyder retired from the Board of Directors of the Company with effect from April 20, 2020.

#### Number of other Board of Directors or Committees in which a Director is a Member/Chairperson:

The number of Directorships and Committee Chairmanships/Memberships held by the Directors in other companies as on March 31, 2020 are given herein below. Other directorships do not include directorships in foreign companies. 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 Listing Regulations.

Name of the Director	Number of directorships in other companies*		Number of committee positions held in public companies*		Name of the other listed companies	Category of directorship in listed companies
	Director		Chairman	Member		
Dr. Azad Moopen	6		Nil	Nil		
Ms. Alisha Moopen	1		Nil	Nil		
Mr. T J Wilson	7		Nil	Nil		
Mr. Anoop Moopen	2		Nil	Nil		
Mr. Daniel Robert Mintz	1		Nil	Nil		
Mr. Shamsudheen Bin Mohideen Mammu Haji	1		Nil	Nil		
Mr. Daniel James Snyder	Nil		Nil	Nil		
Mr. Maniedath Madhavan Nambiar	5		2	3	Loyal Textile Mills Limited	Non-Executive Independent Director
Mr. Ravi Prasad	1		Nil	Nil		
Mr. Suresh Muthukrishna Kumar	4		1	1	ICICI Lombard General Insurance Company Limited	Non-Executive Independent Director
Prof. Biju Varkkey	3		Nil	1	Husys Consulting Limited	Non-Executive Independent Director
					Bank of Baroda	Nominee for the Government of India
Dr. Layla Mohamed Hassan Ali Almarzooqi	Nil		Nil	Nil		

\*Excluding Aster DM Healthcare Limited

**c. Number of Board Meetings held:**

Five 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:

Sl no.	Date of meeting	Number of days from previous meeting	Requirement of quorum met
1	May 28, 2019	104	Yes
2	August 07, 2019	71	Yes
3	November 12, 2019	97	Yes
4	January 09, 2020	58	Yes
5	February 11, 2020	33	Yes

**d. Details of equity shares of the Company held by the Directors as on March 31, 2020 are given below:**

Name of the Director	Category	Number of equity shares
Dr. Azad Moopen	Promoter, Executive	17,33,536
Ms. Alisha Moopen*	Executive	1,69,122
Mr. T J Wilson	Non-Executive	27,10,356
Mr. Anoop Moopen**	Non-Executive	11,65,910
Mr. Shamsudheen Bin Mohideen Mammu Haji	Non-Executive	56,61,732
<b>Total</b>		<b>1,14,40,656</b>

\*Shareholding of Ms. Alisha Moopen is 2,15,842 (46,720 shares were acquired between March 27, 2020 to March 31, 2020 and pending for settlement).

\*\*Shareholding of Mr. Anoop Moopen is 12,76,114 (1,10,204 shares were acquired between March 27, 2020 to March 31, 2020 and pending for settlement).

**e. Familiarization Programs for Board Members:**

All new Directors inducted to the Board are introduced to the operations and culture of your Company through orientation sessions. Current Executive Directors and Senior Management provide an overview of operations and familiarize the new Directors on matters related to the vision and values of the Company.

Your Company also has a practice of sharing a handbook with the Directors at the time of induction containing informative documents like Annual Report, Memorandum & Articles of Association, Organization Structure, Contact details of the Senior Management, Composition of Board and Committees, Duties and terms of reference of the Committees of the Board,

Code of Ethics & Business Conduct, Code for prevention of Insider Trading, Directors & Officers Insurance policy, etc.

Your Company regularly conducts various familiarization programs for the Independent Directors as a part of the quarterly Board and Committee meetings. Various business cluster heads make presentations to the Board periodically pertaining to the Company's performance and future strategy for their respective cluster. Your Board also convenes strategy meetings from time to time to review long term growth/plans of the Company. The Board is regularly apprised on all regulatory and policy changes relevant to the business by the Senior Management and the Auditors of the Company.

The details of the familiarisation programs imparted to the Independent Directors is also available on the website of the Company at [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors).

**f. Core skills/ expertise/ competencies of the Board of Directors**

The skill or competencies for the members of the Board as identified by the Board of Directors of the Company as required in the context of Healthcare Business and available with the Board are as follows::

Areas of Core Skills/Expertise/Competence		
1	Healthcare 	Understanding the complexities of the healthcare sector.
2	Finance, Accountancy & Audit 	In-depth knowledge in the field of accounts and ability to read, understand and analyse the financial statements, financial controls, risk management and other business projections.
3	Law 	Experience in understanding the dynamics of the legal and regulatory aspect at a global level.
4	Technology 	Providing support and guidance in relation to technology up gradation of the organisation as a whole.
5	Risk Management 	Experience in mitigation of risk by actively getting involved in the risk management of the organisation.
6	Strategy & Marketing 	Exposure in managing the sales and marketing needs of the sector adequately.
7	Board and Governance 	Experience in implementing good corporate governance practices, reviewing compliance and governance practices for a sustainable growth of the company and protecting stakeholder's interest.
8	Global business 	Experience in driving business success in markets around the world, with an understanding of diverse business environments, economic conditions, cultures, and regulatory frameworks, and a broad perspective on global market opportunities.
9	Leadership 	Extended leadership experience for a significant enterprise, resulting in a practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strengths in developing talent, planning succession, and driving change and long-term growth.

The details of the Board members are available in the following pages.



**Dr. Azad Moopen**

*Chairman and Managing Director*

<b>Age</b>	<b>67</b>
<b>Date of appointment/ re-appointment</b>	<b>December 01, 2019*</b>
<b>Term ending date</b>	<b>April 14, 2023</b>
<b>Shareholding</b>	<b>17,33,536</b>

**Areas of Core Skills/Expertise/Competence**

Healthcare Finance, Accountancy & Audit Law Technology Risk Management  
Strategy & Marketing Board and Governance Global business Leadership

Profile available at: [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors)  
\*Re-appointed as Managing Director



**Ms. Alisha Moopen**

*Deputy Managing Director*

<b>Age</b>	<b>39</b>
<b>Date of appointment</b>	<b>August 07, 2019*</b>
<b>Term ending date</b>	<b>August 06, 2024</b>
<b>Shareholding</b>	<b>1,69,122**</b>

**Areas of Core Skills/Expertise/Competence**

Healthcare Finance, Accountancy & Audit Law Technology Risk Management  
Strategy & Marketing Board and Governance Global business Leadership

Profile available at: [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors)

\*Appointed as Deputy Managing Director

\*\*Shareholding of Ms. Alisha Moopen is 2,15,842 (46,720 shares were acquired between March 27, 2020 to March 31, 2020 and pending for settlement)



**Mr. T J Wilson**

*Non-Executive Director*

<b>Age</b>	<b>59</b>
<b>Date of appointment</b>	<b>April 20, 2009</b>
<b>Term ending date</b>	<b>NA</b>
<b>Shareholding</b>	<b>27,10,356</b>

**Areas of Core Skills/Expertise/Competence**

Healthcare Finance, Accountancy & Audit Law Technology Risk Management  
Strategy & Marketing Board and Governance Global business Leadership

Profile available at: [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors)



**Mr. Anoop Moopen**

*Non-Executive Director*

<b>Age</b>	<b>43</b>
<b>Date of appointment</b>	<b>April 20, 2009</b>
<b>Term ending date</b>	<b>NA</b>
<b>Shareholding</b>	<b>11,65,910*</b>

**Areas of Core Skills/Expertise/Competence**

Healthcare Finance, Accountancy & Audit Technology Strategy & Marketing Board and Governance  
Global business Leadership

Profile available at: [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors)

\*Shareholding of Mr. Anoop Moopen is 12,76,114 (1,10,204 shares were acquired between March 27, 2020 to March 31, 2020 and pending for settlement)



**Mr. Daniel Robert Mintz**

*Non-Executive Director*

<b>Age</b>	<b>58</b>
<b>Date of appointment</b>	<b>January 18, 2012</b>
<b>Term ending date</b>	<b>NA</b>
<b>Shareholding</b>	<b>Nil</b>

**Areas of Core Skills/Expertise/Competence**

-  Healthcare
-  Finance, Accountancy & Audit
-  Law
-  Risk Management
-  Strategy & Marketing
-  Board and Governance
-  Global business
-  Leadership

Profile available at: [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors)



**Mr. Shamsudheen Bin Mohideen Mammu Haji**

*Non-Executive Director*

<b>Age</b>	<b>57</b>
<b>Date of appointment</b>	<b>September 16, 2015</b>
<b>Term ending date</b>	<b>NA</b>
<b>Shareholding</b>	<b>56,61,732</b>

**Areas of Core Skills/Expertise/Competence**

-  Healthcare
-  Finance, Accountancy & Audit
-  Risk Management
-  Strategy & Marketing
-  Board and Governance
-  Global business
-  Leadership

Profile available at: [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors)



**Mr. Daniel James Snyder**

*Non-Executive Independent Director*

<b>Age</b>	<b>65</b>
<b>Date of appointment</b>	<b>April 21, 2015</b>
<b>Retirement date*</b>	<b>April 20, 2020</b>
<b>Shareholding</b>	<b>Nil</b>

**Areas of Core Skills/Expertise/Competence**

-  Healthcare
-  Finance, Accountancy & Audit
-  Risk Management
-  Strategy & Marketing
-  Board and Governance
-  Global business
-  Leadership

\*Mr. Daniel James Snyder retired from the Board of Directors of the Company with effect from April 20, 2020



**Mr. Maniedath Madhavan Nambiar**

*Non-Executive Independent Director*

<b>Age</b>	<b>69</b>
<b>Date of appointment</b>	<b>April 21, 2015</b>
<b>Resigned on*</b>	<b>February 11, 2020</b>
<b>Shareholding</b>	<b>Nil</b>

**Areas of Core Skills/Expertise/Competence**

-  Healthcare
-  Finance, Accountancy & Audit
-  Technology
-  Risk Management
-  Strategy & Marketing
-  Board and Governance
-  Global business
-  Leadership

\*Mr. Maniedath Madhavan Nambiar resigned from the Board of Directors of the Company with effect from February 11, 2020



**Mr. Ravi Prasad**

*Non-Executive Independent Director*

<b>Age</b>	<b>59</b>
<b>Date of appointment</b>	<b>April 21, 2015</b>
<b>Retirement date*</b>	<b>April 20, 2020</b>
<b>Shareholding</b>	<b>Nil</b>

**Areas of Core Skills/Expertise/Competence**

- Healthcare
- Finance, Accountancy & Audit
- Technology
- Risk Management
- Strategy & Marketing
- Board and Governance
- Global business
- Leadership

\*Mr. Ravi Prasad retired from the Board of Directors of the Company with effect from April 20, 2020



**Mr. Suresh Muthukrishna Kumar**

*Non-Executive Independent Director*

<b>Age</b>	<b>70</b>
<b>Date of appointment</b>	<b>September 16, 2015</b>
<b>Term ending date</b>	<b>September 15, 2020</b>
<b>Shareholding</b>	<b>Nil</b>

**Areas of Core Skills/Expertise/Competence**

- Healthcare
- Finance, Accountancy & Audit
- Technology
- Risk Management
- Board and Governance
- Global business
- Leadership

Profile available at: [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors)



**Prof. Biju Varkkey**

*Non-Executive Independent Director*

<b>Age</b>	<b>54</b>
<b>Date of appointment</b>	<b>November 12, 2018</b>
<b>Term ending date</b>	<b>November 11, 2021</b>
<b>Shareholding</b>	<b>Nil</b>

**Areas of Core Skills/Expertise/Competence**

- Finance, Accountancy & Audit
- Law
- Technology
- Risk Management
- Strategy & Marketing
- Board and Governance
- Leadership

Profile available at: [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors)



**Dr. Layla Mohamed Hassan Ali Almarzooqi**

*Non-Executive Independent Director*

<b>Age</b>	<b>46</b>
<b>Date of appointment</b>	<b>March 28, 2019</b>
<b>Term ending date</b>	<b>March 27, 2022</b>
<b>Shareholding</b>	<b>Nil</b>

**Areas of Core Skills/Expertise/Competence**

- Healthcare
- Finance, Accountancy & Audit
- Law
- Technology
- Risk Management
- Board and Governance
- Global business
- Leadership

Profile available at: [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors)





**g. Declaration by Independent Directors**

Your Company has received necessary declaration from each Independent Director under Section 149(7) of the Act and under Regulation 25(8) of Listing Regulations, that he/she meets the criteria of independence laid down in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations.

In the opinion of the Board of Directors the Independent Directors fulfil the conditions specified in the Act and Listing Regulations and are Independent of the Management.

**h. Reason for resignation of the Independent Directors**

Mr. Maniedath Madhavan Nambiar (DIN: 01122411) resigned from the Board of Directors with effect from February 11, 2020 due to other professional engagements and has confirmed that there are no other material reasons for his resignation.

**i. Board member evaluation**

The Nomination and Remuneration Committee at their meeting held on February 10, 2020 had formulated the criteria for conducting the performance evaluation of the individual Directors, Committees of Board, Board as a whole, Chairman and the Management. The evaluation was conducted by an external independent firm by way of an online questionnaire method which consisted of questions with qualitative and quantitative parameters. Further, the Independent Directors and the members of Nomination and Remuneration Committee had their meeting on April 02, 2020 to discuss the outcome of evaluation.

The criteria based on which the performance evaluation of the Independent Directors was carried out are:

- Engagement level and participation at the Board/ Committee meetings;
- Commitment, including guidance provided to senior management outside of Board/ Committee meetings;
- Effective deployment of knowledge of the industry, experience and expertise;
- Integrity and maintaining of confidentiality;
- Independence of behaviour and judgment; and
- Impact and influence;
- Adherence to the code of conduct for Independent Directors.

**j. Meeting of independent directors**

During the year, a meeting of the Independent Directors was held on May 27, 2019 to discuss the Board evaluation results for the financial year 2018-19. The Independent Directors also met on April 02, 2020 to discuss the Board evaluation results for the financial year 2019-20.

**3. Committees of the Board**

Board has constituted Eight committees comprising of the statutory committees as required under the Listing Regulations and the Act and Non-statutory Committees. Details of various committees, its terms of reference, composition and details of meetings held during financial year 2019-2020 are as follows:

**Statutory Committees**

**a. Audit Committee**

The Audit Committee has been constituted in terms of Section 177 of the Act, read with Regulation 18 of the Listing Regulations. The scope and function of the Audit Committee is in accordance with Section 177 of the Act, read with Regulation 18 and Part C of Schedule II of the Listing Regulations. Brief description of terms of reference of Audit Committee are as follows:

1. Overseeing the Company's financial reporting process to ensure transparency, sufficiency, fairness and credibility of financial statements etc;
2. Reviewing the quarterly, half yearly and annual financial statements and report of auditor before submission to the Board;
3. Reviewing the effectiveness of Internal Audit function and Internal control system;
4. Reviewing and approving the related party transactions;
5. Reviewing and approving the inter- corporate loans and investments, including that made by the unlisted material subsidiaries;
6. Reviewing of management discussion and analysis of financial condition and results of operation;
7. Recommendation for appointment, remuneration and terms of appointment of auditors;
8. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
9. To monitor, review, assess the policies and procedures relating to the proper functioning of the system for prevention of insider trading;
10. Reviewing the statement of uses/application of funds raised through public issue, rights issue, preferential issue etc;
11. Approving the budget and business plan;
12. Reviewing the functioning of the Whistle Blower mechanism.

The composition of the Audit Committee as on March 31, 2020 is as under:

Sl no.	Name of the Member	Category	Designation
1	Mr. Suresh Muthukrishna Kumar	Non-Executive Independent	Chairman
2	Dr. Layla Mohamed Hassan Ali Almarzooqi	Non-Executive Independent	Member
3	Mr. Ravi Prasad	Non-Executive Independent	Member
4	Ms. Alisha Moopen	Executive	Member
5	Mr. T J Wilson	Non-Executive	Member

**Note:**

Mr. Maniedath Madhavan Nambiar ceased to be a Member of the Committee with effect from February 11, 2020.

Mr. Ravi Prasad ceased to be a Member of the Committee with effect from April 20, 2020.

Prof. Biju Varkkey and Mr. Chenayappillil John George appointed as Member of the Committee with effect from April 20, 2020.

The Committee met six times during the financial year 2019-2020. The said meetings were held on May 27, 2019; August 06, 2019; November 11, 2019; January 09, 2020; February 10, 2020 and March 31, 2020. The necessary quorum was present for all the meetings.

**b. Nomination and Remuneration Committee**

The Nomination and Remuneration Committee has been constituted in terms of Section 178 of the Act, read with Regulation 19 of the Listing Regulations. The scope and function of the Nomination and Remuneration Committee is in accordance with Section 178 of the Act, read with Regulation 19 and Part D of Schedule II of the Listing Regulations. Brief description of terms of reference of Nomination and Remuneration Committee are as follows:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board;
3. Devising a policy on Board diversity;
4. Evaluation of every Director's performance;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
6. Whether to extend or continue the term of appointment of the independent director on the basis of the report of performance evaluation of independent directors;
7. Review and approve for the Managing Director, other Executive Directors on the Board of Directors and Key Managerial Personnel;
8. Overseeing and administrating ESOP plan of the Company.

The composition of the Nomination and Remuneration Committee as on March 31, 2020 is as under:

Sl no.	Name of the Member	Category	Designation
1	Prof. Biju Varkkey	Non-Executive Independent	Chairman
2	Mr. Daniel James Snyder	Non-Executive Independent	Member
3	Mr. Ravi Prasad	Non-Executive Independent	Member
4	Mr. Daniel Robert Mintz	Non-Executive	Member
5	Dr. Azad Moopen	Promoter, Executive	Member

**Note:**

Ms. Alisha Moopen ceased to be a Member of the Committee with effect from August 29, 2019.  
 Mr. Ravi Prasad and Mr. Daniel James Snyder ceased to be a Member of the Committee with effect from April 20, 2020.  
 Mr. Chenayappillil John George appointed as Member of the Committee with effect from April 20, 2020.

The Committee met five times during the financial year 2019-2020. The said meetings were held on May 27, 2019; August 06, 2019; August 29, 2019; November 11, 2019; February 10, 2020. The necessary quorum was present for all the meetings.

**c. Stakeholders Relationship Committee**

The Stakeholders Relationship Committee has been constituted in terms of Section 178 of the Act read with Regulation 20 of the Listing Regulations. The scope and function of the Committee is in accordance with Section 178 of the Act read with Regulation 20 and Part D of Schedule II of the Listing Regulations. Brief description of terms of reference of Stakeholders Relationship Committee are as follows:

1. Reviewing various aspects of interest of the security holders;
2. Resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual reports, non- receipt of declared dividends, issue of new/ duplicate certificates, general meetings etc;
3. Reviewing measures taken for effective exercise of voting rights by shareholders;
4. Reviewing adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
5. Reviewing various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.



The composition of the Stakeholders' Relationship Committee as on March 31, 2020 is as under:

SI no.	Name of the Member	Category	Designation
1	Mr. Suresh Muthukrishna Kumar	Non-Executive Independent	Chairman
2	Mr. Daniel James Snyder	Non-Executive Independent	Member
3	Mr. Anoop Moopen	Non-Executive	Member
4	Mr. T J Wilson	Non-Executive	Member

**Note:**

Mr. Daniel James Snyder ceased to be a Member of the Committee with effect from April 20, 2020.

The stakeholder's relationship committee met four times during the financial year 2019-2020. The said meetings were held on May 27, 2019; August 06, 2019; November 11, 2019 and February 11, 2020. The necessary quorum was present for all the meetings.

The details with regard to Stakeholders grievances as on March 31, 2020 are as under:

SI no.	Particulars	Related Details
1	Name of the Non-Executive Director heading the Committee	Mr. Suresh Muthukrishna Kumar (Non-Executive Independent Director)
2	Name and Designation of Compliance Officer	Ms. Puja Aggarwal Company Secretary and Compliance Officer
3	Number of shareholders complaints received as on March 31, 2020	0
4	Number of complaints not solved to the satisfaction of shareholders as on March 31, 2020	0
5	Number of pending complaints as on March 31, 2020	0

#### d. Risk Management Committee

In terms of Regulation 21 of Listing Regulations the top 500 listed entities are required to constitute a Risk Management Committee. The Risk Management Committee has been constituted in terms of Regulation 21 of the Listing Regulations. Brief description of terms of reference of Risk Management Committee are as follows:

1. Reviewing the risk identification and management process developed by management to confirm it is consistent with the Company's strategy and business plan;
2. Reviewing the risk management plan including the plan on cyber security;
3. Reviewing Management's assessment of risk at least annually;
4. Reviewing of significant business, political, financial and control risks or exposure to such risk;
5. Overseeing and monitoring Management's documentation of the material risks that the Company faces and Company's policy for Risk assessment and risk management;
6. Assessment of the steps implemented by management to manage and mitigate identifiable risk, including the use of hedging and insurance.

The composition of the Risk Management Committee as on March 31, 2020 is as under:

SI no.	Name of the Member	Category	Designation
1	Mr. Ravi Prasad	Non-Executive Independent	Chairman
2	Prof. Biju Varkkey	Non-Executive Independent	Member
3	Ms. Alisha Moopen	Executive	Member
4	Mr. T J Wilson	Non-Executive	Member
5	Mr. Daniel Robert Mintz	Non-Executive	Member

**Note:**

Mr. Maniedath Madhavan Nambiar ceased to be a Member of the Committee with effect from February 11, 2020.

Mr. Ravi Prasad ceased to be a Member of the Committee with effect from April 20, 2020.

Ms. Alisha Moopen has been appointed as Chairperson of the Committee with effect from April 20, 2020.

The Risk Management Committee met once during the financial year 2019-2020 on February 10, 2020 and the necessary quorum was present for the meeting.

**e. Corporate Social Responsibility Committee**

The Committee was constituted under the provisions of Section 135 of the Act and the rules and guidelines framed thereunder. The scope and functions of the Committee is framed as per the said provisions. Brief description of terms of reference of the Corporate Social Responsibility Committee are as follows:

1. Formation of a corporate social responsibility policy of the Company;
2. Identification of corporate social responsibility activities;
3. Approving the budget for carrying out corporate social responsibility activities;
4. Monitoring the expenditure and activities relating to corporate social responsibility and recommendation of the same to the Board for approval.

The composition of the Corporate Social Responsibility Committee as on March 31, 2020 is as under:

Sl no.	Name of the Member	Category	Designation
1	Dr. Azad Moopen	Promoter, Executive	Chairman
2	Mr. Shamsudheen Bin Mohideen Mammu Haji	Non-Executive	Member
3	Mr. Anoop Moopen	Non-Executive	Member
4	Prof. Biju Varkkey	Non-Executive Independent	Member
5	Dr. Layla Mohamed Hassan Ali Almarzooqi	Non-Executive Independent	Member

**Note:**

Mr. Maniedath Madhavan Nambiar ceased to be a Member of the Committee with effect from February 11, 2020.

The Committee met three times during the financial year 2019-2020. The said meetings were held on May 28, 2019; July 25, 2019 and November 12, 2019. The necessary quorum was present for all the meetings.

**Non-Statutory Committees**

**f. Investment Committee**

The Board of Directors has constituted Investment Committee in terms of provision of the Act to monitor and review the investments and investment plan and perform such other functions as the Board may deem fit. Brief description of terms of reference of Investment Committee are as follows:

1. Overseeing and reviewing the investment strategy and investment policy of the Company;
2. Identifying, reviewing, analysing and prioritizing various investment proposals and recommending to the Board of Directors;
3. Reviewing the performance of investments and reporting the performance and any material deviations if any, to the Board of Directors;
4. Reviewing and recommending to the Board of Directors corporate acquisitions, business initiatives requiring a significant capital allocation and disposals of business segments or subsidiaries, and joint ventures;
5. Ensuring that the proposed investment proposals comply with relevant regulations.

The composition of the Investment Committee as on March 31, 2020 is as under:

Sl no.	Name of the Member	Category	Designation
1	Dr. Azad Moopen	Promoter, Executive	Chairman
2	Mr. Suresh Muthukrishna Kumar	Non-Executive Independent	Member
3	Mr. Sreenath Reddy	Group Chief Financial Officer	Member



The Investment Committee met once during the financial year 2019-2020 on December 17, 2019 and the necessary quorum was present for the meeting.

#### g. Medical Excellence Committee

The Board of Directors has constituted Medical Excellence Committee to monitor and review the quality of medical services provided and perform such other functions as the Board may deem fit. Brief description of terms of reference of Medical Excellence Committee are as follows:

1. Reviewing the Statutory Compliance of the group;
2. Overseeing Culture of safety and adherence to ethical guidelines in clinical practice and research;
3. Reviewing trends of key performance related to patient safety and quality;
4. Overseeing the clinical risk management strategies and preparedness in case of any eventuality;
5. Approving Quality & patient safety budget including infection control;
6. Reviewing the road map of accreditations of the various units across the group;
7. Ascertaining opportunities for medical educational initiatives.

The composition of the Medical Excellence Committee as on March 31, 2020 is as under:

SI no.	Name of the Member	Category	Designation
1	Dr. Azad Moopen	Promoter, Executive	Chairman
2	Ms. Alisha Moopen	Executive	Member
3	Dr. Layla Mohamed Hassan Ali Almarzooqi	Non-Executive Independent	Member

The Medical Excellence Committee met once during the financial year 2019-2020 on November 11, 2019 and the necessary quorum was present for the meeting.

#### h. Buyback Committee

The Board of Directors of the Company at their meeting held on January 09, 2020, in order to execute buyback procedure, constituted the Buyback Committee comprising Dr. Azad Moopen - Chairman and Managing Director, Mr. T J Wilson -Non-Executive Director, Mr. Sreenath Reddy- Group CFO, Mr. Sunil Kumar M R- Finance Head- India Operations, Mr. Sooraj P- AGM Corporate Finance and Ms. Puja Aggarwal- Company Secretary and Compliance Officer. During the year, the committee executed buyback procedures as required under the provision of the Act and SEBI (Buy-Back of Securities) Regulations, 2018 and amendments thereto. The Buyback Committee passed resolutions by circular on various matters during the financial year 2019-2020.

### 4. Attendance Details of Committee Meetings Attended

SI no.	Name of the Director	Attendance						
		Audit Committee	Nomination and Remuneration Committee	Stakeholders Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee	Investment Committee	Medical Excellence Committee
<b>Total number of meetings held in the financial year</b>		<b>6</b>	<b>5</b>	<b>4</b>	<b>3</b>	<b>1</b>	<b>1</b>	<b>1</b>
1	Dr. Azad Moopen	NA	4	NA	3	NA	0	1
2	Ms. Alisha Moopen	5	2	NA	NA	1	NA	1
3	Mr. T J Wilson	6	NA	4	NA	1	NA	NA
4	Mr. Anoop Moopen	NA	NA	4	2	NA	NA	NA
5	Mr. Daniel Robert Mintz	NA	0	NA	NA	0	NA	NA
6	Mr. Shamsudheen Bin Mohideen Mammu Haji	NA	NA	NA	1	NA	NA	NA

SI no.	Name of the Director	Audit Committee	Nomination and Remuneration Committee	Attendance				
				Stakeholders Relationship Committee	Corporate Social Responsibility Committee	Risk Management Committee	Investment Committee	Medical Excellence Committee
7	Mr. Daniel James Snyder**	NA	5	3	NA	NA	NA	NA
8	Mr. Maniedath Madhavan Nambiar*	5	NA	NA	3	1	NA	NA
9	Mr. Ravi Prasad**	6	4	NA	NA	1	NA	NA
10	Mr. Suresh Muthukrishna Kumar	6	NA	4	NA	NA	1	NA
11	Prof. Biju Varkkey	NA	5	NA	3	1	NA	NA
12	Dr. Layla Mohamed Hassan Ali Almarzooqi	4	NA	NA	1	NA	NA	1

\*Mr. Maniedath Madhavan Nambiar resigned from the Board of Directors of the Company with effect from February 11, 2020.

\*\*Mr. Ravi Prasad and Mr. Daniel James Snyder retired from the Board of Directors of the Company with effect from April 20, 2020.

## 5. Remuneration of Directors

### a. 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.

During the financial year under review your Company paid sitting fees of ₹ 100,000 per sitting to each Non-Executive Independent Director for attending the meetings of Board/ Committees of the Board. The payment to said Directors are within the limits prescribed under the provisions of the Act and Listing Regulations. The Company also reimburses any out of pocket expenses incurred by the Directors for attending the meetings of the Company. In the inadequacy of profit on a standalone basis your Chairman and Managing Director is entitled to a fixed pay of ₹ 5,00,000 per month as stipulated under the Act and which was agreed by the Shareholders through a resolution passed in the Annual General Meeting of the Company held on August 08, 2019. Further Ms. Alisha Moopen, Deputy Managing Director of the Company is not drawing any remuneration from the Company.

### b. Details of the remuneration paid to the Directors for the year ended March 31, 2020

Name of the Director	Designation	(amount in ₹ crores)
<b>Executive</b>		
Dr. Azad Moopen*	Chairman and Managing Director	0.60
Ms. Alisha Moopen**	Deputy Managing Director	Nil
<b>Non-Executive</b>		
Mr. T J Wilson***	Non-Executive	Nil
Mr. Anoop Moopen	Non-Executive	Nil
Mr. Daniel Robert Mintz	Non-Executive	Nil
Mr. Shamsudheen Bin Mohideen Mammu Haji	Non-Executive	Nil
<b>Non-Executive Independent</b>		
Mr. Daniel James Snyder	Non-Executive Independent	0.13
Mr. Maniedath Madhavan Nambiar	Non-Executive Independent	0.14
Mr. Ravi Prasad	Non-Executive Independent	0.16
Mr. Suresh Muthukrishna Kumar	Non-Executive Independent	0.16
Prof. Biju Varkkey	Non-Executive Independent	0.14
Dr. Layla Mohamed Hassan Ali Almarzooqi	Non-Executive Independent	0.10

\* Dr. Azad Moopen also received remuneration of AED 72,00,000 during FY 2019-20 from Dr. Moopen's Healthcare Management Services LLC. He is entitled to gratuity payments and leave encashments as per the policies.

\*\* Ms. Alisha Moopen received remuneration of AED 19,76,000 and bonus of AED 2,88,000 during FY 2019-20 from Dr. Moopen's Healthcare Management Services LLC. She is entitled to gratuity payments and leave encashments as per the policies.

\*\*\* Mr. T J Wilson received remuneration of AED 15,89,600 and bonus of AED 2,26,800 during FY 2019-20 from Dr. Moopen's Healthcare Management Services LLC. He is entitled to gratuity payments and leave encashments as per the policies.



**c. Criteria for making payment to Non-Executive Directors**

The policy for payment to Non-Executive Independent Directors has been made available on the website of the Company at [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors).

**d. Service Contracts, Notice and Severance Fees**

As on March 31, 2020 the Board of Directors has 11 Members viz. 9 Non-Executive Directors, including 5 Independent Directors, 1 Managing Director and 1 Deputy Managing Director. The Executive Directors are employees of the Company and are subject to service conditions as per the Company's Policy. There is no separate provision for payment of severance fees to any of the Directors.

**e. Stock option details**

The following Director has been granted stock options during the year:

Sl no.	Name of the Director	Performance Options	Loyalty Options	Total Options	Date
1	Mr. T J Wilson	9,000	6,000	15,000	August 29, 2019

During the year, apart from above Director, no other Director has been granted any stock options of the Company.

**f. Pecuniary relationship or transactions of the Non-Executive Directors**

During the year under review there were no pecuniary transactions with the Non-Executive Directors of the Company.

**6. General Body Meetings**

**a. Annual General Meeting ("AGM")**

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

Financial Year	Date	Time	Venue
2016-17	September 20, 2017	11:00 AM - 12:30 PM	Registered office at IX/475L,
2017-18	August 16, 2018	10:00 AM-11:30 AM	Aster Medcity, Kuttisahib Road,
2018-19	August 08, 2019	10:00 AM-11:30 AM	Near Kothad Bridge, South Chittoor P.O, Cheranalloor, Kochi 682027, Kerala, India

**b. Extraordinary General Meeting ("EGM")**

No Extraordinary General Meeting of the Company was called and convened during the financial year 2019-2020.

**c. Details of Special Resolutions passed during the last 3 AGMs are as under**

Financial Year	Date	Special Resolution passed
2016-17	September 20, 2017	Nil
2017-18	August 16, 2018	Nil
2018-19	August 08, 2019	Re-appointment of Dr. Azad Moopen (DIN:00159403) as Managing Director of the Company for a period of five years

**d. Details of Special Resolution passed through postal ballot**

The Company had sought the approval of the Members by way of a Special Resolution through notice of postal ballot dated August 07, 2019 for the following resolutions:

- (i) Shifting the registered office of the Company from the State of Kerala to the State of Karnataka.
- (ii) Appointment of Ms. Alisha Moopen (DIN: 02432525) as Deputy Managing Director of the Company.

The above-mentioned resolutions were duly passed and the results of which were announced on October 14, 2019. Mr. M Damodaran (Membership No. 5837, CP No: 5081) of M/s M Damodaran & Associates LLP, Practicing Company Secretaries, was appointed as the Scrutinizer to scrutinize the postal ballot and remote e-voting process in a fair and transparent manner.

The details of voting pattern is annexed to this report as **Annexure 10A**.

**e. There is no Special Resolution proposed to be conducted through postal ballot**

**f. Procedure for postal ballot**

In compliance with Sections 108 and 110 and other applicable provisions of the Companies Act, 2013, read with the related rules, the Company provides electronic voting (e-voting) facility to all its Members. The Company engages the services of National Securities Depository Limited for the purpose of providing e-voting facility to all its Members. The Members have the option to vote either by physical ballot or through e-voting.

The Company dispatches the postal ballot notices and forms along with postage prepaid business reply envelopes to its Members whose names appear on the Register of Members / list of beneficiaries as on a cut-off date. The postal ballot notice is also sent to Members in electronic form to the email addresses registered with their depository participants (in case of electronic shareholding) / the Company's registrar and share transfer agents (in case of physical shareholding). The Company also publishes a notice in the newspaper declaring the details of completion of dispatch and other requirements as mandated under the Act and applicable Rules. Voting rights are reckoned on the paid-up value of the shares registered in the names of the Members as on the cut-off date. Members desiring to exercise their votes by physical postal ballot forms are requested to return the forms, duly completed and signed, to the scrutinizer on or before the close of the voting period. Members desiring to exercise their votes by electronic mode are requested to vote before close of business hours on the last date of e-voting. The scrutinizer submits his report to the Chairman, after the completion of scrutiny, and the consolidated results of the voting by postal ballot are then announced by the Chairman/authorized officer. The results are also displayed on the Company's website at [www.asterdmhealthcare.com](http://www.asterdmhealthcare.com),

besides being communicated to the stock exchanges. The last date for the receipt of duly completed postal ballot forms or e-voting shall be the date on which the resolution would be deemed to have been passed, if approved by the requisite majority.

**7. Means of communication**

- a. The quarterly, half-yearly and annual results of the Company are published in newspapers like Mangalam (Malayalam) and Financial Express (English). The results are also displayed on the Company's website at [www.asterdmhealthcare.com](http://www.asterdmhealthcare.com).
- b. Press releases made by the Company from time to time and presentations made to the institutional investors and analysts after the declaration of the quarterly, half-yearly and annual results are disseminated through the exchanges websites and are also displayed on the Company's website at [www.asterdmhealthcare.com](http://www.asterdmhealthcare.com).

**8. General shareholder information**

**a. Annual General Meeting**

Annual General Meeting of the Company shall be held through Video Conferencing (VC)/ other Audio-Visual Means (OAVM) (Instruction and general guidelines for participation through VC/ OAVM has been given in Notice of the AGM).

Date : August 14, 2020  
 Time : 11.00 AM (IST)

**b. Financial Year**

Financial Year covers the period from April 01, 2019 to March 31, 2020.

**c. Dividend payment date**

Keeping in view the growth strategy of the Company, the Board of Directors have decided to plough back the profits and thus do not recommended any dividend for the financial year under review and hence dividend payment date is not applicable.

**d. Listing on Stock Exchanges**

Equity Shares of the Company are listed on following exchanges and the requisite listing fees have been paid in full to the Stock Exchanges.

BSE Limited (BSE) Department of Corporate Services, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400001	National Stock Exchange of India Limited (NSE) Exchange plaza, C-1, Block G, Bandra Kurla Complex, Mumbai – 400051.
Scrip code: 540975	Stock Code: ASTERDM
ISIN: INE914M01019	

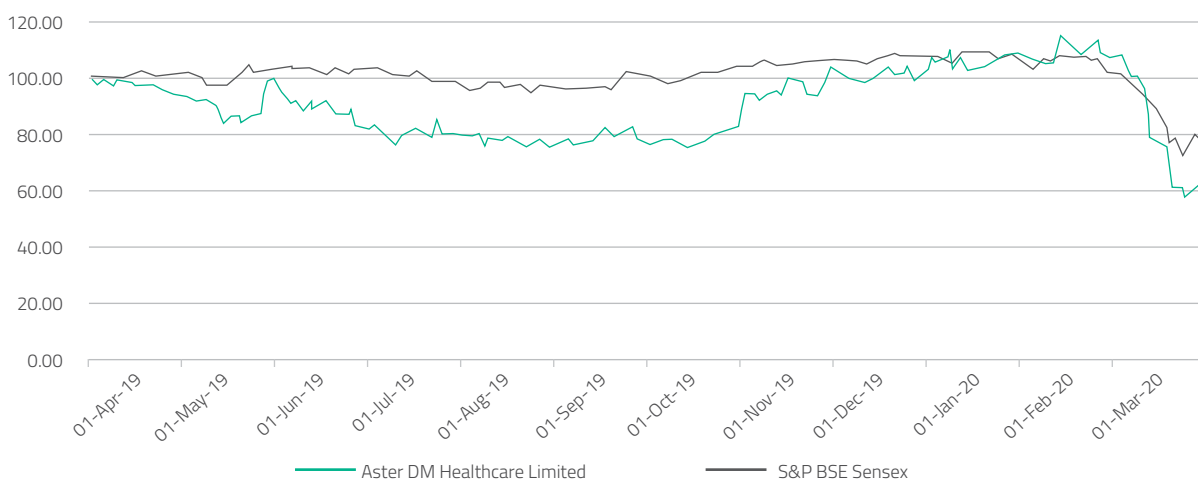




**e. Market price data- high, low during each month in the financial year 2019-2020**

Month	BSE			NSE		
	High Price	Low Price	No. of Shares	High Price	Low Price	No. of Shares
Apr-19	160.00	141.00	81,934	161.00	144.20	6,95,132
May-19	156.80	126.00	83,259	157.95	125.80	7,40,311
Jun-19	150.00	121.60	6,63,114	150.70	120.00	4,81,90,436
Jul-19	132.95	115.10	3,38,252	131.70	115.10	62,30,666
Aug-19	126.00	109.70	1,91,419	126.10	109.50	17,75,660
Sep-19	130.00	115.60	2,85,094	131.00	115.40	17,55,847
Oct-19	139.40	112.00	82,844	139.45	113.20	18,23,438
Nov-19	163.00	121.00	2,31,261	163.10	135.55	46,81,497
Dec-19	162.95	146.05	1,32,923	162.80	147.00	21,16,062
Jan-20	173.40	157.15	55,14,435	174.90	155.20	1,09,20,822
Feb-20	180.50	161.00	2,29,261	181.80	161.00	50,17,775
Mar-20	170.00	78.50	4,00,016	169.00	78.00	82,56,561

**f. Performance of the share price of the Company in comparison to the Indices: S&P BSE SENSEX**



Base 100 – Aster DM Healthcare Limited share price on April 1, 2019 and S&P BSE Sensex (Sensex) value on April 1, 2019 have been baselined to 100.

**g. Suspension of Trading**

The securities of the Company were not suspended from trading on stock exchanges during the year under review.

**h. Registrar and Share Transfer Agents**

Name: Link Intime India Pvt Ltd  
Address: C-101, 1st Floor, 247 Park,  
Lal Bahadur Shastri, Marg,  
Vikhroli (West), Mumbai -400 083  
Maharashtra, India  
Telephone: +91 22 4918 6200  
E-mail: coimbatore@linkintime.co.in  
Website: www.linkintime.co.in

**i. Share transfer system**

Trading in equity shares of the Company through recognized stock exchanges is permitted only in dematerialized form. Pursuant to amended in Regulation 40 of Listing Regulations with effect from April 01, 2019 requests for effecting transfer of Securities shall not be processed unless the Securities are held in the dematerialised form with a Depository hence shares shall be transferred only through demat. However, investors are not barred from holding shares in physical form.

**j. Shareholding as on March 31, 2020**

## i. Distribution of shareholdings as on March 31, 2020

Shares Range	Number of Shareholders	Percentage to total shareholders	Shares	Percentage to capital (%)
1 – 500	81,802	96.03%	68,60,466	1.37%
501 – 1000	2,257	2.65%	15,76,698	0.32%
1001 – 2000	505	0.59%	7,19,202	0.14%
2001 – 3000	168	0.20%	4,28,994	0.09%
3001 – 4000	86	0.10%	3,08,743	0.06%
4001 – 5000	56	0.07%	2,57,675	0.05%
5001 – 10000	113	0.13%	7,79,550	0.16%
10000- above	200	0.23%	48,85,81,732	97.81%
<b>Grand Total</b>	<b>85,187</b>	<b>100.00%</b>	<b>49,95,13,060</b>	<b>100.00%</b>

## ii. Category of Equity Shareholders as on March 31, 2020

Sl no.	Category	Number of shares	% of holding
1	Clearing Members	12,59,797	0.25%
2	Other Bodies Corporate	80,95,368	1.62%
3	Directors	1,12,71,534	2.26%
4	Foreign Company	16,33,99,696	32.71%
5	Financial Institutions	31,49,362	0.63%
6	Foreign Promoter Company	18,68,53,810	37.41%
7	Hindu Undivided Family	3,85,764	0.08%
8	Mutual Funds	2,48,33,785	4.97%
9	Non -Resident Indians	1,63,68,954	3.28%
10	Non-Resident (Non Repatriable)	27,59,394	0.55%
11	Public	1,91,25,937	3.83%
12	Relatives of Director [NRI]	5,91,733	0.12%
13	Foreign Venture Capital	1,29,99,534	2.60%
14	Employee Welfare Trust / ESOP's	28,72,616	0.58%
15	Foreign Portfolio Investors (Corporate)	4,09,86,108	8.21%
16	Alternate Investment Funds	45,59,668	0.91%
	<b>Total</b>	<b>49,95,13,060</b>	<b>100.00%</b>

**k. Dematerialization of Shares & Liquidity**

As on March 31, 2020 ₹ 6,00,29,040 Paid-up Equity Share Capital is held in physical form and 493,51,01,560 Paid-up Equity Share Capital is held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited.

**l. Outstanding GDR's/ ADR's or Warrants or any convertible instruments, conversion date and likely impact on equity**

The Company has not issued any GDR's/ ADR's or warrants or any convertible instruments, hence as on March 31, 2020 the Company does not have any outstanding GDR's / ADR's or Warrants or any convertible instruments.

**m. Demat suspense account**

The Company does not have any equity shares in the suspense account.

**n. Transfer of unclaimed/unpaid amount to the Investor Education and Provident Fund**

The Company does not have any instances of transferring any amount to the Investor Education and Provident Fund.

**o. Commodity price risk or foreign exchange risk and hedging activities**

Refer Note No 35 of the financial Statements for details on commodity price risk, foreign exchange risk and hedging activities.

**p. 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 on the website of the Company.

**q. Address for correspondence**

Puja Aggarwal  
Company Secretary and Compliance Officer  
Aster DM Healthcare Limited  
#1785,19th Main, Sector 1,  
HSR Layout, Bangalore -560102 India  
Contact : 080 22585845  
Email : investors@asterdmhealthcare.com  
Website : www.asterdmhealthcare.com



## r. Credit Rating

The following ratings assigned by the ICRA Limited and revision in the ratings during the year under review:

Type of Facility/ Programme	Ratings assigned on August 17, 2018		Revised Ratings assigned on June 14, 2019	
	Amount (₹ Crores)	Rating	Amount (₹ Crores)	Rating
Bank loan facility (Long term)	138	BBB+ (Positive)	138	A-(Stable)
Bank loan facility (Short term)	30	A2+	30	A2+

## 9. Other Disclosures

### a. Materially significant related party transactions

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. During the year under review there were no materially significant transactions entered into between the Company and its promoters, Directors or the Management, or their relatives or Holding Company, Subsidiaries, Associates that may have potential conflict with the interest of the Company at large. The policy for related party transactions, which has been approved by the Board, is uploaded on the website of the Company at [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors). Reference to the related party transactions entered during the year under review is attached as an annexure to the Boards report in form AOC-2 as stipulated under the Act.

### b. Details of non-compliance with respect to Capital Markets and penalties

There were no instances of non-compliances by the Company and no penalties or strictures were imposed on the Company by the Stock Exchanges or SEBI or any statutory authority, on any matter related to the capital markets during the last three years.

### c. Whistle blower policy and vigil mechanism

The Company believes in conducting its affairs in a transparent manner and adopts highest standards of professionalism and ethical behaviour. Integrity is one of the key values of the Company that it strictly abides by. Keeping that in view the Company has established a vigil mechanism for Directors and employees to report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics. The Whistle Blower Policy had undergone a change with effect from February 11, 2020 which is available on the website of the Company at [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors).

The Company, as a policy, condemns any kind of discrimination, harassment, victimization or any other unfair employment practice being adopted against whistle blowers and provides adequate safeguard measures. It also provides a direct access to the Chairman of the Audit Committee under extraordinary circumstances.

In addition to this, the Company has also engaged an independent agency called 'Integrity Matters' that provides an electronic and digital platform to report any unethical practices or harassment/injustice at the workplace confidentially and, if desired, anonymously by any employees or vendors of the

Company or any of its subsidiaries anywhere in the world to ensure fairness and transparency in the process.

### d. Compliance with mandatory requirements and adoption of non-mandatory requirements

The Company has complied with all mandatory requirements to the extent applicable to the Company. Apart from complying with the mandatory requirements prescribed by the Listing Regulations, your Company has complied with a few non-mandatory requirements such as:

- During the year under review, there is no audit qualification in your Company's Financial Statements. Your Company continues to adopt best practices to ensure regime of unqualified Financial Statements.
- Submission of Internal Auditors report directly to the Audit Committee.

### e. Subsidiary Companies

All subsidiary companies are managed by their Boards having the rights and obligations to manage such Companies in the best interest of their stakeholders. Pursuant to Regulation 24(1) of Listing regulations at least one Independent Director on the Board of Directors of the listed entity shall be a Director on the Board of Directors of an unlisted material subsidiary.

As per the audited financial statements of financial year 2018-19, the following subsidiaries have been considered as material and the Company has appointed following Independent Directors on the Board of material subsidiary companies:

Sl no.	Name of the Subsidiary	Independent Director
1	Affinity Holdings Private Limited	Mr. Ravi Prasad*
2	Aster DM Healthcare FZC	Mr. Suresh Muthukrishna Kumar
3	Medcare Hospital LLC	Dr. Layla Mohamed Hassan Ali Almarzooqi

\*Mr. Ravi Prasad ceased to be Director of Affinity Holdings Private Limited with effect from April 20, 2020 and Dr. Layla Mohamed Hassan Ali Almarzooqi has been appointed with effect from April 27, 2020.

Audit Committee reviews the financial statements of the material subsidiary. The minutes of meetings of the Board of Directors and a statement of all significant transactions and arrangements entered into by the material subsidiary companies are periodically placed before the Board of Directors of the Company for their review.

Pursuant to Regulation 24(4) of Listing Regulations, the following companies shall be considered as material subsidiaries as per the Audited financial statements of financial year 2018-19:

Sl no.	Name of the Subsidiary Company
1	Affinity Holdings Private Limited
2	Aster DM Healthcare FZC
3	Medcare Hospital LLC
4	Sanad Al Rahma for Medical Care LLC
5	Malabar Institute of Medical Sciences Limited
6	DM Healthcare LLC
7	Aster Pharmacies Group LLC

The Company has a Policy for determining material subsidiaries which is uploaded on the website of the Company at [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors).

**f. Details of utilization of funds raised through preferential allotment or qualified institutions placement**

During the year under review the Company has not raised any funds through the preferential allotment or Qualified Institutions Placement.

**g. Certificate from a Company Secretary in practice**

A certificate from a Company secretary in practice that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Board/Ministry of Corporate Affairs or any such statutory authority is annexed to this report as **Annexure 10B**.

**h. Recommendation of any committee of the board which was not accepted**

The Board had accepted all the recommendations made by its Committee during the financial year.

**i. Total fees to Statutory Auditors**

The total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor and all entities in the network firm/network entity of which the statutory auditor is a part amounts to is as under:

Type of Service	amount in ₹ crore		
	India Entities	GCC Entities*	Total
Audit	1.73	5.87	7.60
Tax Audit	0.04	0.19	0.23
Others	0.08	0.05	0.13
<b>Total</b>	<b>1.85</b>	<b>6.11</b>	<b>7.96</b>

\*All numbers have been converted from foreign currency to INR at the closing rate

Note: The above fees excludes out-of-pocket expenses and taxes

**j. Disclosure in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013**

- number of complaints filed during the financial year -0
- number of complaints disposed of during the financial year -Not Applicable
- number of complaints pending as on end of the financial year -Not Applicable

**k. Secretarial Audit Report**

Pursuant to Regulation 24A of the Listing Regulations, every listed entity shall undertake secretarial audit and shall annex with its Annual Report, a Secretarial Audit Report, given by a Company Secretary in Practice. The Company in this regard, has received the Secretarial Audit report from M/s. M Damodaran & Associates LLP, Practising Company Secretaries, [Firm registration number: L2019TN006000] and the said report is annexed to this Annual report.

**l. Code for Prevention of Insider Trading Practices**

During the year under review, the Company adhered to comprehensive Code of Conduct for prevention of Insider Trading for its Promoters, Directors, Key Managerial Personnel and Connected Persons. The Code aims to ensure monitoring, timely reporting and adequate disclosure of price sensitive information by the Promoters, Directors, Key Managerial Personnel and Connected Persons of Aster DM Healthcare Limited. It also aims to bring transparency and fairness in dealing with the stakeholders and also ensuring the adherence to all applicable laws and regulations This Code lays down the guidelines, through which it advises on procedures to be followed and disclosures to be made, while dealing with shares of the Company.

During the year under review, the Company revised its Code for Insider Trading incorporating changes as per the SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2019 notified by SEBI on July 25, 2019 and the same was approved and adopted by the Company on August 07, 2019 which has been made available on the website of the Company at [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors).

**m. Accounting treatment in preparation of financial statements**

In the preparation of the financial statements, the Company has followed existing Indian Accounting Standards (Ind AS). The significant accounting policies which are consistently applied have been set out in the notes to the financial statements.

**n. Other Policies**

The Company has adopted various policies prescribed under the Act and Listing Regulation i.e a Policy on Determination of Materiality for Disclosures, a Policy on Archival and Preservation of Documents, a Dividend Distribution Policy etc which are made available on the website of the Company at [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors).



## 10. Discretionary requirements (Schedule II Part E of the SEBI Listing Regulations)

During the year under review, there was no audit qualification in the Auditors' Report on the Company's financial statements. The Company continues to adopt best practices to ensure a regime of unqualified financial statements.

Also, Grant Thornton India LLP, the Internal Auditors of the Company, makes presentations directly to the Audit committee on their reports.

The Company has been filing quarterly, half yearly results with stock exchanges within the stipulated timeline and also publishes in widely circulated newspapers and on the website of the Company at [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors).

## 11. Compliance with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has complied compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and all other mandatory provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time.

## 12. Compliance with Code of Conduct

The Code of Conduct ("the Code") for Board members and Senior Management personnel as adopted by the Board, is a comprehensive code applicable to Directors and Senior Management personnel. The Code lays down in detail, the standards of business conduct, ethics and strict governance

norms for the Board and Senior Management personnel. A copy of the Code has been made available on the website of the Company at [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors). The Code has been circulated to Directors and Senior management personnel and its compliance is affirmed by them annually. A declaration signed by the Managing Director to this effect is annexed to this report as **Annexure 10C**.

## 13. CFO Certification

Mr. Sreenath Reddy, Group Chief Financial Officer (CFO) of the Company has furnished to the Board, the requisite Compliance Certificate under Regulation 17(8) of the Listing Regulations for the financial year ended March 31, 2020 and is annexed to this report as **Annexure 10D**.

## 14. Compliance Certificate on Corporate Governance

Certificate received from M/s. M Damodaran & Associates LLP, Practising Company Secretaries, [Firm registration number: L2019TN006000], confirming compliance with the conditions of Corporate Governance as stipulated under Regulation 34(3) read with Schedule V(E) of the Listing Regulations is annexed to this report as **Annexure 10E**.

For **and on behalf of the Board of Directors**

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

## Annexure 10A

## Aster DM Healthcare Limited

<b>Date of the Postal Ballot</b>	Notice dated August 07, 2019 Voting start date - September 13, 2019 Voting end date - October 12, 2019
<b>Total no of shareholders as on the record date</b>	88,674
<b>No. of shareholders present in the meeting either in person or through proxy:</b>	
<b>Promoters and Promoter Group</b>	Not applicable
<b>Public</b>	Not applicable

**Resolution Required: (Special)** Shifting the registered office of the Company from the State of Kerala to the State of Karnataka under section 13(4) of the Companies Act, 2013.

**Whether promoter/ promoter group are interested in the agenda/resolution?** No

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes –Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100
Promoter and Promoter Group	E-Voting	191000600	191000600	100.0000	191000600	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	<b>Total</b>		<b>191000600</b>	<b>100.0000</b>	<b>191000600</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>
Public Institutions	E-Voting	88893164	56382785	63.4276	56382785	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	<b>Total</b>		<b>56382785</b>	<b>63.4276</b>	<b>56382785</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>
Public Non Institutions	E-Voting	225333581	75934037	33.6985	75930865	3172	99.9958	0.0042
	Postal Ballot		28011	0.0124	27532	479	98.2900	1.7100
	<b>Total</b>		<b>75962048</b>	<b>33.7109</b>	<b>75958397</b>	<b>3651</b>	<b>99.9952</b>	<b>0.0048</b>
<b>Total</b>		<b>505227345</b>	<b>323345433</b>	<b>64.0000</b>	<b>323341782</b>	<b>3651</b>	<b>99.9989</b>	<b>0.0011</b>

## Details of Invalid votes

Category	No. of votes
Promoter and Promoter Group	0
Public Institutions	0
Public-Non institutions	48

**Resolution Required: (Special)** Shifting the registered office of the Company from the State of Kerala to the State of Karnataka under section 13(4) of the Companies Act, 2013.

**Whether promoter/ promoter group are interested in the agenda/resolution?** No

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes –Against	% of Votes in favour on votes polled	% of Votes against on votes polled
		[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100
Promoter and Promoter Group	E-Voting	191000600	191000600	100.0000	191000600	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	<b>Total</b>		<b>191000600</b>	<b>100.0000</b>	<b>191000600</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>
Public Institutions	E-Voting	88893164	56382785	63.4276	56382785	0	100.0000	0.0000
	Postal Ballot		0	0.0000	0	0	0.0000	0.0000
	<b>Total</b>		<b>56382785</b>	<b>63.4276</b>	<b>56382785</b>	<b>0</b>	<b>100.0000</b>	<b>0.0000</b>
Public Non Institutions	E-Voting	225333581	75934056	33.6985	75926016	8040	99.9894	0.0106
	Postal Ballot		28011	0.0124	27682	329	98.8255	1.1745
	<b>Total</b>		<b>75962067</b>	<b>33.7109</b>	<b>75953698</b>	<b>8369</b>	<b>99.9890</b>	<b>0.0110</b>
<b>Total</b>		<b>505227345</b>	<b>323345452</b>	<b>64.0000</b>	<b>323337083</b>	<b>8369</b>	<b>99.9974</b>	<b>0.0026</b>

## Details of Invalid votes

Category	No. of votes
Promoter and Promoter Group	0
Public Institutions	0
Public-Non institutions	48



## Annexure 10B

### CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS

(Pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of The SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

To  
The Members,  
**Aster DM Healthcare Limited**  
IX/475L, Aster Medcity, Kuttisahib Road,  
Near Kothad Bridge, South Chittoor P.O,  
Cheranalloor, Kochi – 682027, Kerala, India.

We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of ASTER DM HEALTHCARE LIMITED having CIN - L85110KL2008PLC021703 and having registered office at IX/475L, Aster Medcity, Kuttisahib Road, Near Kothad Bridge, South Chittoor P.O, Cheranalloor, Kochi – 682 027, Kerala, India (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of The Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of us information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to us by the Company & its officers, We hereby certify that none of the Directors on the Board of the Company as stated below for the financial year ending on March 31, 2020 have been debarred or disqualified from being appointed or continuing as Directors of companies by The Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sl no.	Name of the Director	DIN	Original Date of appointment
1	Dr. Azad Moopen	00159403	18/01/2008
2	Mr. Suresh Muthukrishna Kumar	00494479	16/09/2015
3	Mr. Daniel Robert Mintz	00960928	18/01/2012
4	Prof. Biju Varkkey	01298281	12/11/2018
5	Mr. Shamsudheen Bin Mohideen Mammu Haji	02007279	16/09/2015
6	Mr. T J Wilson	02135108	20/04/2009
7	Mr. Anoop Moopen	02301362	20/04/2009
8	Ms. Alisha Moopen	02432525	20/09/2013
9	Dr. Layla Mohamed Hassan Ali Almarzooqi	08401425	28/03/2019
10	Mr. Daniel James Snyder	02298099	21/04/2015
11	Mr. Ravi Prasad	07022310	21/04/2015

Ensuring the eligibility for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M Damodaran & Associates LLP**

**M Damodaran**

Managing Partner

FCS No: 5837

COP No: 5081

ICSI UDIN No: F005837B000363645

Place: Chennai  
Date: June 22, 2020

## Annexure 10C

### DECLARATION ON CODE OF CONDUCT

To  
The Members,  
**Aster DM Healthcare Limited**  
IX/475L, Aster Medcity, Kuttisahib Road,  
Near Kothad Bridge, South Chittoor P.O,  
Cheranalloor, Kochi - 682 027, Kerala, India

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 of the Company have affirmed compliance with the Code of Conduct for the financial year 2019-20.

For **Aster DM Healthcare Limited**

Place: Dubai  
Date: June 23, 2020

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





## Annexure 10D

### CFO CERTIFICATION

As per Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To  
The Board of Directors,  
**Aster DM Healthcare Limited**  
IX/475L, Aster Medcity, Kuttisahib Road,  
Near Kothad Bridge, South Chittoor P.O, Cheranalloor,  
Kochi - 682 027, Kerala.

Dear Sir/Madam,

I, Sreenath Reddy, Group Chief Financial Officer of the Company certify to the Board that:

- a. I have reviewed Financial Statements and Cash Flow Statements for the year ended March 31, 2020 and that to the best of my 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. There are, to the best of my knowledge and belief, no transactions entered into by the Company during the financial year under review which are fraudulent, illegal or violation of the Company's Code of Conduct.
- c. I accept responsibility for establishing and maintaining internal controls for financial reporting and that I have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and I have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which I am aware and the steps I have taken or propose to take to rectify these deficiencies.
- d. I have indicated to the Auditors and the Audit Committee:
  - i. Significant changes in internal control over financial reporting during the year;
  - ii. Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - iii. There are no instances of significant fraud of which I have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Dubai  
Date: June 23, 2020

**Sreenath Reddy**  
Group Chief Financial Officer  
PAN: AFFPR3902Q

## Annexure 10E

### COMPLIANCE CERTIFICATE ON CORPORATE GOVERNANCE

To  
The Members,  
**Aster DM Healthcare Limited**  
IX/475L, Aster Medcity, Kuttisahib Road,  
Near Kothad Bridge, South Chittoor P.O,  
Cheranallur, Kochi - 682 027, Keral, India.

- A.** I, M. Damodaran, Managing Partner of M Damodaran & Associates LLP have examined the compliance of conditions of Corporate Governance by ASTER DM HEALTHCARE LIMITED (CIN: L85110KL2008PLC021703) ("the Company"), for the financial year ended March 31, 2020 as stipulated in Regulation 17 to 27 and Clause (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time ["SEBI (LODR)"].

#### Management Responsibility

- B.** The compliance of conditions of Corporate Governance is the responsibility of the management. 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 the SEBI (LODR).

#### Certifier's Responsibility

- C.** My Responsibility and examination was limited to examining the procedures and implementation thereof, adopted by the Company for ensuring the compliance with the conditions of the corporate governance. It is neither an audit nor an expression of opinion on the financial statement of the company.
- D.** I have examined the books of accounts and other relevant records and documents maintained by the Company for the purpose of providing reasonable assurance on the compliance with corporate governance requirements by the company and also obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of certification.

#### Opinion

- E.** In my opinion and to the best of my information and according to the explanations given to us, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in Regulations 17 to 27 and Clause (b) to (i) of Regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the year ended March 31, 2020.
- F.** I, further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M Damodaran & Associates LLP**

Place: Chennai  
Date: June 22, 2020

**M Damodaran**  
Managing Partner  
FCS No: 5837  
COP No: 5081  
ICSI UDIN No: F005837B000363634



# Business Responsibility Report

## Introduction

Aster DM Healthcare Limited (the Company) follows the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE), as notified by the Ministry of Corporate Affairs (MCA), Government of India. The Company has adopted a stakeholder centric Sustainability Framework, aligned to the principles of Business Responsibility. The disclosures made under this report provide transparent and relevant information on the Company's efforts and performance against the nine principles of Business Responsibility. In keeping with the guiding principles of integrated reporting, we have provided cross-references to the reported data within the main sections of this Annual Report for all aspects that are material to us and to our stakeholders.

## Section A: General Information about the Company

1. Corporate Identity Number	L85110KL2008PLC021703
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">www.asterdmhealthcare.com</a>
5. Email id	<a href="mailto:investors@asterdmhealthcare.com">investors@asterdmhealthcare.com</a>
6. Financial year reported	April 1, 2019 to March 31, 2020
7. Sector(s) that the Company is engaged in (Industrial activity code-wise)	Name and description of main products/ services: Healthcare activities NIC Code – 86110
8. List three key products / services that the Company manufactures / provides (as in balance sheet)	Hospitals, Pharmacies* and Clinics  *The Company does not operate any standalone pharmacies in India. All its standalone pharmacies are operated by the Company's subsidiaries outside India
9. Total number of locations where business activity is undertaken by the Company	a) The Company through its subsidiaries operates in 12 hospitals, 108 clinics, 238 pharmacies in various locations in the Middle East
a. Number of International Locations	b) The Company operates 13 hospitals and 9 clinics in India.
b. Number of National Locations	The details are available at the below link: <a href="http://www.asterdmhealthcare.com/global-network">www.asterdmhealthcare.com/global-network</a>
10. Markets served by the Company - Local / State / National / International	<b>International Presence:</b> The Company through its subsidiaries operates in Six GCC states.  National Presence The Company and its Group has its hospitals in Kochi, Calicut, Kottakkal, Kannur, Wayanad, Bangalore, Hyderabad, Vijayawada and Kolhapur.

## Section B: Financial Details of the Company

1. Paid up capital	₹ 499.51 crores consisting of 49,95,13,060 equity shares of ₹ 10 each
2. Total turnover	₹ 760.42 crores
3. Total profit after taxes	₹ 60.61 crores
4. Total spending on Corporate Social Responsibility (CSR) as percentage of average Net Profit of the Company for last 3 financial years.	The Company is not statutorily required to spend for CSR, however the Company being a responsible corporate citizen had spent ₹ 2 crores during the financial year.
5. List of activities in which expenditure in 4 above has been incurred	Please refer to the disclosures on CSR activities in the Annual Report.

**Section C: Other Details**

1. Does the Company have Subsidiaries	Yes, details are as per AOC-1 which given in <b>Annexure 2</b> to the Directors' Report.
2. Do the subsidiary companies participate in the BR initiatives of the parent Company? If yes, then indicate the number of such subsidiaries	The company has 76 subsidiaries. The details are provided in <b>Annexure 2</b> to the Directors Report. The subsidiaries participate in the BR initiatives of the parent company.
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

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

- b. Details of the BR head:

Name	Dr. Azad Moopen
DIN	00159403
Designation	Chairman and Managing Director
Telephone No.	0484 6699999
E mail Id	chairman@asterdmhealthcare.com

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

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
Do you have a policy/policies for	√	√	√	√	√	√	√	√	√
Has the policy being formulated in consultation with the relevant stakeholders?	√	√	√	√	√	√	√	√	√
Does the policy conform to any national / international standards?	√	√	√	√	√	√	√	√	√
Has the policy being approved by the Board?	√	√	√	√	√	√	√	√	√
Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	√	√	√	√	√	√	√	√	√
Does the company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	√	√	√	√	√	√	√	√	√
Indicate the link for the policy to be viewed online?	Note 1	Note 2	Note 3	Note 4	Note 5	Note 6	Note 7	Note 8	Note 9
Has the policy been formally communicated to all relevant internal and external stakeholders?	√	√	√	√	√	√	√	√	√
Does the company have in-house structure to implement the policy/ policies?	√	√	√	√	√	√	√	√	√
Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	√	√	√	√	√	√	√	√	√
Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency ?	√	√	√	√	√	√	√	√	√

Note 1: Code of Conduct Policy: [https://www.nseprimeir.com/z\\_Asterdm/files/AsterDM\\_Code\\_of\\_Conduct\\_for\\_Board\\_of\\_Directors\\_and\\_Sr\\_Management.zip](https://www.nseprimeir.com/z_Asterdm/files/AsterDM_Code_of_Conduct_for_Board_of_Directors_and_Sr_Management.zip)  
Business Responsibility Policy: [https://www.nseprimeir.com/z\\_Asterdm/files/AsterDM\\_Draft\\_Business\\_Responsibility\\_Policy.zip](https://www.nseprimeir.com/z_Asterdm/files/AsterDM_Draft_Business_Responsibility_Policy.zip)

Note 2: Code of Conduct Policy: [https://www.nseprimeir.com/z\\_Asterdm/files/AsterDM\\_Code\\_of\\_Conduct\\_for\\_Board\\_of\\_Directors\\_and\\_Sr\\_Management.zip](https://www.nseprimeir.com/z_Asterdm/files/AsterDM_Code_of_Conduct_for_Board_of_Directors_and_Sr_Management.zip)  
Business Responsibility Policy: [https://www.nseprimeir.com/z\\_Asterdm/files/AsterDM\\_Draft\\_Business\\_Responsibility\\_Policy.zip](https://www.nseprimeir.com/z_Asterdm/files/AsterDM_Draft_Business_Responsibility_Policy.zip)

Note 3: Code of Conduct Policy: [https://www.nseprimeir.com/z\\_Asterdm/files/AsterDM\\_Code\\_of\\_Conduct\\_for\\_Board\\_of\\_Directors\\_and\\_Sr\\_Management.zip](https://www.nseprimeir.com/z_Asterdm/files/AsterDM_Code_of_Conduct_for_Board_of_Directors_and_Sr_Management.zip)



Business Responsibility Policy: [https://www.nseprimeir.com/z\\_Asterdm/files/AsterDM\\_Draft\\_Business\\_Responsibility\\_Policy.zip](https://www.nseprimeir.com/z_Asterdm/files/AsterDM_Draft_Business_Responsibility_Policy.zip) and various Human Resource policies across units.

Note 4: CSR Policy: [https://www.nseprimeir.com/z\\_Asterdm/files/AsterDM\\_CSR\\_Policy.zip](https://www.nseprimeir.com/z_Asterdm/files/AsterDM_CSR_Policy.zip)

Note 5: Code of Conduct Policy: [https://www.nseprimeir.com/z\\_Asterdm/files/AsterDM\\_Code\\_of\\_Conduct\\_for\\_Board\\_of\\_Directors\\_and\\_Sr\\_Management.zip](https://www.nseprimeir.com/z_Asterdm/files/AsterDM_Code_of_Conduct_for_Board_of_Directors_and_Sr_Management.zip)  
Business Responsibility Policy: [https://www.nseprimeir.com/z\\_Asterdm/files/AsterDM\\_Draft\\_Business\\_Responsibility\\_Policy.zip](https://www.nseprimeir.com/z_Asterdm/files/AsterDM_Draft_Business_Responsibility_Policy.zip)

Note 6: Code of Conduct Policy: [https://www.nseprimeir.com/z\\_Asterdm/files/AsterDM\\_Code\\_of\\_Conduct\\_for\\_Board\\_of\\_Directors\\_and\\_Sr\\_Management.zip](https://www.nseprimeir.com/z_Asterdm/files/AsterDM_Code_of_Conduct_for_Board_of_Directors_and_Sr_Management.zip)  
Business Responsibility Policy: [https://www.nseprimeir.com/z\\_Asterdm/files/AsterDM\\_Draft\\_Business\\_Responsibility\\_Policy.zip](https://www.nseprimeir.com/z_Asterdm/files/AsterDM_Draft_Business_Responsibility_Policy.zip)

Note 7: Code of Conduct Policy: [https://www.nseprimeir.com/z\\_Asterdm/files/AsterDM\\_Code\\_of\\_Conduct\\_for\\_Board\\_of\\_Directors\\_and\\_Sr\\_Management.zip](https://www.nseprimeir.com/z_Asterdm/files/AsterDM_Code_of_Conduct_for_Board_of_Directors_and_Sr_Management.zip)  
Business Responsibility Policy: [https://www.nseprimeir.com/z\\_Asterdm/files/AsterDM\\_Draft\\_Business\\_Responsibility\\_Policy.zip](https://www.nseprimeir.com/z_Asterdm/files/AsterDM_Draft_Business_Responsibility_Policy.zip)

Note 8: CSR Policy: [https://www.nseprimeir.com/z\\_Asterdm/files/AsterDM\\_CSR\\_Policy.zip](https://www.nseprimeir.com/z_Asterdm/files/AsterDM_CSR_Policy.zip)

Note 9: Code of Conduct Policy: [https://www.nseprimeir.com/z\\_Asterdm/files/AsterDM\\_Code\\_of\\_Conduct\\_for\\_Board\\_of\\_Directors\\_and\\_Sr\\_Management.zip](https://www.nseprimeir.com/z_Asterdm/files/AsterDM_Code_of_Conduct_for_Board_of_Directors_and_Sr_Management.zip)  
Business Responsibility Policy: [https://www.nseprimeir.com/z\\_Asterdm/files/AsterDM\\_Draft\\_Business\\_Responsibility\\_Policy.zip](https://www.nseprimeir.com/z_Asterdm/files/AsterDM_Draft_Business_Responsibility_Policy.zip)

(a) If answer to the question at serial number 1 against any principle, is 'No', please explain why.- Not Applicable

### 3. Governance related to BR:

- a. Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year?

The Board assesses the BR performance of the Company annually.

- b. Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

BR report is being published annually as part of the Company's Annual Report in compliance with the Listing Regulations.

The hyperlink for viewing the report is - [www.asterdmhealthcare.com/investors](http://www.asterdmhealthcare.com/investors).

### Section E: Principle-wise Performance

#### Principle 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?

This policy extends to the Company and all its subsidiaries.

- 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.

The details with regard to the Stakeholders complaints are as under:

Complaints	Pending as on March 31, 2019	Received during FY 2019-20	Redressed during FY 2019-20	Pending as on March 31, 2020
Investor Complaints	0	0	0	0
Customer Complaints	8	5	0	13
Vendor Complaints	1	0	0	1
Government/ local authority complaints	0	2	1	1

#### Principle 2

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

The Company is amongst nations leading Healthcare service providers and is continuously striving to excel in the industry by making itself and the environment in which it operates sustainable. Below is a brief of the service that the Company had undertaken keeping in mind the sustainability factors:

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. These images are then studied by radiologist and the report is sent back to the imaging facility. Teleradiology has helped in providing timely interpretations of images to even remotely placed imaging centres at any time.

- For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):
  - Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
  - 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 comply with the requirements laid down by the statues and regulatory authorities.

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 comply with the requirements laid down by the statues and regulatory authorities.

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, the Company recycles water and reduces the consumption of energy. Please refer to the **Annexure 9** of the Directors' report which provides details of Energy Conservation initiatives of the Company. Few examples to these initiatives by the Company are:

**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).

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

**Reuse of Water:** Independent plumbing network has been incorporated in recently commissioned area for reuse of treated STP water for flushing purpose.

### Principle 3

1. Please indicate the Total number of employees: 3,595
2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 1,087
3. Please indicate the Number of permanent women employees: 2,355
4. Please indicate the Number of permanent employees with disabilities: 12
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.

SI 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

Note: The aforementioned details are provided 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	75.95%	29.88%
Permanent Women Employees	40.90%	10.64%
Casual/Temporary/Contractual Employees	30.97%	17.02%
Employees with Disabilities	0.26%	0.13%

Note: The aforementioned details are provided on a standalone basis

### Principle 4

1. Has the company mapped its internal and external stakeholders?
2. Out of the above, has the company identified the disadvantaged, vulnerable & marginalized 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

The Company engages with vulnerable and marginalised sections of society through its services, as well as community engagement initiatives. The Company also engages with the disadvantaged and marginalised communities to create a positive impact through community development initiatives and providing quality healthcare in rural and underdeveloped areas of the society.



- 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.

The Company, through its trusts and foundations set up to manage the CSR activities, carries out various activities which ensures that the under privileged section of the society is benefited. The Company has in place a programme named Aster Volunteers, where the employees volunteer themselves by coming forward and involving in the activities. Details on these activities are given under the disclosures on CSR activities in the Annual Report.

#### Principle 5

- 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 Company remains committed to respect and protect human rights. The various aspects of the term "Human Rights" viz Freedom of Association, Collective Bargaining, Non-Discrimination, Gender Equality, Avoidance of Child and Forced Labour are covered in the Human Resource Policies/Practices and Code of Conduct. The HR practices extend to all subsidiaries of the Company.

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

No complaints relating to human rights have been received in the financial year 2019-20.

#### Principle 6

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

The Company strives to protect environment by adopting various eco-friendly measures. The subsidiaries are encouraged to adopt in sustainability initiatives of the Company.

- 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.

The Company has formulated plans and implemented various measures to ensure that the sustainable growth of the organisation along with the ecosystem. Few examples of this initiatives are:

**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 have been installed in the washbasin taps in common area toilets and in-patient room toilets. This has reduced water consumption of in the hospital.

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

**Reuse of water:** Independent plumbing network has been incorporated in recently commissioned area for reuse of treated STP water for flushing purpose.

**Solar power:** The company has entered into agreements operators generating Solar & Wind Power for some of its units. Up to 85% of electricity requirements at these facilities are met using Solar & Wind Power

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

Yes

- 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.

- 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.

The Company has undertaken initiatives on clean technology, energy, efficiency, renewable energy etc., the details of which are made available in the **Annexure 9** to the Directors' report

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

Yes.

- 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

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

The Company is a member of the following associations

- Association of Healthcare Providers – India (AHPI)
- Healthcare Federation of India (NATHEALTH)
- Federation of Indian Chambers of Commerce & Industry (FICCI)
- Confederation of Indian Industry (CII)
- Kerala Private Hospital Association (KPHA)
- Private Hospitals & Nursing Homes Association (PHANA)
- Kerala Management Association (KMA)

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

**a. Medical Education Reforms**

- The Company has 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.

**b. Healthcare Delivery Systems**

- The Company has 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 across India.
- The Company has 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.
- The Company has been actively interacting 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 sixth edition and shared inputs for the seventh edition, in addition to the Ambulatory & Primary Care Standards.
- The Company has also 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.

**c. Information Technology in Healthcare**

- The Company had set up e-consult services to facilitate virtual consultations between its patient & doctors owing to the lockdown due to the COVID-19 pandemic, and within compliance of prevalent regulations from time to time.

**d. Public Health Policy**

- The Company was represented in multiple meetings among stakeholder to share insights on the practical roll-out of the National Health Protection Scheme.

Corporate Social Responsibility (CSR) initiatives is guided by our belief "We'll Treat You Well". The CSR projects focus on participatory and collaborative approach with the community.

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

The Company has an inhouse team which manages the CSR activities for the Group as a whole. Further the Company also associates itself with various foundations like Aster DM Foundation, Aster MIMS Charitable Foundation etc. to support the under privileged and the affected.

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

Aster Volunteers has continued to build momentum over the past few years and has reached a total strength of 27,000 Volunteers. In addition, the organisation has been able to touch 1,29,554 more lives through various Aster Volunteers initiatives during financial year 2019-20 and a cumulative number of beneficiaries of 1.6 million over a period of three years.

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

The Company had spent ₹ 4.50 crores on a standalone basis on various Community development initiatives.

**Principle 9**

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

All the consumer cases have been moved in the district/ state medical consumer forums and are pending for hearing.

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).

The Company is a healthcare service provider and it follows the highest standards of quality while rendering its services as per the locals laws in the areas it operates, however the company does not have any products on which the label can be affixed.

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

NIL

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

Feedback from the customers is the backbone of the Company's growth over the years. The 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 could not be resolved and requires a special attention is escalated to the higher management.

**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.

The Company has a well-defined CSR policy which is line with the Companies Act, 2013. The key philosophy of all the





# Independent Auditors' Report

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

## Report on the Audit of the Standalone Financial Statements

### Opinion

We have audited the standalone financial statements of Aster DM Healthcare Limited ("the Company"), which comprise the standalone balance sheet as at 31 March 2020 and the standalone statement of profit and loss (including other comprehensive income), standalone statement of changes in equity and standalone statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("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 2020, and profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Description of Key Audit Matter

#### Key risk

#### Impairment assessment on investments in subsidiaries (Refer to note 6 Investments in subsidiaries)

As at 31 March 2020, the carrying amount of the Company's investments in subsidiaries aggregated to ₹ 2,150.42 crore representing 60.52% of the total assets of the Company as at that date.

The Company is required to perform impairment test of its investments whenever there is an indication that the investments may be impaired.

Accordingly, the Company performed an impairment assessment of the cash generating units ("CGU") representing those subsidiaries. This involved estimating the recoverable amounts of the CGU based on its value in use ("VIU") and comparing the recoverable amount to the carrying amount of the investment.

We identified this as an area of focus as the impairment assessment involves forecasting uncertainties and is a key judgment area. Estimation of the VIU involves estimating the future cash flows that will be derived from the investment and discounting them to present value at an appropriate rate. The estimated VIU is subject to possible variations in the amounts and timing of future cash flows. The future cash flows projections could be affected by future economic conditions in different markets and geographies including possible effects of the COVID-19 pandemic.

#### Our audit response

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- We obtained an understanding of the methodology adopted by the management in estimating the VIU and assessed whether such methodology is consistent with those used in the industry;
- We evaluated Management's key assumptions of revenue growth rate, profit margin and long-term growth rate, by taking into consideration the current and expected future economic conditions of the respective subsidiaries. We also compared the key assumptions against past actual outcomes and reasonableness of estimates considering the Covid-19 pandemic
- We involved our internal valuation specialists, where required, to assist us in evaluating the assumptions and methodologies used by the Company. In particular this included those relating to discount rates and terminal growth rates.
- We performed sensitivity analysis of the key assumptions and assessed the adequacy of disclosures in standalone financial statements.

# Independent Auditors' Report (Contd..)

## Key risk

### Ind AS 116 "Leases"

(Refer to note 37 Leases)

Ind AS 116 introduces a new lease accounting model, where lessees are required to recognize a Right-Of-Use (ROU) assets and a lease liabilities arising from a lease on its balance sheet.

The Company has adopted Ind AS 116 with effect from 1 April 2019 using the modified retrospective approach.

Significant judgements are required in the assumptions and estimates made in order to determine the ROU asset and lease liability. The assumptions and estimates include application of practical expedients, selection of accounting policy choices, assessment of lease term, determination of appropriate incremental borrowing rate, among others.

The first-time adoption of Ind AS 116 had a significant impact on the Company's standalone financial statements. A large number of lease arrangements of the Company which were previously classified as operating leases under Ind AS 17 'Leases' and held off balance sheet, would need to be recognised within assets and liabilities under Ind AS 116.

Additionally, there is a risk that the lease data which underpins the Ind AS 116 calculations is incomplete or inaccurate.

Accordingly, we have considered this to be a key audit matter.

## Our audit response

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- (a) We evaluated the appropriateness of the selection of accounting policies and practical expedients applied based on the requirements of Ind AS 116, our business understanding and industry practice.
- (b) We evaluated the design and implementation of key controls and operating effectiveness of the relevant key controls with respect to the determination and quantification of the Ind AS 116 transition impact and impact on the financial statements for the year ended 31 March 2020;
- (c) We verified the completeness of the lease data by testing the data on a sample basis and reconciling the Company's existing lease commitments to the lease data underpinning the Ind AS 116 computations;
- (d) We obtained the Company's quantification of ROU assets and lease liabilities and performed computation checks. We tested the accuracy of the lease data captured by Management for a sample of leases through inspection of lease contracts and challenged the discount rate used by involving our internal valuation specialists;
- (e) We considered the adequacy and appropriateness of the disclosures in the standalone financial statements.

## Other Information

The Company's Management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report (but does not include the Standalone Financial Statements and our Auditors' Report thereon) which we obtained prior to the date of this Auditor's Report, and the remaining section of the Company's Annual Report, which are expected to be made available to us after that date.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, we conclude that there is a material misstatement of this other

information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

## Management's and Board of Directors' Responsibility for the Standalone Financial Statements

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit 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) specified 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting



## Independent Auditors' Report (Contd..)

### Management's and Board of Directors' Responsibility for the Standalone Financial Statements (Contd..)

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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

### Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to standalone financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures in the standalone financial statements made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone 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 the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of section 143 (11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

## Independent Auditors' Report (Contd..)

### Report on Other Legal and Regulatory Requirements (Contd..)

#### 2. (A) 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 standalone balance sheet, the standalone statement of profit and loss (including other comprehensive income), the standalone statement of changes in equity and the standalone statement of cash flows dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act.
- e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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".

#### (B) With respect to the other matters to be included in the Auditors' 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:

- i. The Company has disclosed the impact of pending litigations as at 31 March 2020 on its financial position in its standalone financial statements - Refer Note 30 to the standalone financial statements;

- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer note 30 to the standalone financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- iv. 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 in these financial statements since they do not pertain to the financial year ended 31 March 2020.

#### (C) With respect to the matter to be included in the Auditors' Report under section 197(16):

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

**B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.: 116231W/ W-100024

**Rushank Muthreja**

Partner

Membership No: 211386

Unique Document Identification Number: 20211386AAAABI5968

Bengaluru

23 June 2020



## Annexure - A to the Independent Auditors' Report

The Annexure referred to in our Independent Auditors' Report to the members of Aster DM Healthcare Limited ('the Company') on the standalone financial statements for the year ended 31 March 2020. 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 program 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 program, 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 five 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) According to the information and explanations given to us and on the basis of our examination of the records of the Company, no amount is due at the year end. Accordingly, paragraph 3(iii) (b) and (c) are 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 sections 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 taxes, , 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, sales tax, value added tax and service tax.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, customs duty, cess and other material statutory dues were in arrears as at 31 March 2020 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 provident fund, employees' state insurance, goods and services tax, service tax, customs duty 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, sales tax and value added tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	Amount (in ₹)	Amount paid under protest (in ₹)	Period to which the amount relates	Forum where dispute is pending
Income tax Act, 1961	Income tax and interest	172,186,780	25,900,000	FY 2013-14	Commissioner of Income Tax, Appeals
		28,581,158	5,716,232	FY 2014-15	
		1,800,000	360,000	FY 2011-12	

## Annexure - A to the Independent Auditors' Report (Contd..)

Name of the statute	Nature of dues	Amount (in ₹)	Amount paid under protest (in ₹)	Period to which the amount relates	Forum where dispute is pending
Kerala Value Added Tax, 2003	Sales tax and interest	230,390	57,600	FY 2013-14	Deputy Commissioner (Appeals), Ernakulam
		147,200	36,800	FY 2013-14	
		637,018	-	FY 2013-14	
		149,330	149,330	FY 2013-14	Assistant Commissioner Appeals (KVAT Appellate Tribunal)
Central Sales Tax Act	Central sales tax	217,302	217,302	FY 2012-13	Deputy Commissioner (Appeals), Ernakulam
		469,372	65,195	FY 2012-13	

(viii) In our opinion and according to the information and explanations given to us, the Company does not have defaults existing as at the balance sheet date in repayment of borrowings from 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 in the prior year 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 given 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 standalone 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.

**B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.: 116231W/ W-100024

**Rushank Muthreja**

Partner

Membership No: 211386

Unique Document Identification Number: 20211386AAAABI5968

Bengaluru

23 June 2020



## Annexure - B to the Independent Auditors' Report

### Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph 2(A)(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Opinion

We have audited the internal financial controls with reference to financial statements of Aster DM Healthcare Limited ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2020 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 (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The Company's management and the Board of Directors are 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. 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 (hereinafter referred to as "the Act").

#### 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 and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. 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 were established and maintained and whether 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 such internal financial controls, 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 judgement, including the assessment of the risks of material misstatement of the standalone 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include 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

## Annexure - B to the Independent Auditors' Report (Contd..)

as necessary to permit preparation of 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 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.

**B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.: 116231W/ W-100024

**Rushank Muthreja**

Partner

Membership No: 211386

Unique Document Identification Number: 20211386AAAABI5968

Bengaluru

23 June 2020





# Standalone Balance Sheet

as at 31 March 2020

(All amounts in Indian rupee crores)

Particulars	Note	As at 31 March 2020	As at 31 March 2019
<b>Assets</b>			
<b>Non-current assets</b>			
Property, plant and equipment	4	848.26	751.47
Capital work-in-progress	4	20.15	69.54
Right of use assets	37	164.32	-
Intangible assets	5	3.25	1.79
<b>Financial assets</b>			
Investments	6	2,150.42	2,095.48
Loans	13	119.86	42.38
Other financial assets	7	1.84	1.77
Deferred tax assets	29	0.74	0.74
Income tax assets (net)	29	54.80	37.25
Other non-current assets	8	16.27	43.44
<b>Total non-current assets</b>		<b>3,379.91</b>	<b>3,043.86</b>
<b>Current assets</b>			
Inventories	9	23.75	15.44
<b>Financial assets</b>			
Trade receivables	10	44.78	35.22
Cash and cash equivalents	11	15.55	3.49
Other bank balances	12	17.84	96.32
Loans	13	11.11	113.33
Other financial assets	7	44.29	34.62
Other current assets	8	15.77	34.54
<b>Total current assets</b>		<b>173.09</b>	<b>332.96</b>
<b>Total assets</b>		<b>3,553.00</b>	<b>3,376.82</b>
<b>Equity and liabilities</b>			
<b>Equity</b>			
Equity share capital	14	499.52	505.23
Other equity		2,431.08	2,475.05
<b>Equity attributable to owners of Company</b>		<b>2,930.60</b>	<b>2,980.28</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	15	42.71	18.51
Lease liabilities	37	199.21	-
Derivatives	35	72.99	83.60
Provisions	17	5.44	3.44
Deferred tax liabilities (net)	29	16.35	16.35
Other non-current liabilities	18	23.11	76.32
<b>Total non-current liabilities</b>		<b>359.81</b>	<b>198.22</b>
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
Borrowings	15	97.50	105.22
Lease liabilities	37	4.61	-
Derivatives	35	3.66	-
Trade payables	19	-	-
- Total outstanding dues of micro and small enterprises		1.08	-
- Total outstanding dues of creditors other than micro and small enterprises		47.57	25.64
Other financial liabilities	16	92.34	53.62
Provisions	17	1.48	2.29
Other current liabilities	18	14.35	11.55
<b>Total current liabilities</b>		<b>262.59</b>	<b>198.32</b>
<b>Total equity and liabilities</b>		<b>3,553.00</b>	<b>3,376.82</b>
<b>Significant accounting policies</b>	3		

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

**B S R & Associates LLP**

Chartered Accountants  
Firm registration number: 116231W/ W-100024

**Rushank Muthreja**

Partner  
Membership No.: 211386  
Bengaluru  
23 June 2020

for and on behalf of the Board of Directors of

**Aster DM Healthcare Limited**  
CIN: L85110KL2008PLC021703

**Dr. Azad Moopen**

Chairman and Managing Director  
DIN 00159403  
Dubai  
23 June 2020

**Sreenath Reddy**

Chief Financial Officer  
Dubai  
23 June 2020

**T J Wilson**

Director  
DIN 02135108  
Dubai  
23 June 2020

**Puja Aggarwal**

Company Secretary  
Membership no. : ACS49310  
Bengaluru  
23 June 2020

# Standalone Statement of Profit and Loss

for the year ended 31 March 2020  
(All amounts in Indian rupee crores)

Particulars	Note	Year ended 31 March 2020	Year ended 31 March 2019
<b>Income</b>			
Revenue from operations	20	760.42	594.78
Other income	21	114.51	84.15
<b>Total income</b>		<b>874.93</b>	<b>678.93</b>
<b>Expenses</b>			
Purchases of medicines and consumables	22	194.57	145.55
Change in inventories	23	(8.31)	1.49
Employee benefits expense	24	130.42	112.28
Finance costs	25	33.20	10.86
Depreciation and amortisation expense	26	89.32	64.38
Other expenses	27	371.12	294.33
<b>Total expenses</b>		<b>810.32</b>	<b>628.89</b>
<b>Profit before exceptional item and tax</b>		<b>64.61</b>	<b>50.04</b>
Exceptional item	28	-	(1.52)
<b>Profit before tax</b>		<b>64.61</b>	<b>48.52</b>
Tax expense			
Current tax	29	2.28	-
Current tax for earlier years	29	1.59	-
Deferred tax	29	0.13	0.45
<b>Profit for the year</b>		<b>60.61</b>	<b>48.07</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit liability		(0.38)	0.57
Income tax relating to items that will not be reclassified to profit or loss		0.13	-
<b>Other comprehensive income / (loss), net of taxes</b>		<b>(0.25)</b>	<b>0.57</b>
<b>Total comprehensive income for the year</b>		<b>60.36</b>	<b>48.64</b>
<b>Earnings per share (equity share of face value of ₹ 10 each)</b>	31		
Basic		1.21	0.96
Diluted		1.21	0.96
<b>Significant accounting policies</b>	3		

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

**B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/ W-100024

**Rushank Muthreja**

Partner

Membership No.: 211386

Bengaluru

23 June 2020

for and on behalf of the Board of Directors of

**Aster DM Healthcare Limited**

CIN: L85110KL2008PLC021703

**Dr. Azad Moopen**

Chairman and Managing Director

DIN 00159403

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23 June 2020

**T J Wilson**

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23 June 2020

**Sreenath Reddy**

Chief Financial Officer

Dubai

23 June 2020

**Puja Aggarwal**

Company Secretary

Membership no. : ACS49310

Bengaluru

23 June 2020



## Standalone Statement of Cash Flows for the year ended 31 March 2020

(All amounts in Indian rupee crores)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Cash flows from operating activities</b>		
<b>Profit before exceptional items and tax</b>	<b>64.61</b>	<b>50.04</b>
<i>Adjustments for</i>		
Depreciation and amortisation	89.32	64.38
Finance costs	33.20	10.86
Gain on fair valuation of put option	(10.61)	(2.70)
Dividend on non-current investments	(91.11)	(64.94)
Interest income under the effective interest method	(5.73)	(10.46)
Interest income	(0.31)	(0.03)
Allowances for credit losses on financial assets	5.64	0.30
Unrealised foreign exchange loss/(gain)	0.38	(0.19)
Equity settled share based payments	0.62	2.93
Gain on sale of property, plant and equipment (net)	(0.02)	(0.02)
Gain on sale of investment (net)	*	(2.90)
<b>Operating profit before working capital changes</b>	<b>85.99</b>	<b>47.27</b>
<b>Working capital adjustments:</b>		
Increase in trade receivables	(15.20)	(10.06)
(Increase)/decrease in inventories	(8.31)	1.50
Increase in other financial assets and other assets	(0.58)	(68.22)
Increase/(decrease) in trade payables, provisions and other liabilities	57.52	(10.44)
<b>Cash generated from/(used) in operating activities</b>	<b>119.42</b>	<b>(39.95)</b>
Taxes paid, net of refund received	(21.42)	(10.76)
<b>Net cash generated from/ (used) in operating activities (A)</b>	<b>98.00</b>	<b>(50.71)</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of investments	0.01	44.59
Movement in other bank balances and restricted deposits	78.41	(17.65)
Investments in subsidiaries	(18.38)	(44.79)
Interest received	3.84	7.53
Dividend received	91.11	64.24
Acquisition of intangible assets	(2.73)	(1.16)
Acquisition of property, plant and equipment	(112.63)	(89.18)
Proceeds from sale of property, plant and equipment	0.12	0.20
<b>Net cash generated from / (used in) investing activities (B)</b>	<b>39.75</b>	<b>(36.22)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity share capital	1.04	2.46
Buyback of equity shares	(120.00)	-
Expenses for buyback of equity shares	(1.56)	-
Payment of lease liabilities	(13.13)	-
Finance cost	(13.04)	(10.93)
Long term secured loans availed	30.00	2.41
Long term secured loans repaid	(0.91)	(9.55)
Current borrowings (repaid)/availed, net	(8.10)	22.18
<b>Net cash (used in)/generated from financing activities (C)</b>	<b>(125.70)</b>	<b>6.57</b>
<b>Net increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>12.05</b>	<b>(80.36)</b>
Effect of exchange rate differences on translation of foreign currency cash and cash equivalents	0.01	*
Cash and cash equivalents at the beginning of the year	3.49	83.85
<b>Cash and cash equivalents at the end of the year</b>	<b>15.55</b>	<b>3.49</b>

## Standalone Statement of Cash Flows (Contd.) for the year ended 31 March 2020

(All amounts in Indian rupee crores)

### Changes in liabilities arising from financing activities for the year ended 31 March 2020

Particulars	As at 1 April 2019	Cash flows	Non cash changes		As at 31 March 2020
			Acquisition	Foreign exchange	
Non-current borrowings (including current maturities) **	18.58	29.09	-	-	47.67
Current borrowings	105.22	(8.10)	-	0.38	97.50
<b>Total</b>	<b>123.80</b>	<b>20.99</b>	<b>-</b>	<b>0.38</b>	<b>145.17</b>

### Changes in liabilities arising from financing activities for the year ended 31 March 2019

Particulars	As at 1 April 2018	Cash flows	Non cash changes		As at 31 March 2019
			Acquisition	Foreign exchange	
Non-current borrowings (including current maturities)	26.62	(7.14)	-	-	19.48
Current borrowings	83.26	22.18	-	(0.22)	105.22
<b>Total</b>	<b>109.88</b>	<b>15.04</b>	<b>-</b>	<b>(0.22)</b>	<b>124.70</b>

\*Amount is below the rounding off norms adopted by the Company.

\*\* excludes finance lease of Nil (31 March 2019: 0.90 Crore).

(Refer to note 11 - Cash and cash equivalents)

The accompanying notes form an integral part of these standalone financial statements

As per our report of even date attached

#### B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/ W-100024

#### Rushank Muthreja

Partner

Membership No.: 211386

Bengaluru

23 June 2020

for and on behalf of the Board of Directors of

#### Aster DM Healthcare Limited

CIN: L85110KL2008PLC021703

#### Dr. Azad Moopen

Chairman and Managing Director

DIN 00159403

Dubai

23 June 2020

#### Sreenath Reddy

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23 June 2020

#### T J Wilson

Director

DIN 02135108

Dubai

23 June 2020

#### Puja Aggarwal

Company Secretary

Membership no. : ACS49310

Bengaluru

23 June 2020

# Standalone Statement of Changes in Equity

for the year ended 31 March 2020

(All amounts in Indian rupee crores)

## A Equity share capital

Particulars	Note	Equity shares (in crores)	Amount
Balance as at 1 April 2018		50.52	505.23
Changes in equity share capital during 2018-19	14	-	-
As at 31 March 2019		50.52	505.23
Changes in equity share capital during 2019-20 (Refer Note 14(b))	14	(0.57)	(5.71)
As at 31 March 2020		49.95	499.52

## B Other equity

Particulars	Other components of equity	Reserves and surplus				Share options outstanding account	Retained earnings	Items of other comprehensive income	Total other equity attributable to equity holders of the Company
		Securities premium	Capital Redemption reserve	Treasury shares	General reserve				
Balance as at 1 April 2018	374.38	2,324.75	-	(23.47)	7.04	17.67	(279.62)	-	2,420.75
Total comprehensive income for the year ended 31 March 2019	-	-	-	-	-	-	48.07	-	48.07
Profit for the year	-	-	-	-	-	-	-	0.57	0.57
Other comprehensive income, net of tax	-	-	-	-	-	-	-	0.57	0.57
Total comprehensive income	-	-	-	-	-	-	48.07	0.57	48.64
Transferred to Retained earnings	-	-	-	-	-	-	0.57	(0.57)	-
Transactions with owners, recorded directly in equity	-	-	-	-	-	-	-	-	-
Contributions by and distributions to owners	-	-	-	-	-	3.19	-	-	3.19
Share based payment expense	-	-	-	-	-	-	-	-	-
Change in reserve of ESOP Trust	-	-	-	4.44	-	-	-	-	4.44
Share options exercised	-	5.11	-	-	-	(7.08)	-	-	(1.97)
Total contributions by and distributions to owners	-	5.11	-	4.44	-	(3.89)	0.57	(0.57)	5.66
Balance as at 31 March 2019	374.38	2,329.86	-	(19.03)	7.04	13.78	(230.98)	-	2,475.05
Balance as at 1 April 2019	374.38	2,329.86	-	(19.03)	7.04	13.78	(230.98)	-	2,475.05

# Standalone Statement of Changes in Equity (Contd..) for the year ended 31 March 2020

(All amounts in Indian rupee crores)

## B Other equity (Contd..)

Particulars	Other components of equity		Reserves and surplus			Items of other comprehensive income		Total other equity attributable to equity holders of the Company
	Securities premium	Capital Redemption reserve	Treasury shares	General reserve	Share options outstanding account	Retained earnings	Remeasurement of net defined benefit liability/ (asset), net of tax	
<b>Total comprehensive income for the year ended 31 March 2020</b>	-	-	-	-	-	60.61	-	60.61
Profit for the year	-	-	-	-	-	-	(0.25)	(0.25)
Other comprehensive income, net of tax	-	-	-	-	-	-	(0.25)	(0.25)
<b>Total comprehensive income</b>	-	-	-	-	-	<b>60.61</b>	<b>(0.25)</b>	<b>60.36</b>
Transferred to Retained earnings	-	-	-	-	-	(0.25)	0.25	-
<b>Transactions with owners, recorded directly in equity</b>								
<b>Contributions by and distributions to owners</b>								
Share based payment expense	-	-	-	-	1.19	-	-	1.19
Change in reserve of ESOP Trust	-	-	1.82	-	-	-	-	1.82
Adjustment on initial application of Ind AS 116, net of tax (Refer note 37)	-	-	-	-	-	9.29	-	9.29
Buyback of equity shares, net of tax (Refer note 14)	-	5.71	-	-	-	-	-	(114.29)
Buyback expenses	-	-	-	-	-	(1.56)	-	(1.56)
Share options exercised	-	3.43	-	-	(4.21)	-	-	(0.78)
<b>Total contributions by and distributions to owners</b>	-	<b>5.71</b>	<b>1.82</b>	-	<b>(3.02)</b>	<b>7.48</b>	<b>0.25</b>	<b>(104.33)</b>
<b>Balance as at 31 March 2020</b>	<b>374.38</b>	<b>2,213.29</b>	<b>(17.21)</b>	<b>7.04</b>	<b>10.76</b>	<b>(162.89)</b>	-	<b>2,431.08</b>

The description of the nature and purpose of each reserve within equity is as follows:

**Other components of equity** represent the equity component of compulsorily convertible preference shares. Refer note 14.

**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.

**Capital Redemption Reserve** is created out of the Securities Premium/General Reserve, a sum equal to nominal value of the fully paid up own equity shares purchased by the Company during the period. The amount credited to such account may be applied in paying up unissued shares of the Company to be issued to members of the Company as fully paid bonus shares.

**Share options outstanding:** 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 and has been used to set off buyback expenses incurred in the current year.



## Standalone Statement of Changes in Equity (Contd.) for the year ended 31 March 2020

(All amounts in Indian rupee crores)

### B Other equity (Contd.)

#### 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 form an integral part of these standalone financial statements

As per our report of even date attached

#### B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/ W-100024

#### Rushank Muthreja

Partner

Membership No.: 211386

Bengaluru

23 June 2020

for and on behalf of the Board of Directors of

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CIN: L85110KL2008PLC021703

#### Dr. Azad Moopen

Chairman and Managing Director

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23 June 2020

#### Sreenath Reddy

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#### T J Wilson

Director

DIN 02135108

Dubai

23 June 2020

#### Puja Aggarwal

Company Secretary

Membership no. : ACS49310

Bengaluru

23 June 2020

# Notes to the Financial Statements

(All amounts in Indian rupee crores)

## 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 and had its primary listing done on 26 February 2018, on the Bombay Stock Exchange Limited and National Stock Exchange Limited. The Company is domiciled in India with its registered office in Kochi, Kerala, India.

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, Jordan 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 23 June 2020.

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 crores, 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	Fair value of plan asset less present value of defined benefit obligations

### D. Use of estimates and judgements

In preparing these standalone 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 are included in the notes:

- Note 6 - Valuation of investments
- 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 ended 31 March 2020 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;
- Note 39 - Employee share based payment expenses

#### a. 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.





## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 2. Basis of preparation (Contd..)

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 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:

- Share-based payment arrangements
- Financial instruments
- Fair value of property, plant and equipment and intangible assets

#### b. Recent Accounting Pronouncements

##### i. Amendments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

### 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 the statement of profit or 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 Company.

##### 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. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Class of assets	Revised useful life
Buildings	60
Plant and equipment	15
Medical equipment*	10-13
Motor vehicles *	5
Computer equipment	3
Servers and networks	6

# Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 3. Significant accounting policies (Contd..)

Class of assets	Revised useful life
Furniture and fixtures *	5-10
Electrical equipment	10

\* For the above mentioned classes of assets, the Company 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.

### 3.2 Intangible assets

#### i. Amortisation

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 statement of profit or loss.

The estimated useful lives are as follows:

Class of assets	Years
Software	3
Trademarks	3

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 statement of 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, 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 assets

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.

#### 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.



## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 3. Significant accounting policies (Contd..)

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).

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 standalone 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 standalone 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.

#### 3.5 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

###### 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 statement of 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 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 statement of profit or loss.

###### Other long term employee benefits - Compensated absences

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 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.

With effect from 31 March 2020, the Company does not have any long term employee benefits under compensated absences due to change in policy for compensated absences.

###### 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

# Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 3. Significant accounting policies (Contd..)

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 contract with customers

The Company generates revenue from rendering of medical and healthcare services, sale of medicines and other related activities. Ind AS 115, Revenue from Contracts with Customers, establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services.

#### Disaggregation of revenue

The Company disaggregates revenue from hospital services (medical and healthcare services), sale of medicines and other operating income. The Company believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Company's revenues and cash flows are affected by industry, market and other economic factors.

#### Contract balances

The Company classifies the right to consideration in exchange for sale of services as trade receivables and advance consideration as advance from customers.

#### Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Company recognises revenue when it transfers control over a good or service to a customer. The following details provide information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

##### a) Medical and healthcare services

The Company's revenue from medical and healthcare services comprises of income from hospital services.

Revenue from hospital 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 the services rendered. Revenue is recognised net of discounts and concessions given to the patients.

Unbilled receivable 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.

##### b) Sale of medicines

Revenue from sale of medical consumables and medicines within the hospital premises is recognised when the control in the goods 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. The amount of revenue recognised is net of sales returns, taxes and duties, wherever applicable.

##### c) Other operating income

The Company's revenue from other operating income comprises primarily of canteen sales (sales of food and beverages), revenue from courses conducted at the hospital, income from revenue sharing agreements.

Revenue from services rendered is based on the agreements/arrangements with the customers as the service is performed. Income from sale of food and beverages is recognised at a point in time when control is transferred.

Disaggregated revenue information: Refer note 20



## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 3. Significant accounting policies (Contd..)

#### 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 statement of profit or loss.

#### 3.9 Leases

##### 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.

##### i. Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of

lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Company uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116, Leases, to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

##### ii. Company as a lessor

At the inception of the lease the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 3. Significant accounting policies (Contd..)

use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Company applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

#### iii. Transition to Ind AS 116

The Company has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

#### Company as a lessee

##### Operating leases

For transition, the Company has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis. The Company has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. On transition, the Company recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. Accordingly a right-of-use asset of ₹ 66.20 crore and a corresponding lease liability of ₹ 112.90 crore has been recognized. The cumulative effect on transition in retained earnings net off taxes is ₹ 46.70 crore. The principal portion of the lease payments have been disclosed under cash flow from financing activities.

The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability.

The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at 31 March 2019 compared to the lease liability as accounted as at 1 April 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Company has chosen to apply the practical expedient as per the standard.

#### Finance lease

The Company has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17. Accordingly, an amount of ₹ 0.87 crore (net of depreciation of ₹ 0.01 crore) has been reclassified from property, plant and equipment to right-of-use assets. An amount of ₹ 0.14 crore has been reclassified from other current financial liabilities to lease liability – current and an amount of ₹ 0.76 crore has been reclassified from borrowings – non-current to lease liability – non-current.

#### Company as a lessor

The Company is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Company accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Company does not have any sub-lease arrangements.

#### iv. Impact of COVID-19

The Company does not foresee any large-scale contraction in demand which could result in significant down-sizing of its employee base rendering the physical infrastructure redundant. The leases that the Company has entered with lessors are long term in nature and changes in terms of those leases expected due to the COVID-19 are not expected to have impact in the financial statements for the year ended 31 March 2020.



## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 3. Significant accounting policies (Contd..)

#### Impact on transition

For the impact of Ind AS 116 refer Note 37.

When measuring lease liabilities for leases that were classified as operating leases, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019, ranging from 9.25% to 10.37%.

#### 3.10 Recognition of dividend income, interest income or interest expense

Dividend income is recognised in statement of profit or 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.

#### 3.11 Income tax

Income tax comprises current and deferred tax. It is recognised in statement of 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 statement of 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.

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

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 3. Significant accounting policies (Contd..)

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. 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;

- 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

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





## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 3. Significant accounting policies (Contd..)

Items	Measurement basis
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 statement of 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 statement of 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 statement of 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 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 statement of 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 statement of 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 statement of 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 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 statement of 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 equity shares in computing the diluted earnings per share comprise 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

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 3. Significant accounting policies (Contd..)

shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earnings 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.

#### 3.17 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.

### 3.18 Operating segments

#### Basis for segmentation

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and expenses that relate to transactions with any of the Company's other components and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance.

The Company has two reportable segments, as described below.

Hospitals – Directly related to running of hospitals

Others - Comprising consultancy division which is into providing healthcare consultancy and clinics.

The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Refer Note 34 for performance details of the segments.

### 3.19 Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

## Notes to the financial statements (Contd..)

(All amounts in Indian rupee crores)

### 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)	Capital work-in-progress (B)	Total (A+B)
<b>Gross carrying value</b>													
Balance at 1 April 2018	108.15	255.57	84.50	51.67	31.13	59.18	10.14	34.7.10	8.56	3.33	959.33	17.36	976.69
Additions	0.78	1.63	1.83	0.61	0.82	2.15	1.00	42.14	0.11	0.32	51.39	52.18	103.57
Disposals	-	(0.12)	-	(0.06)	-	(0.90)	-	(10.61)	-	-	(11.69)	-	(11.69)
<b>Balance at 31 March 2019</b>	<b>108.93</b>	<b>257.08</b>	<b>86.33</b>	<b>52.22</b>	<b>31.95</b>	<b>60.43</b>	<b>11.14</b>	<b>378.63</b>	<b>8.67</b>	<b>3.65</b>	<b>999.03</b>	<b>69.54</b>	<b>1,068.57</b>
Balance at 1 April 2019	108.93	257.08	86.33	52.22	31.95	60.43	11.14	378.63	8.67	3.65	999.03	69.54	1,068.57
Additions	0.93	7.42	10.13	4.19	0.53	7.38	3.34	136.57	0.22	0.63	171.34	27.24	198.58
Disposals	-	-	-	-	(0.14)	-	-	(0.06)	-	(0.13)	(0.33)	-	(0.33)
Transition impact of Ind AS 116	-	-	-	-	-	-	-	(0.88)	-	-	(0.88)	-	(0.88)
Reclassification	-	-	-	-	-	0.33	(0.08)	-	(0.25)	-	-	(76.63)	(76.63)
<b>Balance at 31 March 2020</b>	<b>109.86</b>	<b>264.50</b>	<b>96.46</b>	<b>56.41</b>	<b>32.34</b>	<b>68.14</b>	<b>14.40</b>	<b>514.26</b>	<b>8.64</b>	<b>4.15</b>	<b>1,169.16</b>	<b>20.15</b>	<b>1,189.31</b>
<b>Accumulated Depreciation</b>													
Balance at 1 April 2018	-	9.84	16.22	24.84	16.36	25.10	7.09	83.44	4.70	1.76	189.35	-	189.35
Depreciation for the year	-	3.47	14.13	5.00	2.17	3.45	1.90	30.42	1.44	0.68	62.66	-	62.66
Disposals	-	(0.01)	-	(0.01)	-	(0.57)	-	(3.86)	-	-	(4.45)	-	(4.45)
<b>Balance at 31 March 2019</b>	<b>-</b>	<b>13.30</b>	<b>30.35</b>	<b>29.83</b>	<b>18.53</b>	<b>27.98</b>	<b>8.99</b>	<b>110.00</b>	<b>6.14</b>	<b>2.44</b>	<b>247.56</b>	<b>-</b>	<b>247.56</b>
Balance at 1 April 2019	-	13.30	30.35	29.83	18.53	27.98	8.99	110.00	6.14	2.44	247.56	-	247.56
Depreciation for the year	-	3.58	14.45	5.52	2.25	3.19	1.91	40.52	1.43	0.73	73.58	-	73.58
Disposals	-	-	-	-	(0.10)	-	-	(0.01)	-	(0.12)	(0.23)	-	(0.23)
Transition impact of Ind AS 116	-	-	-	-	-	-	-	(0.01)	-	-	(0.01)	-	(0.01)
Reclassification	-	-	-	-	-	0.26	(0.08)	-	(0.18)	-	-	-	-
<b>Balance at 31 March 2020</b>	<b>-</b>	<b>16.88</b>	<b>44.80</b>	<b>35.35</b>	<b>20.68</b>	<b>31.43</b>	<b>10.82</b>	<b>150.50</b>	<b>7.39</b>	<b>3.05</b>	<b>320.90</b>	<b>-</b>	<b>320.90</b>
<b>Carrying amounts (net)</b>													
<b>At 31 March 2020</b>	<b>109.86</b>	<b>247.62</b>	<b>51.66</b>	<b>21.06</b>	<b>11.66</b>	<b>36.71</b>	<b>3.58</b>	<b>363.76</b>	<b>1.25</b>	<b>1.10</b>	<b>848.26</b>	<b>20.15</b>	<b>868.41</b>
<b>At 31 March 2019</b>	<b>108.93</b>	<b>243.78</b>	<b>55.98</b>	<b>22.39</b>	<b>13.42</b>	<b>32.45</b>	<b>2.15</b>	<b>268.63</b>	<b>2.53</b>	<b>1.21</b>	<b>751.47</b>	<b>69.54</b>	<b>821.01</b>

a) Capital work in progress represents expenditure towards construction and improvements of hospitals at Kochi and Bengaluru.

b) For details of property, plant and equipment pledged, refer note 15

c) The Company had leases which were classified as finance leases under IND AS 17. An amount of ₹ 0.87 crore (Gross block - ₹ 0.88 crore and accumulated depreciation ₹ 0.01 crore) has been transferred from Property, plant and equipment to Right of use asset on application of IND AS 116.

\* Includes buildings constructed on land pursuant to the arrangement described in Note 41

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 5 Intangible assets

Particulars	Computer software	Trade Marks	Total
<b>Gross carrying value</b>			
Balance at 1 April 2018	10.66	0.11	10.77
Additions	1.16	-	1.16
Disposals	-	-	-
<b>Balance at 31 March 2019</b>	<b>11.82</b>	<b>0.11</b>	<b>11.93</b>
Balance at 1 April 2019	11.82	0.11	11.93
Additions	2.73	-	2.73
Disposals	-	-	-
<b>Balance at 31 March 2020</b>	<b>14.55</b>	<b>0.11</b>	<b>14.66</b>
<b>Accumulated amortisation</b>			
Balance at 1 April 2018	8.34	0.08	8.42
Amortisation for the year	1.70	0.02	1.72
Deletion	-	-	-
<b>Balance at 31 March 2019</b>	<b>10.04</b>	<b>0.10</b>	<b>10.14</b>
Balance at 1 April 2019	10.04	0.10	10.14
Amortisation for the year	1.27	*	1.27
Deletion	-	-	-
<b>Balance at 31 March 2020</b>	<b>11.31</b>	<b>0.10</b>	<b>11.41</b>
<b>At 31 March 2020</b>	<b>3.24</b>	<b>0.01</b>	<b>3.25</b>
<b>At 31 March 2019</b>	<b>1.78</b>	<b>0.01</b>	<b>1.79</b>

\* Amount is below the rounding off norms adopted by the Company.

### 6 Investments

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current investments, unquoted</b>		
<i>Investments in equity instruments of subsidiaries (at cost)</i>		
Aster DM Healthcare (Trivandrum) Private Limited, India**	33.97	8.01
8,009,999 (31 March 2019: 8,009,999) equity shares of ₹ 10 each		
DM Med City Hospitals (India) Private Limited, India**	5.29	0.01
9,999 (31 March 2019: 9,999) equity shares of ₹ 10 each		
Prerana Hospital Limited, India	42.94	41.65
3,600,991 (31 March 2019: 3,515,766) equity shares of ₹ 10 each		
Ambady Infrastructure Private Limited, India**	20.84	19.17
1,501,000 (31 March 2019: 1,501,000) equity shares of ₹ 100 each		
Affinity Holdings Private Limited, Mauritius	*	*
1,000 (31 March 2019 : 1,000) equity shares of USD 1 each		
Sri Sainatha Multispeciality Hospitals Private Limited, India	0.01	0.01
1,000 (31 March 2019 : 1,000) Class A Equity shares of ₹ 10 each		
Sri Sainatha Multispeciality Hospitals Private Limited, India	58.23	42.16
5,423,062 (31 March 2019 : 4,071,188) Class B Equity shares of ₹ 10 each		
Malabar Institute Of Medical Sciences Limited, India	259.64	255.96
74,078,010 (31 March 2019 : 73,156,135) equity shares of ₹ 10 each		
Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited, India	272.68	272.68
5,500,771 (31 March 2019 : 5,500,771) equity shares of ₹ 10 each		
<i>Investments in preference shares of subsidiaries (at cost)</i>		
Affinity Holdings Private Limited, Mauritius	1,455.82	1,455.82
219,324,675 (31 March 2019 : 219,324,675) non-cumulative redeemable preference shares of USD 1 each		
<i>Capital contribution in subsidiaries (at cost)</i>		
Aster Clinical Lab LLP	1.00	-



## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 6 Investments (Contd..)

Particulars	As at 31 March 2020	As at 31 March 2019
<i>Investments in equity instruments of others (at cost)</i>		
EMED Human Resources (India) Private Limited, India	-	0.01
Nil (31 March 2019 : 5,000) equity shares of ₹ 10 each		
	<b>2,150.42</b>	<b>2,095.48</b>
** The investment amount include the following deemed capital contribution on account of loan provided to subsidiaries		
Aster DM Healthcare (Trivandrum) Private Limited, India	25.96	-
DM Med City Hospitals (India) Private Limited, India	5.28	-
Ambady Infrastructure Private Limited, India	1.67	-
	<b>32.91</b>	<b>-</b>
Aggregate book value of unquoted investments	2,150.42	2,095.48

\* Amount is below the rounding off norms adopted by the Company.

### 7 Other financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
Fixed deposits *	1.84	1.77
	<b>1.84</b>	<b>1.77</b>
*The above deposits are maintained against guarantees issued by Banks and are restricted		
<b>Current</b>		
<i>Unsecured, considered good</i>		
Unbilled receivables	8.98	8.17
Dues from related parties (Refer Note 33)	34.05	24.68
Interest accrued on fixed deposits with banks	1.26	1.77
<i>Unsecured, considered doubtful</i>		
Other advances	0.55	-
Less : Loss allowance	(0.55)	-
	<b>44.29</b>	<b>34.62</b>
	<b>46.13</b>	<b>36.39</b>

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 8 Other assets

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
Deferred lease expenses*	14.68	37.97
Prepaid expenses	0.36	0.50
Advances for capital goods	1.23	4.97
	<b>16.27</b>	<b>43.44</b>
<b>Current</b>		
Prepaid expenses	2.76	2.40
Deferred lease expenses*	2.24	3.62
Balance with statutory / government authorities	0.16	0.16
Advance for supply of goods and services	5.87	3.47
Insurance claim receivable (refer note 28)	4.69	24.80
Other loans and advances	0.05	0.09
	<b>15.77</b>	<b>34.54</b>
	<b>32.04</b>	<b>77.98</b>

\* Includes deferred lease recognised on rent deposits given to related parties

### 9 Inventories

Particulars	As at 31 March 2020	As at 31 March 2019
<b>(Valued at lower of cost and realisable value)</b>		
Medicines and medical consumables	21.84	14.52
Stores and spares	1.91	0.92
	<b>23.75</b>	<b>15.44</b>

\* for details of inventories pledged, refer note 15

### 10 Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Current</b>		
Unsecured		
considered good	44.78	35.22
credit impaired	8.13	2.49
	<b>52.91</b>	<b>37.71</b>
Allowances for expected credit loss		
credit impaired	(8.13)	(2.49)
	<b>(8.13)</b>	<b>(2.49)</b>
<b>Net trade receivables</b>	<b>44.78</b>	<b>35.22</b>
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	0.39	0.39
Loss allowance	-	-
<b>Net trade receivables</b>	<b>0.39</b>	<b>0.39</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



## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 11 Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Balance with banks	14.84	2.65
Cash on hand	0.71	0.84
<b>Cash and cash equivalents in balance sheet</b>	<b>15.55</b>	<b>3.49</b>

### 12 Other bank balances

Particulars	As at 31 March 2020	As at 31 March 2019
Balance in banks for margin money*	14.09	89.49
In deposit accounts (with original maturity of more than 3 months)	3.75	6.83
	<b>17.84</b>	<b>96.32</b>

\* includes unutilised amount from initial public offer

### 13 Loans

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
<i>Unsecured, considered good</i>		
Rent and other deposits*	40.43	42.38
Dues from related parties (Refer Note 33)	79.43	-
	<b>119.86</b>	<b>42.38</b>
<b>Current</b>		
<i>Unsecured, considered good</i>		
Dues from related parties (Refer Note 33)	11.11	113.33
<i>Unsecured, considered doubtful</i>		
Dues from related parties (Refer Note 33)	13.48	13.48
Less : loss allowance	(13.48)	(13.48)
	<b>11.11</b>	<b>113.33</b>
	<b>130.97</b>	<b>155.71</b>

\* Includes deposits given to related parties

### 14 Share capital

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares (in crores)	Amount	Number of shares (in crores)	Amount
<b>Authorised</b>				
Equity shares of ₹ 10 each	55.00	550.00	55.00	550.00
Compulsory convertible preference shares (CCPS) of ₹ 10 each	6.62	66.20	6.62	66.20
	<b>61.62</b>	<b>616.20</b>	<b>61.62</b>	<b>616.20</b>
<b>Issued, subscribed and paid-up</b>				
Equity shares of ₹ 10 each	50.52	505.23	50.52	505.23
Compulsory convertible preference shares (CCPS) of ₹ 10 each *	-	-	-	-
	<b>50.52</b>	<b>505.23</b>	<b>50.52</b>	<b>505.23</b>

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 14 Share capital (Contd..)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares (in crores)	Amount	Number of shares (in crores)	Amount
<b>Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>				
<i>Equity shares of ₹ 10 each fully paid-up</i>				
At the beginning of the year	50.52	505.23	50.52	505.23
Buyback of shares (Refer note (b) below)	(0.57)	(5.71)	-	-
<b>At the end of the year</b>	<b>49.95</b>	<b>499.52</b>	<b>50.52</b>	<b>505.23</b>

\* There are no outstanding compulsory convertible preference shares as at 31 March 2020 (31 March 2019: Nil)

#### (a) 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."

- (b) The Board of Directors of the Company at its meeting held on 9 January 2020, approved a proposal to buyback upto 57,14,285 fully paid-up equity shares of the Company for an aggregate amount not exceeding ₹ 120 crore being 1.13% of the total paid up equity share capital, at ₹ 210 per equity share. The letter of offer was issued to all eligible shareholders as on 10 February 2020. The period for tendering of shares for buyback was from 20 February 2020 to 5 March 2020. The bids were settled and payment was made to shareholders on 13 March 2020. The shares bought back were extinguished by the Company on 18 March 2020 and the stock exchanges were intimated on completion of extinguishment on 24 March 2020. An amount corresponding to face value of the shares bought back was transferred to Capital Redemption Reserve and expenses for the buy back amounting to ₹ 1.56 crore were adjusted against retained earnings.

#### (c) Employee stock options

Terms attached to stock options granted to employees are described in note 39 regarding employee share based payments.

#### (d) Details of shareholders holding more than 5% shares of the Company

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares (in crores)	Amount	Number of shares (in crores)	Amount
<i>Equity shares of ₹ 10 each fully paid-up held by</i>				
Union Investments Private Limited, Mauritius	18.69	37.41%	18.87	37.35%
Olympus Capital Asia Investments Limited, Mauritius	11.51	23.03%	11.63	23.02%
True North Fund III – A (formerly known as India Value Fund III – A)	-	-	4.16	8.23%
Rimco (Mauritius) Limited	5.06	10.13%	5.11	10.11%





## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 14 Share capital (Contd..)

#### (e) Shares reserved for issue under options and contracts

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares (in crores)	Amount	Number of shares (in crores)	Amount
Under Employee Stock Option Scheme, 2013: 2,25,756 (31 March 2019: 4,66,131) equity shares of ₹ 10 each, at an exercise price of ₹ 50 per share (See note 39)	0.02	1.13	0.05	2.33
Under Employee Stock Option Scheme, 2013: 7,16,680 (31 March 2019: 5,21,200) equity shares of ₹ 10 each, at an exercise price of ₹ 10 per share (See note 39)	0.07	0.72	0.05	0.52
Under Employee Stock Option Scheme, 2013: Nil (31 March 2019: 3,79,800) equity shares of ₹ 10 each, at an exercise price of ₹ 142 per share (See note 39)	-	-	0.04	5.39
Under Employee Stock Option Scheme, 2013: 1,25,300 (31 March 2019: 2,98,600) equity shares of ₹ 10 each, at an exercise price of ₹ 116 per share (See note 39)	0.01	1.45	0.03	3.46
Under Employee Stock Option Scheme, 2013: 7,38,900 (31 March 2019: Nil) equity shares of ₹ 10 each, at an exercise price of ₹ 89 per share (See note 39)	0.07	6.58	-	-
Under Employee Stock Option Scheme, 2013: 10,800 (31 March 2019: Nil) equity shares of ₹ 10 each, at an exercise price of ₹ 107 per share (See note 39)	*	0.12	-	-
Under Employee Stock Option Scheme, 2013: 10,800 (31 March 2019: Nil) equity shares of ₹ 10 each, at an exercise price of ₹ 123 per share (See note 39)	*	0.13	-	-

\* Amount is below the rounding off norms adopted by the Company.

#### (f) Details of bonus shares issued during the past 5 years

- The Company has not issued bonus shares during the period of five years immediately preceding the balance sheet date.

#### (g) Details of shares issued for consideration other than for cash during the past 5 years

- During the year 2015-16, 0.49 crore equity 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, 0.70 crore equity shares have been allotted as per the scheme of amalgamation with Indogulf Hospitals India Private Limited.

#### (h) Details of buyback of shares during the past 5 years

The Company bought back 57,14,285 equity shares for an aggregate amount of ₹ 120 crore at ₹ 210 per equity share. The equity shares bought back were extinguished on 18 March 2020.

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 15 Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
<b>Secured</b>		
Term loans from bank	42.71	17.75
Long-term maturities of finance lease obligations*	-	0.76
	<b>42.71</b>	<b>18.51</b>
<b>Current</b>		
<b>Unsecured</b>		
Cash credit and overdraft facilities from banks	56.29	58.16
<b>Secured</b>		
Short term loan from bank	5.66	5.49
Cash credit and overdraft facilities from banks	35.55	41.57
Current maturities of long term borrowings	4.96	0.97
	<b>102.46</b>	<b>106.19</b>
Less: Amount included under 'other financial liabilities'	4.96	0.97
	<b>97.50</b>	<b>105.22</b>
	<b>145.17</b>	<b>124.70</b>

Information about the Company's exposure to interest rate and liquidity risks are included in note 35

#### 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 9.25% to 9.60% p.a (linked to 1 year MCLR). These loans are originally repayable in 96 instalments (94 installments remaining as at 31 March 2020)

The term loans is secured by:

- a) Hypothecation of all movable fixed assets relating to Aster Medcity Hospital, Kochi (comprising plant and machinery, furniture fixture, vehicles and other movable assets), present and future.
- b) 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;
- c) First charge on entire cashflows of the Aster Medcity hospital, Kochi
- d) 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: The term loans from bank (including current portion) includes Indian rupee term loan taken from Federal Bank, which carries interest at 9.25% (linked to 1 year MCLR). These loans are originally repayable in 60 instalments (59 installments remaining as at 31 March 2020)

The term loans is secured by:

- a) Exclusive first charge by way of hypothecation on all movable fixed assets of the Company relating to Aster Medcity hospital Kochi including plant & machinery, furniture, fixture, vehicles and other movable assets, both present and future.
- b) Exclusive first charge by way of equitable mortgage on 13.43 acres of commercial landed property at Kochi owned by D M Medcity Hospital India Private Limited and 13.82 acres of commercial landed property at Kochi owned by Aster DM Healthcare Limited. (Collateral).
- c) First charge on current assets of the Company.
- d) Assignment of insurance policies in favour of the borrower, related to Aster Medcity Kochi.



## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 15 Borrowings (Contd..)

Note 3: There are no continuing defaults in the repayment of the principal loan and interest amounts.

#### Secured overdraft/cash credit facilities from bank

Note 1: Cash credit facility from Federal bank availed and carries and interest of 9.05% to 9.55% per annum. The facility is secured by way of exclusive first charge on the current assets of the Company (present and future).

Note 2: Short term loan from a Bank represents buyers credit facility availed from Federal Bank and secured by 10% cash margin and additional charge on current assets and movable fixed assets with interest of 1.5%-3.22%

Note 3: Overdraft facilities from HDFC bank carry interest ranging between 10.7%-10.10% computed on a monthly basis on the actual amount utilised and are repayable on demand. These are secured by current assets, revenues of whatsoever and wherever arising, present and future, pertaining to Aster CMI, Bangalore. The same has been closed in financial year 2019-20.

Note 4: Cash credit facility from HDFC bank availed and carries an interest of 9% per annum. These are secured by current assets, revenues of whatsoever and wherever arising, present and future, pertaining to Aster CMI, Bangalore. The same has been closed in financial year 2019-20.

#### Unsecured overdraft facilities from bank

Overdraft facility from Yes Bank availed and carries interest at 11.35%-11.4% (linked to 1 month MCLR)

### B Finance leases \*

Particulars	As at 31 March 2020			As at 31 March 2019		
	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	-	-	-	0.16	0.09	0.07
Between 1 and 5 years	-	-	-	0.94	0.20	0.74
After more than 5 years	-	-	-	0.10	0.01	0.09
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1.20</b>	<b>0.30</b>	<b>0.90</b>

\*Finance lease liabilities were included in borrowings until 31 March 2019, but were reclassified to lease liabilities on 1 April 2019 owing to the adoption of the new lease standard. See note 37 for further information about the change in accounting policy for leases.

### 16 Other financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Current</b>		
Current maturities of long-term borrowings*	4.96	0.83
Current maturities of finance lease obligations**	-	0.14
Interest accrued but not due on borrowings*	1.01	-
Dues to related party (Refer note 33)	1.04	1.04
Accrued salaries and benefits	10.20	1.33
Dues to subsidiaries and step-down subsidiaries (Refer note 33)	1.23	2.99
Dues to creditors for expenses and others***	57.43	32.72
Dues to creditors for capital goods	16.47	14.57
	<b>92.34</b>	<b>53.62</b>

\* The details of interest rates, repayment and other terms are disclosed in note 15

\*\*Finance lease liabilities were included in borrowings until 31 March 2019, but were reclassified to lease liabilities on 1 April 2019 owing to the adoption of the new lease standard. See note 37 for further information about the change in accounting policy for leases.

\*\*\* Includes related party balance of ₹ 0.09 crore (31 March 2019: ₹ 0.14 crore)

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 16 Other financial liabilities (Contd..)

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 35

### 17 Provisions

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
<i>Provision for employee benefits</i>		
Net defined benefit liability - Gratuity *	5.44	3.37
Compensated absences*	-	0.07
	<b>5.44</b>	<b>3.44</b>
<b>Current</b>		
<i>Provision for employee benefits</i>		
Net defined benefit liability - Gratuity *	0.55	0.23
Compensated absences*	0.93	2.06
	<b>1.48</b>	<b>2.29</b>
	<b>6.92</b>	<b>5.73</b>

\* Also refer note 36

### 18 Other liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
Lease equalization	-	55.99
Deferred government grant*	23.11	20.33
	<b>23.11</b>	<b>76.32</b>
<b>Current</b>		
Advances from patients	6.21	5.80
Unearned income	1.94	0.62
Statutory dues payables	4.43	3.38
Deferred government grant*	1.77	1.75
	<b>14.35</b>	<b>11.55</b>
	<b>37.46</b>	<b>87.87</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.

### 19 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro and small enterprises	1.08	-
Total outstanding dues of creditors other than micro and small enterprises	47.57	25.64
	<b>48.65</b>	<b>25.64</b>



## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 19 Trade payables (Contd..)

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:

Particulars	As at 31 March 2020	As at 31 March 2019
The principal amount remaining unpaid to any supplier at the end of the year	1.01	-
The interest due on the principal remaining outstanding as at the end of the year	0.07	-
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	0.07	-
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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from hospital and medical services	703.96	553.43
Revenue from consultancy services	1.05	3.04
Revenue from pharmacy sales	33.21	22.64
Revenue from canteen	5.16	4.24
Other operating income	17.04	11.43
	<b>760.42</b>	<b>594.78</b>

### 21 Other income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest on loan to related parties	0.31	0.03
Interest income under the effective interest method on:		
Lease deposits	2.71	2.13
Fixed deposits with banks	3.02	8.33
Dividend on non-current investments	91.11	64.94
Gain on fair valuation of put option	10.61	2.70
Gain on sale of investments (net)	*	2.90
Net gain on account of foreign exchange fluctuations	0.89	-
Gain on sale of property, plant and equipment (net)	0.02	0.02
Other non-operating income	5.84	3.10
	<b>114.51</b>	<b>84.15</b>

\* Amount is below the rounding off norms adopted by the Company.

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 22 Purchases of medicines and consumables

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Medicines and consumables	194.57	145.55
	<b>194.57</b>	<b>145.55</b>

### 23 Change in inventories

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening stock	15.44	16.93
Closing stock	23.75	15.44
	<b>(8.31)</b>	<b>1.49</b>

### 24 Employee benefits expense

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Salaries and allowances	118.49	98.76
Contribution to provident and other funds	7.08	6.96
Staff welfare expense	4.23	3.63
Equity settled share based payments*	0.62	2.93
	<b>130.42</b>	<b>112.28</b>

\* Net of amounts cross-charged to subsidiaries

### 25 Finance cost

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest on bank borrowings	13.61	10.74
Interest on lease liabilities (Refer note 37)	19.15	-
Other borrowing costs	0.44	0.12
	<b>33.20</b>	<b>10.86</b>

### 26 Depreciation and amortisation

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment (Refer Note 4)	73.58	62.66
Depreciation on right-of-use assets (Refer Note 37)	14.47	-
Amortisation on intangible assets	1.27	1.72
	<b>89.32</b>	<b>64.38</b>

### 27 Other expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Professional fee paid to doctors	190.31	146.41
Food and beverage	7.74	6.50
Power, water and fuel	19.95	16.24
Housekeeping, security and others	33.58	26.52



## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 27 Other expenses (Contd..)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Legal, professional and other consultancy	10.64	10.43
Rent	5.84	6.94
Hospital operational and management fees	14.93	16.51
Repairs and maintenance - plant and machinery	20.34	15.73
Advertising and promotional	18.55	12.14
Lab outsourcing charges	8.18	6.68
Rates and taxes	1.87	0.72
Allowances for credit losses on financial assets	5.64	0.30
Travelling and conveyance	5.10	5.42
Water charges	2.50	2.21
Corporate social responsibility	2.00	2.52
Insurance	2.28	1.46
Communication	1.87	1.29
Net loss on account of foreign exchange fluctuations	-	0.56
Office expenses	6.04	5.86
Donation and charity	2.98	-
Bad debts written off	-	0.26
Loss on account of flood	1.40	-
Miscellaneous expenses	9.38	9.63
	<b>371.12</b>	<b>294.33</b>
<b>* Details of corporate social responsibility</b>		
- Gross amount required to be spent during the year	-	-
- Amount spent during the year on:		
Construction/acquisition of an asset	-	-
On purposes other than above	2.00	2.52
	<b>2.00</b>	<b>2.52</b>

### 28 Exceptional item

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Loss on account of flood	-	1.52
	<b>-</b>	<b>1.52</b>

Pursuant to a flood on 16 and 17 August 2018, certain property, plant and equipments and inventory of the Company were damaged. During the previous year, the Company booked an expense of ₹ 27.46 crore for repairs and maintenance of property, plant and equipments and ₹ 3.11 crore for loss of inventory and recognised insurance claim receivable of ₹ 29.05 crore based on the initial estimate of loss filed with the insurance company. The aforementioned loss and the corresponding credit arising from insurance claim receivable has been presented on a net basis (₹ 1.52 crore) as an exceptional item in the previous year financial statements. During the current and previous year, the Company has received an amount of ₹ 17.10 crore and ₹ 4.25 crore respectively, against settlement of one of its insurance claims.

### 29 Income taxes

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Income tax assets</b>		
Income tax assets	54.80	37.25
Current income tax liabilities	-	-
<b>Net income tax assets at the end</b>	<b>54.80</b>	<b>37.25</b>

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 29 Income taxes (Contd..)

#### (a) Amount recognised in statement of profit and loss

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax	2.28	-
Current tax for earlier years	1.59	-
Deferred tax (including MAT credit entitlement)	0.13	0.45
<b>Tax expense for the year</b>	<b>4.00</b>	<b>0.45</b>

#### (b) Amount recognised in other comprehensive income

Particulars	Year ended 31 March 2020			Year ended 31 March 2019		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Re-measurement on defined benefit liability	(0.38)	0.13	(0.25)	0.57	-	0.57
	<b>(0.38)</b>	<b>0.13</b>	<b>(0.25)</b>	<b>0.57</b>	<b>-</b>	<b>0.57</b>

#### (c) Reconciliation of effective tax rate

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Profit before tax</b>	<b>64.61</b>	<b>48.52</b>
Statutory income tax rate	34.94%	34.94%
Tax expenses /(asset)	22.58	16.95
Income chargeable at special rates	(30.01)	(23.46)
Incomes exempt from tax	-	(0.24)
Non-deductible expenses/ permanent differences	2.18	1.50
Additional deduction on investment allowance	(50.25)	(3.71)
Other temporary differences	16.34	8.45
Un-recognised deferred tax assets	41.57	0.51
<b>Income tax expense</b>	<b>2.41</b>	<b>-</b>

#### (d) Recognised deferred tax assets and liabilities

##### (i) Deferred tax assets and liabilities are attributable to the following:

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Deferred tax asset</b>		
MAT credit entitlement receivable	0.74	0.74
Unabsorbed business loss including from specified business	180.50	113.55
<b>Total deferred tax asset</b>	<b>181.24</b>	<b>114.29</b>
<b>Deferred tax liability</b>		
On account of fair valuation of land *	(16.35)	(16.35)
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(180.50)	(113.55)
<b>Total deferred tax liability</b>	<b>(196.85)</b>	<b>(129.90)</b>
<b>Deferred tax liability (net)</b>	<b>(16.35)</b>	<b>(16.35)</b>
<b>Deferred tax assets</b>	<b>0.74</b>	<b>0.74</b>

\* The deferred tax liability arising on the fair valuation recognised based on tax rates applicable to the long-term capital gains.

The Company 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 related to income taxes levied by the same tax authority. Company 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 Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 29 Income taxes (Contd..)

#### (d) Recognised deferred tax assets and liabilities(Contd..)

##### (ii) Movement in temporary differences

Particulars	Balances as at 1 April 2018	Recognised in Profit and loss during 2018-19	Recognised in OCI during 2018-19	Balances as at 31 March 2019	Recognised in Profit and loss during 2019-20	Recognised in OCI during 2019-20	Balances as at 31 March 2020
Unabsorbed business loss including from specified business	154.34	(40.79)	-	113.55	66.95	-	180.50
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(154.34)	40.79	-	(113.55)	(66.95)	-	(180.50)
MAT credit entitlement receivable	0.74	-	-	0.74	-	-	0.74
On account of fair valuation of land *	(15.90)	(0.45)	-	(16.35)	-	-	(16.35)
Provision for employee benefits	-	-	-	-	(0.13)	0.13	-
<b>Net deferred tax (liabilities) / assets</b>	<b>(15.16)</b>	<b>(0.45)</b>	<b>-</b>	<b>(15.61)</b>	<b>(0.13)</b>	<b>0.13</b>	<b>(15.61)</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 there from:

Particulars	31 March 2020		31 March 2019	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
<b>Deferred tax asset</b>				
Tax losses (business loss)	652.22	227.91	707.44	247.18
Tax losses (Long term capital loss)	41.77	9.73	7.60	1.69
Tax losses (unabsorbed depreciation)	107.14	37.44	75.62	26.42
<b>Total deferred tax asset</b>	<b>801.13</b>	<b>275.08</b>	<b>790.66</b>	<b>275.29</b>

##### (iv) Tax losses carried forward

Particulars	Year ended 31 March 2020	Year ended 31 March 2020	Year ended 31 March 2019	Year ended 31 March 2019
Brought forward losses - allowed to carry forward for specified period	47.30	Various dates	160.94	Various dates
Brought forward losses from specified business - allowed to carry forward for infinite period	646.69		554.10	
Brought forward losses - allowed to carry forward for infinite period	107.14		75.62	
<b>Total deferred tax asset</b>	<b>801.13</b>	<b>-</b>	<b>790.66</b>	<b>-</b>

Deferred tax assets have not been recognised in respect of the above items, because it is not probable that future taxable profit will be available against which the Company can use the benefits. The above is arrived basis the balances as on date. The deductible temporary difference do not expire under the current tax legislation.

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 30 Contingent liabilities and commitments

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Contingent liabilities</b>		
Claims against the Company not acknowledged as debts	20.26	20.08
- Income tax related matters (Note 1)		
- KVAT related matters (Note 2)"	-	1.60
Export commitments under EPCG scheme (Note 3)	28.81	29.88
Corporate guarantees	187.03	41.36
Salary payable under minimum wages act (Note 4)	6.84	6.84
Bank guarantees	2.07	7.22
<b>Commitments</b>		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	2.99	13.74

**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 (FTC) relating to dividend received from its Mauritius subsidiary. This amount to ₹ 20.08 crore and claimed as per the provisions of Section 90/90A of Income Tax Act 1961. The Company has also received income tax demand order of ₹ 0.18 crore for AY 2012-13 where in assessing officer denied legal and professional fee and business promotion expenses. 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 such demands raised by the Assessing Officer.

**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 ₹ 1.28 crore against the Company, on account of difference in returns filed with audited accounts / report against which an appeal was filed by the Company. The Deputy Commissioner (Appeals) has directed the Assessing Officer to pass a modified order. The modified order was passed on 20 June 2019 reducing the VAT demand to ₹ 0.28 crore and interest to ₹ 0.09 crore. Further, the company went ahead to settle the issue by applying for settlement under KVAT Amnesty scheme 2019-20 on 27 September 2019. Tax amount of ₹ 0.08 paid (after adjusting pre deposit) and matter has been settled.

The Company has received a Kerala Value Added Tax (KVAT) demand for the FY 2015-16 wherein the assessing officer raised a demand for ₹ 1.25 crore against the Company, on account of difference in returns filed with audited accounts / report against which an appeal was filed by the Company. Appellate authority passed an order on 30.04.2019 setting aside the demands on account of difference in audit report and annual report and also the addition for probable suppression. However, the demand with respect to transportation of goods with defective records was confirmed. The modified order was received and the matter settled.

**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 2020, duty on export obligations remaining to be fulfilled amounts to ₹ 28.81 Cr (31 March 2019: ₹ 29.88 Cr). 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 ₹ 24.55 Cr (31 March 2019: ₹ 25.01) to the customs authorities in this regard.

**Note 4 :** On 23 April 2018, The Government of Kerala issued an order revising the minimum wages of medical and nursing staff. The order mentions that the changes would be effective retrospectively from 1 October 2017. Since the legislation was issued in April 2018, management has started paying the revised salary with effect from 1 April 2018. The Company filed an appeal against the retrospective application of this order with the High Court of Kerala which has issued an interim stay order on 26 July 2018. The Writ Petition WP (c) No. 25109/2018 challenging the retrospective effect of minimum wage order passed by the Government of Kerala is pending before the Hon'ble High Court of Kerala in hearing list. Based on the stay order and legal advise, management believes that their position will be upheld and therefore has not provided for the incremental cost for the period October 2017 to March 2018.

**Note 5 :** On 28th February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. Basis this judgment, the Company has re-computed its liability towards PF from the month of March 2019 and has paid PF as per Supreme Court judgement. In respect of the earlier periods/years, the Company has been legally advised that there are numerous interpretative challenges on the application of the judgment retrospectively. Based on such legal advice, the management believes that it is impracticable at this stage to reliably measure the provision required, if any, and accordingly, no provision has been made towards the same. Necessary adjustments, if any, will be made to the books as more clarity emerges on this subject.



## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 30 Contingent liabilities and commitments (Contd..)

**Note 6 :** 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 7 :** The Company has given bank guarantee in respect of certain contingent liabilities listed above.

**Note 8 :** The Company does not have any long-term commitments or material non-cancellable contractual commitments/contracts, including derivative contracts for which there were any material foreseeable losses.

### 31 Earnings per share

#### A. Basic earnings 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 attributable to equity share holders (basic)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Net profit for the year, attributable to the equity share holders	60.61	48.07

##### ii) Weighted average number of equity shares (basic)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening balance (Refer note 14)	50.22	50.15
Effect of share options exercised	0.01	0.06
Buy back of shares	(0.02)	-
Weighted average number of equity shares of ₹ 10 each for the year	50.21	50.21
Earnings per share, basic	1.21	0.96

#### B. Diluted earnings 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 attributable to equity share holders (diluted)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Net profit for the year, attributable to the equity share holders	60.61	48.07

##### ii) Weighted average number of equity shares (diluted)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Weighted average number of equity shares of ₹ 10 each for the year (basic)	50.21	50.21
Effect of exercise of share options	0.08	0.08
Weighted average number of equity shares of ₹ 10 each for the year (diluted)	50.29	50.29
Earnings per share, diluted	1.21	0.96

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 32 Payment to auditors (included under legal and professional charges, net of goods and services tax)

Particulars	As at	As at
	31 March 2020	31 March 2019
Audit	0.78	0.65
Limited reviews	0.51	0.40
Other services	0.08	0.24
Reimbursement of expenses	0.11	0.08
	<b>1.48</b>	<b>1.37</b>

### 33 Related parties (as per Ind AS)

#### A. Related Party relationships

Names of related parties and description of relationship with the Company:

##### l) Enterprises where control / significant influence exists

(a) Enterprises exercising significant influence	Union Investments Private Limited, Mauritius
(b) Subsidiaries and step down subsidiaries	
1 Aster DM Healthcare (Trivandrum) Private Limited	39 Al Rafa Holdings Limited
2 DM Med City Hospitals (India) Private Limited	40 Harley Street LLC
3 Prerana Hospital Limited	41 Harley Street Pharmacy LLC
4 Ambady Infrastructure Private Limited	42 Harley Street Medical Centre LLC
5 Affinity Holdings Private Limited	43 Al Raffah Hospital LLC
6 Sri Sainatha Multispeciality Hospitals Private Limited	44 Al Raffah Medical Centre LLC
7 Malabar Institute of Medical Sciences Limited	45 Dr. Moopen's Healthcare Management Services WLL
8 Dr. Ramesh Cardiac and Multispeciality Hospitals Private Limited	46 Welcare Polyclinic W.L.L
9 Aster Ramesh Duhita LLP	47 Dr. Moopens Aster Hospital WLL
10 Sanghamitra Hospitals Private Limited	48 Sanad Al Rahma for Medical Care LLC
11 Ramesh Fertility Centre LLP	49 Aster Kuwait Pharmaceuticals and Medical Equipment Company W.L.L.*
12 Aster DM Healthcare FZC	50 Orange Pharmacies LLC
13 Aster Day Surgery Centre LLC	51 Aster DM Healthcare SPC
14 Al Rafa Medical Centre LLC	52 Aster DM Healthcare INC *
15 Asma Pharmacy LLC	53 Al Raffah Pharmacies Group LLC
16 Dar Al Shifa Medical Centre LLC	54 Harley Street Dental LLC
17 DM Healthcare LLC	55 Aster DCC Pharmacy LLC
18 DM Pharmacies LLC	56 Noor Al Shefa Clinic LLC
19 Dr. Moopens Healthcare Management Services LLC	57 Zahrat Al Shefa Medical Center LLC
20 Eurohealth Systems FZ LLC	58 Zahart Pharmacy LLC
21 Med Shop Drugs Store LLC	59 Samary Pharmacy LLC
22 Medcare Hospital LLC	60 Alfa Investments Limited.
23 Medshop Garden Pharmacy LLC	61 Active Holdings Limited.
24 Modern Dar Al Shifa Pharmacy LLC	62 E-Care International Medical Billing Services Co. LLC
25 Rafa Pharmacy LLC	63 Aster Primary Care LLC
26 Shindagha Pharmacy LLC	64 Metromeds Pharmacy LLC
27 Union Pharmacy LLC	65 Metro Meds Pharmacy L.L.C
28 Aster Pharmacies Group LLC	66 Aster Hospital Sonapur LLC
29 Alfa Drug Store LLC	67 Oman Al Khair Hospital L.L.C.
30 Aster Al Shafar Pharmacies Group LLC	68 Aster Pharmacy(MUSAFFAH)
31 New Aster Pharmacy DMCC	69 Radiant Healthcare L.L.C
32 Symphony Healthcare Management Services LLC	70 Grand Optics LLC Dubai
33 Zabeel Pharmacy LLC *	71 Aster Clinical Lab LLP
34 Al Shafar Pharmacy LLC, AUH	72 Premium Healthcare Limited
35 Aster Grace Nursing and Physiotherapy LLC	73 Wahat Al Aman Home Health Care LLC
36 Aster Medical Centre LLC*	74 Ezhimala Infrastructure LLP
37 Aster Opticals LLC	75 EMED Human Resources (India) Private Limited, India (from 5 March 2020)
38 Al Rafa Investments Limited	76 Alfaone-FZ LLC



## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 33 Related parties (as per Ind AS) (Contd..)

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.

\* Represents companies that are in the process of being wound up

<b>(c) Associates</b>	MIMS Infrastructure and Properties Private Limited, India Aries Holdings FZC, UAE Medcare Mutaimaiza Investment LLC AAQ Healthcare Investments LLC EMED Human Resources (India) Private Limited, India (till 5 March 2020)
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#### II) Other related parties with whom the group had transactions during the year

<b>(a) Entities under common control/ Entities over which the Company has significant influence</b>	DM Education & Research Foundation Aster DM Foundation Wayanad Infrastructure Private Limited
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<b>(b) Key managerial personnel and their relatives (KMP)</b>	Dr. Azad Moopen ( Chairman and Managing Director) Alisha Moopen (Deputy Managing Director) (from 7 August 2019) Sreenath Reddy (Chief Financial Officer) Puja Aggarwal (Company Secretary) Daniel James Snyder (Independent Director) (till 20 April 2020) Prof. Biju Varkkey (Independent Director) Dr. Layla Mohamed Hassan Ali Almarzooqi (Independent Director) Maniedath Madhavan Nambiar (Independent Director) (till 11 February 2020) Ravi Prasad (Independent Director) (till 20 April 2020) Suresh Muthukrishna Kumar (Independent Director) T J Wilson (Director) Anoop Moopen (Director) Daniel Robert Mintz (Director) Shamsudheen Bin Mohideen Mammu Haji (Director)
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Nature of transactions	Related party transactions	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Short term loans and advance repayment received</b>		
Aster DM Healthcare (Trivandrum) Private Limited	0.07	0.04
Ambady Infrastructure Private Limited	-	0.02
Aster Clinical Lab LLP	0.78	-
DM Med City Hospitals (India) Private Limited	2.80	2.18
EMED Human Resources (India) Private Limited	0.47	0.33
<b>Short-term loans and advances given</b>		
Ambady Infrastructure Private Limited	0.17	0.03
DM Med City Hospitals (India) Private Limited	2.17	2.42
Aster Clinical Lab LLP	11.58	-
Aster DM Healthcare (Trivandrum) Private Limited	0.02	70.39
<b>Expenses incurred on behalf of subsidiaries / associates</b>		
DM Med City Hospitals (India) Private Limited	1.06	2.05
Ambady Infrastructure Private Limited	0.02	*
Aster DM Healthcare FZC	0.13	0.04
Aster Clinical Lab LLP	0.60	-
Aster DM Healthcare (Trivandrum) Private Limited	0.31	0.12

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 33 Related parties (as per Ind AS) (Contd..)

#### A. Related Party relationships (Contd..)

Nature of transactions	Related party transactions	
	Year ended 31 March 2020	Year ended 31 March 2019
EMED Human Resources (India) Private Limited	0.30	0.27
Dr. Moopens Healthcare Management Services LLC	2.31	0.63
Al Raffah Hospital LLC	0.08	0.11
DM Education & Research Foundation	0.01	-
Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited	*	0.08
Sri Sainatha Multispeciality Hospitals Private Limited	0.12	0.12
Prerana Hospital Limited	0.10	0.10
Malabar Institute of Medical Sciences Limited	0.62	0.63
<b>Repayment from subsidiaries</b>		
Malabar Institute of Medical Sciences Limited	0.08	0.09
DM Med City Hospitals (India) Private Limited	0.01	-
Dr. Moopens Healthcare Management Services LLC	0.65	-
Prerana Hospital Limited	0.01	-
Sri Sainatha Multispeciality Hospitals Private Limited	*	-
Aster Clinical Lab LLP	*	-
Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited	0.05	-
<b>Repayment to subsidiaries / associates</b>		
Malabar Institute of Medical Sciences Limited	0.13	0.03
DM Med City Hospitals (India) Private Limited	0.07	-
DM Education & Research Foundation	3.18	-
EMED Human Resources (India) Private Limited	0.13	0.07
<b>Expenses incurred by subsidiaries / associates on behalf of company</b>		
Dr. Moopens Healthcare Management Services LLC	-	0.30
Prerana Hospital Limited	*	0.02
DM Med City Hospitals (India) Private Limited	0.07	-
Malabar Institute of Medical Sciences Limited	0.01	0.14
<b>Collection by subsidiaries / associates on behalf of company</b>		
Dr. Moopens Healthcare Management Services LLC	2.02	0.78
Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited	-	0.01
DM Education & Research Foundation	2.59	3.60
<b>Collection by company on behalf of subsidiaries</b>		
Malabar Institute of Medical Sciences Limited	0.13	-
<b>Repayment of offer proceeds</b>		
Union Investments Private Limited	-	1.66
<b>Investments / capital contribution</b>		
Malabar Institute of Medical Sciences Limited	3.68	44.79
Sri Sainatha Multispeciality Hospitals Private Limited	16.07	-
Aster Clinical Lab LLP	1.00	-
Prerana Hospital Limited	1.29	18.45
<b>Sale of Medical consumables</b>		
Malabar Institute of Medical Sciences Limited	0.08	-
<b>Sale of asset</b>		
Malabar Institute of Medical Sciences Limited	-	0.25
<b>Other Income</b>		
Dr. Moopens Healthcare Management Services LLC	0.45	-
DM Med City Hospitals (India) Private Limited	*	-
Prerana Hospital Limited	0.04	-
Sri Sainatha Multispeciality Hospitals Private Limited	0.03	-
Dr. Ramesh Cardiac and Multi- Speciality Hospital Private Limited	*	-
Malabar Institute of Medical Sciences Limited	0.26	-



## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 33 Related parties (as per Ind AS) (Contd..)

#### A. Related Party relationships (Contd..)

Nature of transactions	Related party transactions	
	Year ended 31 March 2020	Year ended 31 March 2019
<b>Sale of investments</b>		
Affinity Holdings Private Limited, Mauritius	-	44.59
EMED Human Resources (India) Private Limited	0.01	-
<b>Income from consultancy services</b>		
Prerana Hospital Limited	-	1.69
DM Education & Research Foundation	1.23	1.81
<b>Income from hospital services</b>		
Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited	-	0.01
Malabar Institute of Medical Sciences Limited	-	0.11
<b>Dividend received</b>		
Affinity Holdings Private Limited	91.11	64.24
Prerana Hospital Limited	-	0.70
<b>Managerial remuneration</b>		
Short term employee benefits	1.66	2.46
<b>Donation given</b>		
Aster DM Foundation	2.00	2.53
<b>Lease rental for land</b>		
DM Med City Hospitals (India) Private Limited	1.00	1.00
DM Education & Research Foundation	0.74	0.74
<b>Lease rental for medical equipment</b>		
Aster DM Healthcare (Trivandrum) Private Limited	0.05	-
<b>Guarantee commission expense</b>		
Ambady Infrastructure Private Limited	-	*
DM Med City Hospitals (India) Private Limited	0.13	0.09
<b>Guarantee commission received</b>		
Prerana Hospital Limited	0.26	0.25
Malabar Institute of Medical Sciences Limited	0.73	-
Aster DM Healthcare (Trivandrum) Private Limited	-	0.37
<b>Interest income on loan to related parties</b>		
EMED Human Resources (India) Private Limited	0.02	0.03
Aster Clinical Lab LLP	0.29	-
<b>Other expenses</b>		
EMED Human Resources (India) Private Limited	0.08	0.12
Wayanad Infrastructure Private Limited	0.01	0.02
DM Education & Research Foundation	4.79	4.76
Al Raffah Hospital LLC	0.12	-
Malabar Institute of Medical Sciences Limited	*	0.03
<b>Interest income under the effective interest method on lease deposit</b>		
DM Education & Research Foundation	0.66	0.61
DM Med City Hospitals (India) Private Limited	0.82	0.76
<b>Buyback of shares</b>		
Union Investments Private Limited	38.90	-
Anoop Moopen	0.21	-
Dr. Azad Moopen	0.36	-
Ziham Moopen	0.04	-
Alisha Moopen	0.02	-
Zeba Azad Moopen	0.02	-
T J Wilson	0.56	-
Shamsudheen Bin Mohideen Mammu Haji	1.18	-
<b>Employee stock option expense recharged</b>		
Aster DM Healthcare FZC	0.57	0.26

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 33 Related parties (as per Ind AS) (Contd..)

#### b) Balance receivable / (payable) as at the year end

Nature of transactions	As at 31 March 2020	As at 31 March 2019
<b>Financial assets - Other financial assets (current) - Dues from related parties</b>		
Prerana Hospital Limited	0.43	0.05
Aster DM Healthcare FZC	23.14	22.48
Aster Pharmacies Group LLC	0.39	0.39
Sri Sainatha Multispeciality Hospitals Private Limited	0.34	0.19
Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited	0.04	0.09
Aster DM Healthcare (Trivandrum) Private Limited	0.26	-
Ambady Infrastructure Private Limited	0.02	-
Aster Clinical Lab LLP	0.60	-
DM Med City Hospitals (India) Private Limited	0.89	-
EMED Human Resources (India) Private Limited	0.30	-
DM Education & Research Foundation	2.57	0.35
Dr. Moopens Healthcare Management Services LLC	2.33	-
Malabar Institute of Medical Sciences Limited	2.74	1.13
<b>Financial assets - loans (Non current) - Dues from related parties</b>		
Aster DM Healthcare (Trivandrum) Private Limited**	73.29	-
Ambady Infrastructure Private Limited	4.71	-
DM Med City Hospitals (India) Private Limited	14.91	-
<b>Financial assets - loans (current) - Dues from related parties</b>		
Aster Clinical Lab LLP	11.09	-
EMED Human Resources (India) Private Limited	0.02	0.47
Aster DM Healthcare (Trivandrum) Private Limited**	-	99.29
Ambady Infrastructure Private Limited	-	6.21
DM Med City Hospitals (India) Private Limited	-	20.84
<b>Other financial liabilities (current) - Dues to related party</b>		
Union Investments Private Limited	(1.04)	(1.04)
<b>Other financial liabilities (current) - Dues to subsidiaries</b>		
Dr. Moopens Healthcare Management Services LLC	-	(1.80)
Al Raffah Hospital LLC	(1.23)	(1.19)
<b>Other financial liabilities (current) - Dues to creditors for expenses</b>		
Wayanad Infrastructure Private Limited	(0.09)	(0.08)
EMED Human Resources (India) Private Limited	*	(0.06)
<b>Trade receivables</b>		
Prerana Hospital Limited	0.35	0.35
Dr. Moopen's Healthcare Management Services W.L.L, Qatar	0.04	0.04
<b>Other non current assets - Deferred lease expenses</b>		
DM Education & Research Foundation	3.63	4.37
DM Med City Hospitals (India) Private Limited	6.68	7.64
<b>Other current assets - Deferred lease expenses</b>		
DM Education & Research Foundation	0.74	0.74
DM Med City Hospitals (India) Private Limited	0.95	0.95
<b>Financial assets Loans - (non current) Rent and other deposits</b>		
DM Education & Research Foundation	10.05	9.39
DM Med City Hospitals (India) Private Limited	10.22	9.39
<b>Managerial remuneration payable</b>		
Short term employee benefits	0.08	-
<b>Guarantee given</b>		
Prerana Hospital Limited	47.19	41.36
Malabar Institute of Medical Sciences Limited	139.84	-
<b>Guarantee received</b>		
DM Med City Hospitals (India) Private Limited	47.67	18.58

\* Amount is below the rounding off norms adopted by the Company.

\*\* The amount disclosed is before loss allowance





## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 34 Segment 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). Members of Board of the Company have been identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108 "Operating Segments". 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
- ii) Others - Comprising consultancy division which is into providing healthcare consultancy and clinics.

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Segment revenue</b>		
Hospitals	747.93	584.61
Others	12.49	10.17
<b>Total</b>	<b>760.42</b>	<b>594.78</b>
<b>Segment results before income tax</b>		
Hospitals	18.72	6.44
Others	1.11	(0.32)
<b>Total</b>	<b>19.83</b>	<b>6.12</b>
<b>Less :</b>		
Finance cost	(33.20)	(10.86)
Exceptional items	-	(1.52)
Other unallocable expenditure net of un-allocable income	77.98	54.78
<b>Profit before tax</b>	<b>64.61</b>	<b>48.52</b>

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Segment assets</b>		
Hospitals	1,241.04	1,023.11
Others	11.91	3.53
Unallocated	2,300.05	2,350.18
<b>Total</b>	<b>3,553.00</b>	<b>3,376.82</b>
<b>Segment liabilities</b>		
Hospitals	471.37	248.23
Others	10.98	1.30
Unallocated	140.05	147.01
<b>Total</b>	<b>622.40</b>	<b>396.54</b>

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 34 Segment reporting (Contd..)

#### B. 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 is based on the geographical location of the customers and segment assets are based on the geographical location of the assets.

##### (i) Revenue from operations

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
India	760.42	594.78
Others	-	-
	<b>760.42</b>	<b>594.78</b>

##### (ii) Total assets

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
India	3,552.93	3,376.76
Others	0.07	0.06
	<b>3,553.00</b>	<b>3,376.82</b>

#### C. Major customer

No major customer has contributed more than 10% of the Company's total revenue.

### 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 2020

Particulars	Note	Carrying amount				Fair value			
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total Carrying value	Level 1	Level 2	Level 3	Total
<b>Assets</b>									
<b>Financial assets not measured at fair value</b>									
Cash and Cash equivalents	11	15.55	-	-	15.55	-	-	-	-
Other bank balances	12	17.84	-	-	17.84	-	-	-	-
Investments	6	2,150.42	-	-	2,150.42	-	-	-	-
Trade receivables	10	44.78	-	-	44.78	-	-	-	-
Loans	13	130.97	-	-	130.97	-	-	-	-
Other financial assets	7	46.13	-	-	46.13	-	-	-	-
<b>Total</b>		<b>2,405.69</b>	<b>-</b>	<b>-</b>	<b>2,405.69</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>									
<b>Financial liabilities measured at fair value</b>									
Derivatives		-	76.65	-	76.65	-	-	76.65	76.65
<b>Financial liabilities not measured at fair value</b>									
Trade payables	19	-	-	48.65	48.65	-	-	-	-
Borrowings (including current maturities)	15	-	-	145.17	145.17	-	-	-	-
Lease liabilities	37	-	-	203.82	203.82	-	-	-	-
Other financial liabilities (excluding current maturities of long term borrowings)	16	-	-	87.38	87.38	-	-	-	-
<b>Total</b>		<b>-</b>	<b>76.65</b>	<b>485.02</b>	<b>561.67</b>	<b>-</b>	<b>-</b>	<b>76.65</b>	<b>76.65</b>



## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 35 Financial Instruments - Fair values and risk management (Contd..)

#### A Accounting classifications and fair values (Contd..)

31 March 2019

Particulars	Note	Carrying amount			Fair value				
		Financial assets at amortised cost	Mandatorily at FVTPL	Other financial liabilities at amortised cost	Total Carrying value	Level 1	Level 2	Level 3	Total
<b>Assets</b>									
<b>Financial assets not measured at fair value</b>									
Cash and Cash equivalents	11	3.49	-	-	3.49	-	-	-	-
Other bank balances	12	96.32	-	-	96.32	-	-	-	-
Investments	6	2,095.48	-	-	2,095.48	-	-	-	-
Trade receivables	10	35.22	-	-	35.22	-	-	-	-
Loans	13	155.71	-	-	155.71	-	-	-	-
Other financial assets	7	36.39	-	-	36.39	-	-	-	-
<b>Total</b>		<b>2,422.61</b>	<b>-</b>	<b>-</b>	<b>2,422.61</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Liabilities</b>									
<b>Financial liabilities measured at fair value</b>									
Derivatives		-	83.60	-	83.60	-	-	83.60	83.60
<b>Financial liabilities not measured at fair value</b>									
Trade payables	19	-	-	25.64	25.64	-	-	-	-
Borrowings (including current maturities)	15	-	-	124.70	124.70	-	-	-	-
Other financial liabilities (excluding current maturities of long term borrowings)	16	-	-	52.65	52.65	-	-	-	-
<b>Total</b>		<b>-</b>	<b>83.60</b>	<b>202.99</b>	<b>286.59</b>	<b>-</b>	<b>-</b>	<b>83.60</b>	<b>83.60</b>

#### B Measurement of fair values

The following methods and assumptions were used to estimate the fair values:

- 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.

#### 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 2020 and 31 March 2019 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 of derivative put option.

Particulars	Amount
<b>Balance as at 31 March 2019</b>	<b>83.60</b>
Net change in fair value (unrealised)	(10.61)
Addition during the year	3.66
<b>Balance as at 31 March 2020</b>	<b>76.65</b>

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 35 Financial Instruments - Fair values and risk management (Contd..)

#### B Measurement of fair values (Contd..)

##### 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.

As at 31 March 2020	Profit or loss	
	Increase	Decrease
Volatility (1% movement)	(2.91) to (0.05)	0.17 to 5.83
EBITDA growth rates (1% movement)	0.19 to 2.93	(2.64) to (0.15)
Risk free rate (1% movement)	(7.75) to (0.20)	0.26 to 8.99

As at 31 March 2019	Profit or loss	
	Increase	Decrease
Volatility (1% movement)	(0.05)	0.06
EBITDA growth rates (1% movement)	1.4	(1.35)
Risk free rate (1% movement)	(3.27)	2.57

#### 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 44.78 crore (31 March 2019: 35.22 crore) and unbilled receivables amounting to 8.98 crore (31 March 2019: 8.17 crore).

The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning	2.49	2.19
Impairment loss recognised	5.64	0.30
<b>Balance at the end</b>	<b>8.13</b>	<b>2.49</b>



## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 35 Financial Instruments - Fair values and risk management (Contd..)

#### C Financial risk management (Contd..)

##### ii) Credit risk (Contd..)

No single customer accounted for more than 10% of the revenue as of 31 March 2020 and 31 March 2019. 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.

##### 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 along with its unutilised credit facilities are 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 2020.

Particulars	Less than 1 year	More than 1 year	Total
Trade payables	48.65	-	48.65
Current borrowings	97.50	-	97.50
Non current borrowings (including current maturities)	4.96	42.71	47.67
Lease liabilities	4.61	199.21	203.82
Derivatives	3.66	72.99	76.65
Other financial liabilities (excluding current maturities)	87.38	-	87.38
<b>Total</b>	<b>246.76</b>	<b>314.91</b>	<b>561.67</b>

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2019.

Particulars	Less than 1 year	More than 1 year	Total
Trade payables	25.64	-	25.64
Current borrowings	105.22	-	105.22
Non current borrowings (including current maturities)	0.97	18.51	19.48
Derivatives	-	83.60	83.60
Other financial liabilities (excluding current maturities)	52.65	-	52.65
<b>Total</b>	<b>184.48</b>	<b>102.11</b>	<b>286.59</b>

Financial assets carried at amortised cost as at 31 March 2020 is ₹ 2,405.69 crore (31 March 2019: ₹ 2,422.61 crore)

Financial assets of ₹ 35.23 Crore (including restricted deposits of ₹ 1.84 Crore) as at 31 March 2020 carried at amortised cost is in the form of cash and cash equivalents, deposits, etc. where the Company has assessed the counterparty credit risk. Trade receivables of ₹ 44.78 Crore as at 31 March 2020 carried at amortised cost and is valued considering provision for allowance using expected credit loss method (if any). In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the impact immediately seen in the demand outlook and the financial strength of the customers in respect of whom amounts are receivable. The Company has specifically evaluated the potential impact with respect to Healthcare service sector. The Company closely monitors its customers who are being impacted. Also a substantial portion of the financial asset is related to investments in subsidiary companies (₹ 2,150.42 Crore) and loans and advances to subsidiary companies (₹ 124.59 Crore, net of provision of ₹ 13.48 Crore) wherein Management has considered the impact of COVID -19 on the the projections while doing its assessment for impairment testing.

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 35 Financial Instruments - Fair values and risk management (Contd..)

#### C Financial risk management (Contd..)

##### 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 2020	AED	EUR	OMR	USD
Other current financial liabilities	-	1.63	1.23	4.03
Other financial assets	-	-	-	-
Cash and cash equivalents	0.07	-	-	0.08
<b>Net assets/(liabilities)</b>	<b>0.07</b>	<b>(1.63)</b>	<b>(1.23)</b>	<b>(3.95)</b>

As at 31 March 2019	AED	EUR	OMR	USD
Other current financial liabilities	1.80	1.54	1.19	3.95
Other financial assets	-	-	-	-
Cash and cash equivalents	0.06	-	-	-
<b>Net assets/(liabilities)</b>	<b>(1.74)</b>	<b>(1.54)</b>	<b>(1.19)</b>	<b>(3.95)</b>

##### Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments.

Nature of transactions	Impact on profit or (loss)		Impact on equity, net of tax	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
<b>AED Sensitivity</b>				
INR/AED - Increase by 1%	*	(0.02)	*	(0.02)
INR/AED - Decrease by 1%	*	0.02	*	0.02
<b>EUR Sensitivity</b>				
INR/EUR - Increase by 1%	(0.02)	(0.02)	(0.02)	(0.02)
INR/EUR - Decrease by 1%	0.02	0.02	0.02	0.02
<b>OMR Sensitivity</b>				
INR/OMR - Increase by 1%	(0.01)	(0.01)	(0.01)	(0.01)
INR/OMR - Decrease by 1%	0.01	0.01	0.01	0.01
<b>USD Sensitivity</b>				
INR/USD - Increase by 1%	(0.04)	(0.04)	(0.04)	(0.04)
INR/USD - Decrease by 1%	0.04	0.04	0.04	0.04

##### 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.



## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 35 Financial Instruments - Fair values and risk management (Contd..)

#### C Financial risk management (Contd..)

##### iv) Market risk (Contd..)

##### (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:

Particulars	As at 31 March 2020	As at 31 March 2019
Variable rate long term borrowings including current maturities	47.67	19.34

##### Sensitivity

Nature of transactions	Impact on profit or (loss)		Impact on equity, net of tax	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
<b>Sensitivity</b>				
1% increase in MCLR rate	(0.48)	(0.19)	(0.48)	(0.19)
1% decrease in MCLR rate	0.48	0.19	0.48	0.19

The interest rate sensitivity is based on the closing balance of secured term loans and current borrowings from banks

### 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. The defined benefit plan is unfunded.

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	As at 31 March 2020	As at 31 March 2019
Defined benefit obligation liability	5.99	3.60
Plan assets	-	-
Net defined benefit liability	5.99	3.60
Compensated absences *	0.93	2.13
<b>Total employee benefit liability</b>	<b>6.92</b>	<b>5.73</b>

\* As at 31 March 2020, due to change in leave policy, the compensated absences are treated as short term commitments.

#### B Reconciliation of present value of defined benefit obligation

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Balance at beginning of the year	3.60	2.90
Benefit paid	(0.18)	(0.46)
Current service cost	1.64	1.14
Past service cost	0.30	0.38
Interest cost	0.25	0.21
Actuarial gain/(loss) recognised in other comprehensive income		
- changes in demographic assumptions	-	-
- changes in financial assumptions	0.39	(0.51)
- experience adjustments	(0.01)	(0.06)
<b>Balance at the end of the year</b>	<b>5.99</b>	<b>3.60</b>
<b>Net defined benefit (liability)</b>	<b>5.99</b>	<b>3.60</b>

\* Amount is below the rounding off norms adopted by the Company.

# Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 36 Employee benefits (Contd..)

### C (i) Expenses recognised in the statement of profit & loss account

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	1.64	1.14
Past service cost	0.30	0.38
Interest cost	0.25	0.21
<b>Gratuity cost</b>	<b>2.19</b>	<b>1.73</b>

### (ii) Remeasurements recognised in other comprehensive income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Actuarial (gain)/loss on defined benefit obligation	0.38	(0.57)
	<b>0.38</b>	<b>(0.57)</b>

### D Defined Benefit Obligation

#### (i) Assumptions used to determine benefit obligations:

Principal actuarial assumptions at the reporting date (expressed as weighted average)

Particulars	31 March 2020	31 March 2019
Discount rate	6.10%	7.00%
Future salary growth	6.00%	6.00%
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.
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)

The weighted-average assumptions used to determine net periodic benefit cost for the year ended 31 March 2020 and year ended 31 March 2019 as set out below

Particulars	31 March 2020	31 March 2019
Discount rate	6.10%	7.00%
Future salary growth	6.00%	6.00%
Weighted average duration of defined benefit obligation	5	5

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.





## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 36 Employee benefits (Contd..)

#### D Defined Benefit Obligation (Contd..)

##### (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	31 March 2020		As at 31 March 2019	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.45)	0.51	(0.27)	0.31
Future salary growth (1% movement)	0.51	(0.45)	0.31	(0.27)
Withdrawal rate (1% movement)	(0.07)	0.07	(0.05)	0.05

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.

#### E Expense recognised in profit or loss:

Defined contribution plan	For the year ended 31 March 2020	For the year ended 31 March 2019
Contribution to provident fund	6.43	5.66
Employee State Insurance	0.65	1.30
<b>Components recognised in the statement of profit and loss</b>	<b>7.08</b>	<b>6.96</b>

### 37 Leases

The Company has taken hospital premises on lease from various parties from where healthcare and management services are rendered. The leases typically run for a period of 1 year - 24 years. Lease payments are renegotiated nearing the expiry to reflect market rentals.

As a lessee, the Company previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership. Under Ind AS 116, the Company recognises right-of-use assets and lease liabilities – i.e. these leases are recorded on the balance sheet.

On transition to Ind AS 116, the Company recognised ₹ 66.20 Crore of right-of-use assets and ₹ 112.9 Crore of lease liabilities, recognising the difference of ₹ 46.70 Crore in retained earnings. Further, lease equalisation reserve of ₹ 55.99 Crore (disclosed under non current liabilities in FY 2018-19) has been adjusted to retained earnings. Net impact on transition to IND AS 116 is ₹ 9.29 Crore. When measuring lease liabilities, the Company discounted lease payments using its incremental borrowing rate at 1 April 2019 based on the tenure of the lease. The rate applied is 9.25% - 10.37%.

#### (i) Lease liabilities

Following are the changes in the lease liabilities for the year ended 31 March 2020:

Particulars	Year ended 31 March 2020
Balance at 1 April 2019 (on transition)	112.90
Finance lease (under non current borrowings including current maturities) transferred to lease liabilities	0.90
Additions	84.00
Finance cost accrued during the period (refer note 25)	19.07
Finance cost on finance lease reclassified to lease liabilities (refer note 25)	0.08
Payment of lease liabilities	(13.13)
<b>Balance as at 31 March 2020</b>	<b>203.82</b>
Non-current lease liabilities	199.21
Current lease liabilities	4.61

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 37 Leases (Contd..)

#### (ii) Maturity analysis – contractual undiscounted cash flows

Particulars	Year ended 31 March 2020
Less than one year	17.38
One to five years	87.52
More than five years	353.14
<b>Total undiscounted lease liabilities at 31 March 2020</b>	<b>458.04</b>

#### (iii) Right-of-use assets

Right-of-use assets are presented on the balance sheet.

Particulars	Land and buildings
Balance at 1 April 2019	66.20
Deferred leases expenses (under current and non current assets) transferred to right of use assets	27.72
Finance lease asset (under property, plant and equipment) transferred to right of use assets	0.87
Addition to right-of-use assets	84.00
Depreciation for the year (refer note 26)	(12.89)
Amortisation of deferred lease expenses (refer note 26)	(1.50)
Depreciation on finance lease asset (refer note 26)	(0.08)
<b>Balance as at 31 March 2020</b>	<b>164.32</b>

#### (iv) Amounts recognised in statement of profit or loss

Particulars	Year ended 31 March 2020
Interest on lease liabilities	19.15
Depreciation on right-of-use assets	14.47

#### (v) Amounts recognised in statement of cash flows

Particulars	Year ended 31 March 2020
Total cash out flow for leases	13.13

#### (vi) 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	31 March 2020	31 March 2019
Payable in less than one year	-	7.29
Payable between one to five years	-	37.16
Payable after more than five years	-	373.30



## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 37 Leases (Contd..)

#### (vi) Operating leases\*

Amounts recognised in statement of profit or loss

Particulars	31 March 2020	31 March 2019
Cancellable lease	-	2.12
Non-cancellable lease	-	21.33

\* On adoption of IND AS 116, the Company recognised right of use assets & lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 (disclosed in (i) above)

### 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 2020 and 31 March 2019 was as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Total equity attributable to the equity shareholders of the Company	2,930.60	2,980.28
<b>As a percentage of total capital</b>	95%	96%
Long-term borrowings including current maturities	47.67	19.48
Short-term borrowings	97.50	105.22
<b>Total borrowings</b>	<b>145.17</b>	<b>124.70</b>
<b>As a percentage of total capital</b>	5%	4%
<b>Total capital (Equity and Borrowings)</b>	<b>3,075.77</b>	<b>3,104.98</b>

### 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 exercise price approved by the Nomination and Remuneration Committee (agreed at 25% discount at previous day closing traded share price). 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, 7 June 2017, 1 March 2018, 30 April 2018, 12 February 2019, 28 May 2019, 29 August 2019, 11 November 2019 and 10 February 2020 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.

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 39 Share based payments (Contd..)

#### A Description of share-based payment arrangements- Share option plans (equity-settled) (Contd..)

Option Type	Grant date	Number of instruments	Exercise price	Vesting conditions	Contractual life of options
Incentive option	2 March 2013	3,44,280	50	At the end of 1 year based on performance	
Incentive option	1 April 2014	3,44,280	50		
Incentive option	1 April 2015	3,60,526	50		
Incentive option	22 November 2016	4,10,385	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	1,48,000	175	25% at the end of each financial year over a period of 4 years based on performance.	
Milestone option	2 March 2013	7,15,986	50	25% at the end of each financial year over a period of 4 years based on performance.	
Milestone option	1 April 2014	2,54,537	50		
Milestone option	1 April 2015	27,493	50		
Milestone option	22 November 2016	1,38,000	50	50% at the end of first year and 25% each at the end of second & third year each based on performance.	5 years from the date of grant*
Milestone option	7 June 2017	1,11,000	175	25% at the end of each financial year over a period of 4 years based on performance.	
Performance option	1 March 2018	4,82,200	142		
Performance option	1 March 2018	1,83,829	50		
Performance option	12 February 2019	1,26,400	116		
Performance option	12 February 2019	1,72,200	116	50% at the end of each financial year over a period of 2 years based on performance.	
Performance option	28 May 2019	1,17,600	102	25% at the end of each financial year over a period of 4 years based on performance.	
Performance option	29 August 2019	5,15,400	89		
Performance option	29 August 2019	2,62,500	89	3 annual tranches of 33%, 33% and 34% respectively each based on the performance.	
Performance option	11 November 2019	10,800	107	25% at the end of each financial year over a period of 4 years based on performance.	
Performance option	10 February 2020	10,800	123		
Loyalty option	2 March 2013	4,20,000	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	1,76,000	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.	5 years from the date of vesting
Loyalty option	7 June 2017	2,85,000	10		
Loyalty option	1 March 2018	1,46,800	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.	
Loyalty option	30 April 2018	71,000	10	At the end of 1 year from the date of grant.	



## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 39 Share based payments (Contd..)

#### A Description of share-based payment arrangements- Share option plans (equity-settled) (Contd..)

Option Type	Grant date	Number of instruments	Exercise price	Vesting conditions	Contractual life of options
Loyalty option	12 February 2019	31,600	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.	5 years from the date of vesting
Loyalty option	12 February 2019	37,700	10	At the end of 1 year from the date of grant.	
Loyalty option	28 May 2019	29,400	10	2 tranches upon completion of 6 years and 9 years of service.	
Loyalty option	29 August 2019	5,18,600	10	37.5% vesting on completion	
Loyalty option	11 November 2019	7,200	10	of 3 years and 6 years each	
Loyalty option	10 February 2020	7,200	10	respectively and 25% on completion of 9 years.	

\* The exercise period for options granted on 2 March 2013 was extended by two years as per resolution passed by the Nomination and Remuneration Committee in their meeting held on 8 February 2018.

#### 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	₹ 87.20	₹ 173.09	₹ 216.86	₹ 77.07	₹ 40.90
Share price at grant date	₹ 233.00	₹ 216.71	₹ 259.65	₹ 132.56	₹ 170.00
Exercise Price	₹ 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	2.25 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	₹ 87.20	₹ 173.31	₹ 219.21	₹ 78.50	₹ 48.68
Share price at grant date	₹ 232.75	₹ 216.71	₹ 259.65	₹ 132.56	₹ 170.00
Exercise Price	₹ 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%

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 39 Share based payments (Contd..)

#### B Measurement of fair value (Contd..)

Option Type	Performance options					
Date of grant	29 August 2019	28 May 2019	12 February 2019	12 February 2019	1 March 2018	1 March 2018
Fair value at grant date	₹ 49.68	₹ 60.76	₹ 71.55	₹ 65.16	₹ 133.44	₹ 61.55
Share price at grant date	₹ 117.55	₹ 137.75	₹ 157.85	₹ 157.85	₹ 173.10	₹ 173.10
Exercise Price	₹ 89.00	₹ 102.00	₹ 116.00	₹ 116.00	₹ 50.00	₹ 142.00
Expected volatility	36.250%	32.21%	39.950%	39.950%	16.380%	16.380%
Expected life	2.67 years	3 years	2.75 years	2 years	2.50 years	2.50 years
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil
Risk- free interest rate	6.54%	7.10%	6.78%	6.78%	7.76%	7.76%

Option Type	Performance options		
Date of grant	29 August 2019	11 November 2019	10 February 2020
Fair value at grant date	₹ 51.60	₹ 64.66	₹ 71.47
Share price at grant date	₹ 117.55	₹ 144.75	₹ 164.10
Exercise Price	₹ 89.00	₹ 107.00	₹ 123.00
Expected volatility	36.250%	35.660%	34.640%
Expected life	3 years	3 years	3 years
Expected dividends	Nil	Nil	Nil
Risk- free interest rate	6.54%	6.53%	6.42%

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	₹ 165.47	₹ 226.89	₹ 208.88	₹ 251.09	₹ 124.19	₹ 161.42
Share price at grant date	₹ 173.10	₹ 233.00	₹ 216.71	₹ 259.65	₹ 132.56	₹ 170.00
Exercise Price	₹ 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%

Option Type	Loyalty option					
Date of grant	30 April 2018	12 February 2019	12 February 2019	28 May 2019	29 August 2019	11 November 2019
Fair value at grant date	₹ 162.48	₹ 129.61	₹ 149.41	₹ 131.79	₹ 109.68	₹ 137.84
Share price at grant date	₹ 170.95	₹ 157.85	₹ 157.85	₹ 137.75	₹ 117.55	₹ 144.75
Exercise Price	₹ 10.00	₹ 10.00	₹ 10.00	₹ 10.00	₹ 10.00	₹ 10.00
Expected volatility	48.990%	39.950%	39.950%	32.210%	36.250%	35.660%
Expected life	2.50 years	2.50 years	2.50 years	7.26 years	3.09 years	5.84 years
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil
Risk- free interest rate	6.63%	6.78%	6.78%	7.10%	6.54%	6.53%



## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 39 Share based payments (Contd..)

#### B Measurement of fair value (Contd..)

Option Type	Loyalty option
Date of grant	10 February 2020
Fair value at grant date	₹ 157.10
Share price at grant date	₹ 164.10
Exercise Price	₹ 10.00
Expected volatility	34.640%
Expected life	5.73 years
Expected dividends	Nil
Risk- free interest rate	6.42%

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	31 March 2020	31 March 2019
Outstanding as on 1 April	0.17	0.26
Granted during the year	0.15	0.04
Lapsed / forfeited during the year	0.09	0.05
Exercised during the year	0.03	0.07
Expired during the year	0.01	0.01
Options outstanding at the end of the year	0.18	0.17
Options exercisable at the end of the year	0.02	0.04
Weighted average share price at the date of exercise (in ₹)	55.37	70.29

The options outstanding at 31 March 2020 have an exercise price in the range of ₹ 10 to ₹ 123 (31 March 2019: ₹ 10 to ₹ 116) and a weighted average remaining contractual life of 4.95 years (31 March 2019: 4.13 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 in 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.

## Notes to the Financial Statements (Contd..)

(All amounts in Indian rupee crores)

**42** In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. This pandemic has resulted in disruption to regular business operations due to lockdown, disruptions in transportation, travel bans, quarantines, social distancing and other emergency measures imposed by the government. The Company has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Company believes that the COVID-19 pandemic will only have a short term impact on its operations and after easing of the lockdown restrictions, the business is expected to return to normal. The Company has considered available internal and external information while finalizing various estimates in relation to its financial statements upto the date of approval of the financial statements by the Board of Directors. Further, the Company has taken various measures to reduce its fixed cost - for example, salary reductions, optimization of administrative, sales and marketing costs, deferment of capex along with judicious resource allocation and requesting for the waiver of minimum guarantee fee and revenue share for hospital premises taken on lease. Accordingly, the Management believes that the Company will not have any challenge in meeting its financial obligations for the next 12 months based on the financial position and liquidity as on the date of the balance sheet and as on date of signing of these financial statements. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Company will continue to closely monitor any material changes to future economic conditions. However, the pandemic did not have any material impact on the financial statements for the year ended 31 March 2020.

**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 per equity share, 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 ₹ 725 crore. Details of utilisation of IPO proceeds are as follows:

Particulars	Objects of issue as per prospectus	Utilised upto 31 March 2020	Unutilised amount as at 31 March 2020
Repayment/ prepayment of debt	564.16	564.16	-
Purchase of medical equipment	110.31	108.80	1.51
Fresh issue related expenses	44.32	44.32	-
General corporate purposes*	6.21	6.21	-
<b>Total</b>	<b>725.00</b>	<b>723.49</b>	<b>1.51</b>

\*The excess utilised has been adjusted against fresh issue related expenses.

**44** Figures for the previous periods have been regrouped and/or reclassified wherever necessary to conform with the classification for the current period.

As per our report of even date attached

### B S R & Associates LLP

Chartered Accountants

Firm registration number: 116231W/ W-100024

### Rushank Muthreja

Partner

Membership No.: 211386

Bengaluru

23 June 2020

for and on behalf of the Board of Directors of

### Aster DM Healthcare Limited

CIN: L85110KL2008PLC021703

### Dr. Azad Moopen

Chairman and Managing Director

DIN 00159403

Dubai

23 June 2020

### Sreenath Reddy

Chief Financial Officer

Dubai

23 June 2020

### T J Wilson

Director

DIN 02135108

Dubai

23 June 2020

### Puja Aggarwal

Company Secretary

Membership no. : ACS49310

Bengaluru

23 June 2020





# Independent Auditors' Report

To Board of Directors of Aster DM Healthcare Limited

## Report on the Audit of Consolidated Financial Statements

### Opinion

We have audited the consolidated financial statements of Aster DM Healthcare Limited (hereinafter referred to as the 'Holding Company') and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group") and its associates, which comprise the consolidated balance sheet as at 31 March 2020, and the consolidated statement of profit and loss (including other comprehensive income), consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

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 of such subsidiaries as were audited by the other auditors, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 2020, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

### Key risk

#### Valuation of trade receivables

(Refer to note 11 – Trade receivables)

As at 31 March 2020, the Group's gross trade debtors aggregated ₹ 3,049.00 crore, against which allowances for doubtful debts of ₹ 682.56 crore were recorded.

The Group's allowances for doubtful debts are based on management's estimate of the expected credit losses to be incurred, which is estimated by taking into account the historical experience of the Group's customers and current market and customer-specific conditions, all of which involve a significant degree of management judgement.

The Group's allowances for doubtful debts include a specific element based on individual debtors and a collective element based on historical experience adjusted for certain current factors.

We identified assessing the recoverability of trade receivables as a key audit matter because it involves significant management judgement.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those SAs are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in terms of the Code of Ethics issued by the Institute of Chartered Accountants of India and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in paragraph 1 of the "Other Matters" paragraph below, is sufficient and appropriate to provide a basis for our opinion on the consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

### Our audit response

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- assessed the design and implementation of key internal financial controls over trade and other receivable impairment process used to calculate the impairment charge;
- tested the aging of trade receivables at year end on a sample basis;
- verified the completeness and accuracy of data used in calculating the expected credit losses and performed computation checks;
- verified that expected credit losses have been calculated appropriately in accordance with Ind AS 109;
- evaluated the reasonableness of historical balances, loss rates and other information within the calculation;
- evaluated the appropriateness of adjustments for forward looking information to historical balances, loss rates and other information;
- tested subsequent settlement of trade and other receivables after the balance sheet date on a sample basis; and
- evaluated the adequacy of disclosures in the financial statements.

## Independent Auditors' Report (Contd..)

### Key risk

#### Impairment assessment of goodwill

(Refer to note 5 – Goodwill and other intangible assets)

As at 31 March 2020, the carrying amount of goodwill recognised by the Group amounted to ₹ 1,068.74 crore representing 12.81 % and 8.59 % of the Group's total non-current assets and total assets respectively. The Group is required to perform annual impairment assessment of the cash generating units ("CGU") or groups of CGUs to which goodwill has been allocated.

The Group estimates the recoverable amounts of the CGUs to which the goodwill is allocated based on value-in-use ("VIU"). Estimating the VIU involves discounting the estimated future cash inflows and outflows expected to be derived from the CGUs to its present value using an appropriate discount rate.

We identified this as an area of audit focus as the impairment assessment involves determining the recoverable amounts of the CGUs using a discounted cash flow approach which is complex and highly judgmental, specifically the assumptions on the revenue growth rate, earnings before interest, tax, depreciation and amortization "EBITDA", long-term growth rate and discount rate including those related to the possible effects of the COVID-19 pandemic.

#### Ind AS 116 "Leases"

(Refer to note 41 Leases)

Ind AS 116 introduces a new lease accounting model, where lessees are required to recognize a Right of use (ROU) assets and lease liabilities arising from a lease on its balance sheet.

The Group has adopted Ind AS 116 with effect from 1 April 2019 using the modified retrospective approach.

Significant judgements are required in the assumptions and estimates made in order to determine the ROU asset and lease liability. The assumptions and estimates include application of practical expedients, selection of accounting policy choices, assessment of lease term, determination of appropriate incremental borrowing rate, among other

The first-time adoption of Ind AS 116 had a significant impact on the Group's consolidated financial statements. A large number of lease arrangements of the Group which were previously classified as operating leases under IND AS 17 'Leases' and held off balance sheet, would need to be recognised within assets and liabilities under IND AS 116.

Additionally, there is a risk that the lease data which underpins the Ind AS 116 calculations is incomplete or inaccurate.

As at 31 March 2020, the carrying amount of ROU asset was INR 2,312.29 crore representing 18.59 % of the Group's total assets. Further, carrying amount of lease liability amounted to INR 2,632.26 crore representing 21.16 % of the Group's liabilities.

Accordingly, we have considered this to be a key audit matter.

### Our audit response

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- (a) we obtained an understanding of the methodology adopted by the management in estimating the VIU and assessed whether such methodology is consistent with those used in the industry;
- (b) we evaluated Management's key assumptions on revenue growth rate, EBITDA and long-term growth rate, by taking into consideration the current and expected future economic conditions of the respective business segments and geographical regions of the CGUs. We also compared the key assumptions against actual outcomes and reasonableness of estimates considering the COVID-19 pandemic;
- (c) We involved our internal valuation specialists, where required, to assist us in evaluating the assumptions and methodologies used by the Company. In particular this included those relating to discount rates and terminal growth rates.
- (d) We performed sensitivity analysis of the key assumptions and assessed the adequacy of disclosures in financial statements.

In view of the significance of the matter we applied the following audit procedures in this area, among others to obtain sufficient appropriate audit evidence:

- (a) We evaluated the appropriateness of the selection of accounting policies and practical expedients applied based on the requirements of Ind AS 116, our business understanding and industry practice.
- (b) We evaluated the design and implementation of key controls and operating effectiveness of the relevant key controls with respect to the determination and quantification of the Ind AS 116 transition impact and impact on the financial statements for the year ended 31 March 2020;
- (c) We verified the completeness of the lease data by testing the data on a sample basis and reconciling the Company's existing lease commitments to the lease data underpinning the Ind AS 116 computations;
- (d) We obtained the Group's quantification of ROU assets and lease liabilities and performed computation checks. We tested the accuracy of the lease data captured by Management for a sample of leases through inspection of lease contracts and challenged the discount rate used by involving our internal valuation specialists;
- (e) We considered the adequacy and appropriateness of the disclosures in the consolidated financial statements.



## Independent Auditors' Report (Contd..)

### Other Information

The Holding Company's Management and Board of Directors are responsible for the other information. The other information comprises of Management Reports such as Board's Report, Management Discussion and Analysis, Corporate Governance Report and Business Responsibility Report (but does not include the Consolidated Financial Statements and our Auditors' Report thereon) which we obtained prior to the date of this Auditor's Report, and the remaining section of the Company's Annual Report, which are expected to be made available to us after that date.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this Auditor's Report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other sections of Annual Report (other than those mentioned above), if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.

### Management's and Board of Directors' Responsibilities for the Consolidated Financial Statements

The Holding Company's Management and Board of Directors are responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated state of affairs, consolidated profit 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 Management and 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 each company. 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 accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated

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 consolidated financial statements by the Management and Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Management and Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of each company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates is responsible for overseeing the financial reporting process of each company.

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on the internal financial controls with reference to the consolidated financial statements and the operating effectiveness of such controls based on our audit.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Management and Board of Directors.

## Independent Auditors' Report (Contd..)

### Auditor's Responsibilities for the Audit of the Consolidated Financial Statements (Contd..)

- Conclude on the appropriateness of Management and Board of Directors' use of the going concern basis of accounting in preparation of consolidated financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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 the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of such entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion. Our responsibilities in this regard are further described in paragraph 1 of the section titled 'Other Matters' in this audit report.

We believe that the audit evidence obtained by us along with the consideration of audit reports of the other auditors referred to in paragraph 1 of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Other Matters

1. We did not audit the financial statements and other financial information of 51 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 17,741.89 crore as at 31 March 2020 (₹ 8,524.47 crore after giving effect to consolidation adjustments), total revenues of ₹ 8,456.17 crore (₹ 7,023.17 crore after giving effect to consolidation adjustments), total net profit after tax of ₹ 1,026.5 crore (₹ 295.18 crore after giving effect to consolidation adjustments) and cash flows (net) of ₹ 96.43 crore, for the year ended on that date, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the audit reports of the other auditors.
  - a) 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') and which have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements and other financial information of such subsidiaries located outside India from local GAAP to accounting principles generally accepted in India. This has been done on the basis of a reporting package prepared by the Holding Company which covers accounting and disclosure requirements applicable to the consolidated 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 conclusion on the Statement, in so far as it relates to the balances and affairs of such subsidiaries located outside India is based on the report of other auditors.
  - b) Further, for certain other subsidiaries located outside India, the financial statements and other financial information have been prepared in accordance with local GAAP which



## Independent Auditors' Report (Contd..)

### Other Matters (Contd..)

have been audited by other auditors under generally accepted auditing standards applicable in their respective countries. The Holding Company's management has converted the financial statements and other financial information of such subsidiaries from local GAAP to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding 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 Holding Company and audited by us.

2. The financial statements and other financial information of 16 subsidiaries, whose financial statements and other financial information reflect total assets of ₹ 86.88 crore as at 31 March 2020 (₹ 42.63 crore after giving effect to consolidation adjustments), total revenue of ₹ 68.09 crore (₹ 67.09 crore after giving effect to consolidation adjustments), total net loss after tax of ₹ 1.31 crore (₹ 1.31 crore after giving effect to consolidation adjustments) and cash flows (net) of ₹ 0.16 for the year ended on that date, as considered in the consolidated financial statements, have not been audited either by us or by other auditors. The consolidated financial statements also include the Group's share of net loss after tax of ₹ 0.19 crore (and other comprehensive income) for the year ended 31 March 2020, as considered in the consolidated financial statements, in respect of 4 associates, whose financial statements and other financial information have not been audited by us or other auditors. These unaudited financial statements and other financial information have been furnished to us by the Management and our opinion on the consolidated 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 in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements and other financial information. In our opinion and according to the information and explanations given to us by the management, this financial statements and other financial information are not material to the Group.

Our opinion on the consolidated 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 and other financial information certified by the Management.

### Report on Other Legal and Regulatory Requirements

- A. As required by Section 143(3) of the Act, based on our audit and on the consideration of reports of the other auditors on separate financial statements of such subsidiaries as were audited by

other auditors, 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 financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated 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 (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies incorporated in India, none of the directors of the Group companies incorporated in India is disqualified as on 31 March 2020 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 Holding Company and its subsidiary companies incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A".
- B. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) 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 reports of the other auditors on separate financial statements of the subsidiaries, as noted in the 'Other Matters' paragraph:
    - i. The consolidated financial statements disclose the impact of pending litigations as at 31 March 2020 on the consolidated financial position of the Group. Refer Note 34 to the consolidated financial statements.
    - ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2020.

## Independent Auditors' Report (Contd..)

### Report on Other Legal and Regulatory Requirements (Contd..)

- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies incorporated in India during the year ended 31 March 2020.
  - iv. The disclosures in the consolidated 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 in the financial statements since they do not pertain to the financial year ended 31 March 2020.
- C. With respect to the matter to be included in the Auditor's report under section 197(16):

In our opinion and according to the information and explanations given to us and based on the reports of the statutory auditors of such subsidiary companies incorporated in India which were not audited by us, the remuneration paid during the current year by the Holding Company and its subsidiary companies to

its directors is in accordance with the provisions of Section 197 of the Act. The remuneration paid to any director by the Holding Company and its subsidiary companies is not in excess of the limit laid down under Section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) which are required to be commented upon by us.

for **B S R & Associates LLP**  
Chartered Accountants  
Firm's Registration No.: 116231W/ W-100024

**Rushank Muthreja**  
Partner  
Membership No: 211386  
ICAI Unique Document Identification Number:  
20211386AAAABJ7048

Bengaluru  
23 June 2020



## Annexure - A to the Independent Auditors' Report

on the consolidated financial statements of Aster DM Healthcare Limited for the year ended 31 March 2020.

### Report on the internal financial controls with reference to the aforesaid consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013

(Referred to in paragraph A.(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

#### Opinion

In conjunction with our audit of the consolidated financial statements of the Group as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to consolidated financial statements of Aster DM Healthcare Limited (hereinafter referred to as "the Holding Company") and such companies incorporated in India under the Companies Act, 2013 which are its subsidiary companies as of that date.

In our opinion, the Holding Company and such companies incorporated in India which are its subsidiary companies, have, in all material respects, adequate internal financial controls with reference to consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2020, based on the internal financial controls with reference to consolidated financial statements criteria established by such companies considering the essential components of such internal controls stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

#### Management's Responsibility for Internal Financial Controls

The respective Company's management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to consolidated financial statements based on the criteria established by the respective Company considering the essential components of internal control stated in the Guidance Note. 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 (hereinafter referred to as "the Act").

#### Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls with reference to consolidated financial statements

based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements. 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 consolidated financial statements were 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 consolidated financial statements and their operating effectiveness. Our audit of internal financial controls with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of the internal controls based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated 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 of the relevant subsidiary companies 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 with reference to consolidated financial statements.

#### Meaning of Internal Financial controls with Reference to Consolidated Financial Statements

A company's internal financial controls with reference to consolidated 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 controls with reference to consolidated 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 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.

## Annexure - A to the Independent Auditors' Report (Contd..)

on the consolidated financial statements of Aster DM Healthcare Limited for the year ended 31 March 2020.

### Inherent Limitations of Internal Financial controls with Reference to consolidated Financial Statements

Because of the inherent limitations of internal financial controls with reference to consolidated 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 consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Other Matters

Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial

controls with reference to consolidated financial statements insofar as it relates to 5 subsidiary companies, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

for **B S R & Associates LLP**

Chartered Accountants

Firm's Registration No.: 116231W/ W-100024

**Rushank Muthreja**

Partner

Membership No: 211386

ICAI Unique Document Identification Number:

20211386AAAABJ7048

Bengaluru

23 June 2020





# Consolidated Balance Sheet

as at 31 March 2020

(All amounts in Indian rupee crores)

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Assets</b>		
<b>Non-current assets</b>		
Property, plant and equipment	4	3,322.03
Capital work-in-progress	4	549.98
Right of use asset	41	-
Goodwill	5	839.65
Other intangible assets	5	126.89
Equity accounted investees	40	19.78
<b>Financial assets</b>		
Investments *	6	-
Loans	7	45.86
Other financial assets	8	174.96
Deferred tax assets	29	8.30
Income tax assets	30	70.20
Other non-current assets	9	162.07
<b>Total non-current assets</b>	<b>8,342.17</b>	<b>5,319.72</b>
<b>Current assets</b>		
Inventories	10	732.16
<b>Financial assets</b>		
Investments	6	2.33
Trade receivables	11	2,028.70
Cash and cash equivalents	12	227.64
Other bank balances	13	113.50
Loans	7	22.75
Other financial assets	8	29.12
Other current assets	9	460.49
<b>Total current assets</b>	<b>4,095.67</b>	<b>3,616.69</b>
<b>Total assets</b>	<b>12,437.84</b>	<b>8,936.41</b>
<b>Equity and liabilities</b>		
<b>Equity</b>		
Equity share capital	14	505.23
Other equity		2,708.53
<b>Equity attributable to owners of Company</b>	<b>3,272.14</b>	<b>3,213.76</b>
Non-controlling interest		466.06
<b>Total equity</b>	<b>3,718.51</b>	<b>3,679.82</b>
<b>Liabilities</b>		
<b>Non-current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	15	1,965.72
Lease liabilities	41	-
Derivatives	36	88.95
Other financial liabilities	16	42.28
Provisions	17	266.65
Deferred tax liabilities	29	149.08
Other non-current liabilities	18	76.32
<b>Total non-current liabilities</b>	<b>4,997.25</b>	<b>2,589.00</b>
<b>Current liabilities</b>		
<b>Financial liabilities</b>		
Borrowings	15	641.85
Lease liabilities	41	-
Trade payables	19	-
- Total outstanding dues of micro and small enterprises		0.01
- Total outstanding dues of creditors other than micro and small enterprises		1,014.06
Derivatives	36	-
Other financial liabilities	16	830.01
Provisions	17	51.41
Income tax liabilities	30	22.95
Other current liabilities	18	107.30
<b>Total current liabilities</b>	<b>3,722.08</b>	<b>2,667.59</b>
<b>Total equity and liabilities</b>	<b>12,437.84</b>	<b>8,936.41</b>
*Amount is below the rounding off norms adopted by the Company.		
Significant accounting policies	3	

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/ W-100024

**Rushank Muthreja**

Partner

Membership No.: 211386

Bengaluru

23 June 2020

for and on behalf of the Board of Directors of

**Aster DM Healthcare Limited**

CIN: L85110KL2008PLC021703

**Dr. Azad Moopen**

Chairman and Managing Director

DIN 00159403

Dubai

23 June 2020

**Sreenath Reddy**

Chief Financial Officer

Dubai

23 June 2020

**T J Wilson**

Director

DIN 02135108

Dubai

23 June 2020

**Puja Aggarwal**

Company Secretary

Membership no. : ACS49310

Bengaluru

23 June 2020

# Consolidated Statement of Profit and Loss

for the year ended 31 March 2020  
(All amounts in Indian rupee crores)

Particulars	Note	Year ended 31 March 2020	Year ended 31 March 2019
<b>Income</b>			
Revenue from operations	20	8,738.50	7,962.71
Other income	21	37.87	34.62
<b>Total income</b>		<b>8,776.37</b>	<b>7,997.33</b>
<b>Expenses</b>			
Purchase of medicines and consumables	22	2,864.28	2,524.97
Changes in inventories	23	(228.79)	(105.13)
Employee benefits expenses	24	2,903.93	2,688.18
Finance costs	25	359.67	179.18
Depreciation and amortisation expense	26	585.94	306.47
Other expenses	27	1,941.47	1,991.64
<b>Total expenses</b>		<b>8,426.50</b>	<b>7,585.31</b>
<b>Profit before exceptional items, share of loss of equity accounted investees and tax</b>		<b>349.87</b>	<b>412.02</b>
Exceptional items	28	(19.64)	(1.52)
<b>Profit before share of loss of equity accounted investees and tax</b>		<b>330.23</b>	<b>410.50</b>
Share of loss of equity accounted investees	40	(0.19)	(0.25)
<b>Profit before tax</b>		<b>330.04</b>	<b>410.25</b>
Tax expense			
Current tax	30	26.48	27.22
Income tax for earlier years		1.59	18.01
Deferred tax	29	(12.69)	(2.29)
<b>Profit for the year</b>		<b>314.66</b>	<b>367.31</b>
<b>Other comprehensive income</b>			
<i>Items that will not be reclassified to profit or loss</i>			
Remeasurement of net defined benefit liability/ (asset)		6.48	(34.77)
Income tax on items that will not be reclassified subsequently to profit or loss		(0.19)	(0.03)
<i>Items that will be reclassified subsequently to profit or loss</i>			
Exchange difference in translating financial statements of foreign operations		138.32	97.21
<b>Other comprehensive income for the year, net of income tax</b>		<b>144.61</b>	<b>62.41</b>
<b>Total comprehensive income for the year</b>		<b>459.27</b>	<b>429.72</b>
<b>Profit attributable to</b>			
Shareholders of the Company		276.61	333.11
Non-controlling interests		38.05	34.20
<b>Profit for the year</b>		<b>314.66</b>	<b>367.31</b>
<b>Other comprehensive income attributable to</b>			
Shareholders of the Company		128.81	56.74
Non-controlling interests		15.80	5.67
<b>Other comprehensive income for the year</b>		<b>144.61</b>	<b>62.41</b>
<b>Total comprehensive income attributable to</b>			
Shareholders of the Company		405.42	389.85
Non-controlling interests		53.85	39.87
<b>Total comprehensive income for the year</b>		<b>459.27</b>	<b>429.72</b>
<b>Earnings per share</b> (equity share of face value of ₹10 each)	33		
Basic earnings per share (INR)		5.51	6.63
Diluted earnings per share (INR)		5.50	6.62
Significant accounting policies	3		

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

for **B S R & Associates LLP**  
Chartered Accountants  
Firm registration number: 116231W/ W-100024

**Rushank Muthreja**  
Partner  
Membership No.: 211386  
Bengaluru  
23 June 2020

for and on behalf of the Board of Directors of  
**Aster DM Healthcare Limited**  
CIN: L85110KL2008PLC021703

**Dr. Azad Moopen**  
Chairman and Managing Director  
DIN 00159403  
Dubai  
23 June 2020

**Sreenath Reddy**  
Chief Financial Officer  
Dubai  
23 June 2020

**T J Wilson**  
Director  
DIN 02135108  
Dubai  
23 June 2020

**Puja Aggarwal**  
Company Secretary  
Membership no.: ACS49310  
Bengaluru  
23 June 2020



## Consolidated Statement of Cash Flows for the year ended 31 March 2020

(All amounts in Indian rupee crores)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Cash flows from operating activities</b>		
<b>Profit before exceptional items, share of loss of equity accounted investees and tax</b>	<b>349.87</b>	<b>412.02</b>
<i>Adjustments for</i>		
Depreciation and amortisation	585.94	306.47
Profit on sale of property, plant and equipment	(0.18)	(1.53)
Allowance for credit loss on financial assets	176.62	188.23
Dividend income	(0.70)	(0.19)
Equity settled share based payments	1.19	3.19
Gain on sale of investment	(0.10)	-
Finance costs	359.67	179.18
Interest income	(6.09)	(10.54)
<b>Operating profit before working capital changes</b>	<b>1,466.22</b>	<b>1,076.83</b>
<i>Working capital changes</i>		
Increase in inventories	(148.66)	(63.38)
Increase in trade receivable	(326.55)	(555.50)
Increase in other financial assets, loans and other assets	(80.30)	(92.48)
Increase in liabilities and provisions	378.22	289.25
<b>Cash generated from operations</b>	<b>1,288.93</b>	<b>654.72</b>
<b>Income tax paid, net</b>	<b>(65.68)</b>	<b>(53.80)</b>
<b>Net cash generated from operating activities (A)</b>	<b>1,223.25</b>	<b>600.92</b>
<b>Cash flows from investing activities</b>		
Acquisition of property, plant and equipment and capital work-in-progress	(523.87)	(567.66)
Acquisition of other intangible assets	(6.94)	(10.19)
Proceeds from sale of property, plant and equipment	22.50	40.43
Interest received	4.05	8.33
Proceeds from sale of liquid mutual fund units	-	22.36
Movement in other bank balances and restricted deposits	78.74	(17.37)
Investments in liquid mutual fund units	(9.17)	-
Investment/ advance for investment in shares of associates and others	(0.08)	(22.46)
Dividend received	0.70	0.19
Acquisition of subsidiary, net of cash and cash equivalents acquired	(233.21)	(162.54)
<b>Net cash used in investing activities (B)</b>	<b>(667.28)</b>	<b>(708.91)</b>
<b>Cash flows from financing activities</b>		
Proceeds from issue of equity share capital	1.04	2.43
Payment towards buyback of shares	(120.00)	-
Expenses for buyback of equity shares	(1.56)	-
Secured loans availed, net	72.35	292.87
Acquisition of non-controlling interest	(127.16)	14.55
Lease payments	(289.73)	-
Dividend paid to non-controlling interest by subsidiaries, including tax	(9.66)	-
Finance charges paid	(200.08)	(175.43)
<b>Net cash generated from financing activities (C)</b>	<b>(674.80)</b>	<b>134.42</b>
<b>Net increase in cash and cash equivalents (A+B+C)</b>	<b>(118.83)</b>	<b>26.43</b>
Cash and cash equivalents at the beginning of the year*	224.57	191.64
Effect of exchange rate changes on cash and cash equivalents	8.91	6.50
<b>Cash and cash equivalents at the end of the year*</b>	<b>114.65</b>	<b>224.57</b>

(refer note 12- Cash and cash equivalents)

\* Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of Group's cash management.

## Consolidated Statement of Cash Flows (Contd.) for the year ended 31 March 2020

(All amounts in Indian rupee crores)

### Changes in liabilities arising from financing activities for the year ended 31 March 2020

Particulars	As at 1 April 2019	Cash flows	Non cash changes			As at 31 March 2020
			Acquisition	Foreign exchange Movement	Foreign Value Changes	
Non-current borrowings**	2,030.55	163.02	41.64	150.05	-	2,385.26
Current borrowings	641.85	(90.67)	-	35.98	-	587.16
<b>Total</b>	<b>2,672.40</b>	<b>72.35</b>	<b>41.64</b>	<b>186.03</b>	<b>-</b>	<b>2,972.42</b>

### Changes in liabilities arising from financing activities for the year ended 31 March 2019

Particulars	As at 1 April 2018	Cash flows	Non cash changes			As at 1 April 2019
			Acquisition	Foreign exchange Movement	Foreign Value Changes	
Non-current borrowings**	1,606.10	332.70	1.10	90.65	-	2,030.55
Current borrowings	634.52	(37.31)	6.88	37.76	-	641.85
<b>Total</b>	<b>2,240.62</b>	<b>295.39</b>	<b>7.98</b>	<b>128.41</b>	<b>-</b>	<b>2,672.40</b>

\*\* excludes finance lease of Nil (31 March 2019: 116.04 Crore, 1 April 2018: 110.95).

### Significant accounting policies

3

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/ W-100024

**Rushank Muthreja**

Partner

Membership No.: 211386

Bengaluru

23 June 2020

for and on behalf of the Board of Directors of

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CIN: L85110KL2008PLC021703

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Dubai

23 June 2020

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Director

DIN 02135108

Dubai

23 June 2020

**Puja Aggarwal**

Company Secretary

Membership no. : ACS49310

Bengaluru

23 June 2020

# Consolidated Statement of Changes in Equity

for the year ended 31 March 2020

(All amounts in Indian rupee crores)

## A Equity share capital

Particulars	Note	Equity shares (in crores)	Amount
<b>Balance As at 1 April 2018</b>		<b>50.52</b>	<b>505.23</b>
Changes in equity share capital during 2018-19	14	-	-
<b>Balance As at 31 March 2019</b>		<b>50.52</b>	<b>505.23</b>
Changes in equity share capital during 2019-20 (Refer Note 14 (b))	14	(0.57)	(5.71)
<b>Balance As at 31 March 2020</b>		<b>49.95</b>	<b>499.52</b>

## B Other equity

Particulars	Attributable to owners of the Company						Total		
	Other components of equity	Securities premium	Capital reserve	General reserve	Reserves and surplus	Items of other comprehensive income			
			Capital Reserve	Other reserves	Treasury shares	Exchange difference in translating financial statements of foreign operations			
<b>Balance as at 1 April 2018</b>	<b>374.38</b>	<b>2,324.75</b>	<b>99.95</b>	<b>7.04</b>	<b>(23.47)</b>	<b>59.47</b>	<b>(540.84)</b>	<b>357.93</b>	<b>2,684.80</b>
<b>Total comprehensive income for the year ended 31 March 2019</b>	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	333.11	367.31
Other comprehensive income, net of tax	-	-	2.42	-	-	-	86.46	(32.14)	62.41
<b>Total comprehensive income</b>	<b>374.38</b>	<b>2,324.75</b>	<b>102.37</b>	<b>7.04</b>	<b>(23.47)</b>	<b>59.47</b>	<b>112.05</b>	<b>(32.14)</b>	<b>3,114.52</b>
<b>Transferred to retained earnings</b>	-	-	-	-	-	-	-	32.14	-
<b>Transactions with owners, recorded directly in equity</b>	-	-	-	-	-	-	-	-	-
<b>Contributions by and distributions to owners</b>	-	-	-	-	-	-	-	-	-
Change in reserve of ESOP Trust	-	-	-	-	4.44	-	-	-	4.44
Transfer during the year	-	-	-	-	-	0.59	(0.59)	-	-
Adjustment on initial application of Ind AS 115, net of tax	-	-	-	-	-	(10.15)	(10.15)	-	(10.15)
Share based payment	-	-	-	-	-	3.19	-	-	3.19
Share options exercised	-	5.11	-	-	-	(7.10)	-	-	(1.99)
<b>Changes in ownership interests without loss of control</b>	-	-	-	-	-	-	-	-	-
Acquisition of NCI (refer Note 39)	-	-	-	-	-	-	-	-	79.13
Acquisition of subsidiaries (refer Note 39)	-	-	-	-	-	(3.68)	(3.68)	(3.68)	(14.55)
<b>Total contributions by and distributions to owners</b>	-	<b>5.11</b>	<b>102.37</b>	<b>7.04</b>	<b>(19.03)</b>	<b>(3.32)</b>	<b>(46.56)</b>	<b>32.14</b>	<b>68.26</b>
<b>Balance as at 1 April 2019</b>	<b>374.38</b>	<b>2,329.86</b>	<b>102.37</b>	<b>7.04</b>	<b>(19.03)</b>	<b>56.15</b>	<b>(254.29)</b>	<b>-</b>	<b>466.06</b>
<b>Total comprehensive income for the year ended 31 March 2020</b>	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	-	38.05
Other comprehensive income, net of tax	-	-	3.24	-	-	-	119.66	5.91	15.80
<b>Total comprehensive income</b>	<b>374.38</b>	<b>2,329.86</b>	<b>105.61</b>	<b>7.04</b>	<b>(19.03)</b>	<b>56.15</b>	<b>231.71</b>	<b>5.91</b>	<b>3,113.95</b>

# Consolidated Statement of Changes in Equity (Contd..)

for the year ended 31 March 2020  
(All amounts in Indian rupee crores)

## B Other equity (Contd..)

Particulars	Attributable to owners of the Company					Items of other comprehensive income	Total attributable to owners of the Company	Attributable to non-controlling interest (NCI)	Total				
	Other components of equity	Securities premium	Capital reserve	General reserve	Capital Reserve					Treasury shares	Other reserves	Retained earnings	Exchange difference in translating financial statements of foreign operations
<b>Transferred to retained earnings</b>	-	-	-	-	-	-	-	-	-	(5.91)	-	-	-
<b>Transactions with owners, recorded directly in equity</b>													
<b>Contributions by and distributions to owners</b>													
Change in reserve of ESOP Trust	-	-	-	-	-	1.82	-	-	-	-	1.82	-	1.82
Transfer during the year	-	-	-	-	-	-	31.73	(31.73)	-	-	-	-	-
Adjustment on initial application of Ind AS 116, net of tax (refer Note 41)	-	-	-	-	-	-	-	(153.40)	-	-	(153.40)	(27.06)	(180.46)
Share based payment expense	-	-	-	-	-	-	1.19	-	-	-	1.19	-	1.19
Share options exercised	-	3.43	-	-	-	-	(4.21)	-	-	-	(0.78)	-	(0.78)
Buyback expenses	-	-	-	-	-	-	-	(1.56)	-	-	(1.56)	-	(1.56)
Buy back of shares, net of tax	-	(120.00)	-	-	5.71	-	-	-	-	-	(114.29)	-	(114.29)
<b>Changes in ownership interests without loss of control</b>													
Acquisition of NCI (refer Note 39)	-	-	-	-	-	-	(74.31)	-	-	-	(74.31)	(52.85)	(127.16)
Acquisition of subsidiaries (refer Note 39)	-	-	-	-	-	-	(0.00)	-	-	-	-	8.90	8.90
Transactions with non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	7.13	7.13
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	-	(9.66)	(9.66)
<b>Total contributions by and distributions to owners</b>	-	(116.57)	-	-	5.71	1.82	28.71	(255.09)	-	(5.91)	(34.133)	(73.54)	(414.87)
<b>Balance as at 31 March 2020</b>	<b>374.38</b>	<b>2,213.29</b>	<b>105.61</b>	<b>7.04</b>	<b>5.71</b>	<b>(17.21)</b>	<b>84.86</b>	<b>(232.77)</b>	<b>231.71</b>	<b>-</b>	<b>2,772.62</b>	<b>446.37</b>	<b>3218.99</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 44).

### 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.

### General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriate purposes.



## Consolidated Statement of Changes in Equity (Contd.) for the year ended 31 March 2020

(All amounts in Indian rupee crores)

### Exchange difference in translating financial statements of foreign operations

The exchange differences arising from the translation of financial statements of foreign operations with functional currency other than Indian Rupee is recognised in other comprehensive income and is presented within equity as Exchange difference in translating financial statements of foreign operations.

### 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 42 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.

The accompanying notes form an integral part of the consolidated financial statements

As per our report of even date attached

#### for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/ W-100024

#### **Rushank Muthreja**

Partner

Membership No.: 211386

Bengaluru

23 June 2020

for and on behalf of the Board of Directors of

#### **Aster DM Healthcare Limited**

CIN: L85110KL2008PLC021703

#### **Dr. Azad Moopen**

Chairman and Managing Director

DIN 00159403

Dubai

23 June 2020

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Chief Financial Officer

Dubai

23 June 2020

#### **T J Wilson**

Director

DIN 02135108

Dubai

23 June 2020

#### **Puja Aggarwal**

Company Secretary

Membership no. : ACS49310

Bengaluru

23 June 2020

# Notes to the Consolidated Financial Statements

(All amounts in Indian rupee crores)

## 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 and had its primary listing done on 26 February 2018, on the Bombay Stock Exchange Limited and National Stock Exchange Limited. The Company is domiciled in India with its registered office in Kochi, Kerala, India.

These consolidated financial statements of the Company as at and for the year ended 31 March 2020 comprise the financial statements of 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 United Arab Emirates ('UAE'), Kingdom of Saudi Arabia (KSA), Oman, Qatar, Jordan, 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 23 June 2020.

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 (INR), which is also the Company's functional currency, and have been rounded off to nearest crores, 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

Items	Measurement basis
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 41 - Lease classification
- 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 ended 31 March 2020 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; including goodwill;
- Note 29 - Recognition of deferred tax asset: availability of future taxable profit against which tax losses carried forward can be used;
- Note 32 - Measurement of defined benefit obligations: key actuarial assumptions;
- Note 34 - Recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 39 - Acquisition of subsidiary: fair value of consideration transferred (including contingent consideration)
- Note 40 - Equity accounted investees: whether the Group has significant influence over an investee;





# Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 2. Basis of preparation (Contd..)

- Note 36 - Impairment of financial assets and
- Note 42 - Employee share based payment expenses

## 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 Group 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:

- Share-based payment arrangements
- Financial instruments
- Acquisition of subsidiaries
- Fair value of property, plant and equipment and intangible assets

## F. Recent accounting pronouncements

### i. Amendments

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from 1 April 2020.

## 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.

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,

# Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 3. Significant accounting policies (Contd..)

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.

### 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

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 3. Significant accounting policies (Contd..)

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.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Class of assets	Useful life
Buildings	3 to 60
Plant and machinery*	5 to 15
Medical equipment*	8 to 13
Motor vehicles*	5 to 8
Computer equipment	3 to 6
Furniture and fixtures*	5 to 10

\*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

#### 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.

#### Intangible assets other than goodwill:

##### i. Amortisation

Intangibles 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.

The estimated useful lives of intangible assets other than goodwill are as follows:

Class of assets	Years
Software	3 to 6
Trademarks and trade name	5 – 10
Payor/ customer 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 and

# Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 3. Significant accounting policies (Contd..)

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).

#### 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



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 3. Significant accounting policies (Contd..)

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 Group 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.

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.

With effect from 31 March 2020, the Group does not have any long-term employee benefits under compensated absences due to change in policy for compensated absences.

###### 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.

# Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 3. Significant accounting policies (Contd..)

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 contract with customers

The Group generates revenue from rendering of medical and healthcare services, sale of medicines and other related activities. Ind AS 115, Revenue from Contracts with Customers, establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services.

#### Disaggregation of revenue

The Group disaggregates revenue from hospital services (medical and healthcare services), sale of medicines and other operating income. The Group believes that this disaggregation best depicts how the nature, amount, timing and uncertainty of Group's revenues and cash flows are affected by industry, market and other economic factors.

#### Contract balances

The Group classifies the right to consideration in exchange for sale of services as trade receivables and advance consideration as advance from customers.

#### Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The following details provide information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

#### a) Medical and healthcare services

The Group's revenue from medical and healthcare services comprises of income from hospital services.

Revenue from hospital 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 the services

rendered. Revenue is recognised net of discounts and concessions given to the patients.

Unbilled receivable 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.

#### b) Sale of medicines

Revenue from sale of medical consumables and medicines 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. The amount of revenue recognised is net of sales returns, taxes and duties, wherever applicable.

#### c) Other operating income

The Group's revenue from other operating income comprises primarily of canteen sales (sales of food and beverages).

Revenue from services rendered is based on the agreements/arrangements with the customers as the service is performed. Income from sale of food and beverages is recognised at a point in time when control is transferred.

### 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. Company as a lessee

The Group accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received, plus any initial direct costs incurred and an estimate of



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 3. Significant accounting policies (Contd..)

costs to be incurred by the lessee in dismantling and removing the underlying asset or restoring the underlying asset or site on which it is located. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Group measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the Group uses incremental borrowing rate. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Group is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The Group recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Group recognises any remaining amount of the re-measurement in statement of profit and loss.

The Group has elected not to apply the requirements of Ind AS 116 Leases to short-term leases of all assets that have a lease term of 12 months or less. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

#### iii. Company as a lessor

At the inception of the lease, the Group classifies each of its leases as either an operating lease or a finance lease. The Group recognises lease payments received under operating leases as income on a straight- line basis

over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Group is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the exemption described above, then it classifies the sub-lease as an operating lease.

If an arrangement contains lease and non-lease components, the Group applies Ind AS 115 Revenue from contracts with customers to allocate the consideration in the contract.

#### iv. Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Group has adopted Ind AS 116, effective annual reporting period beginning 1 April 2019 and applied the standard to its leases, retrospectively, with the cumulative effect of initially applying the Standard, recognised on the date of initial application (1 April 2019). Accordingly, the Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on 1 April 2019.

#### Company as a lessee

##### Operating leases

For transition, the Group has elected not to apply the requirements of Ind AS 116 to leases which are expiring within 12 months from the date of transition by class of asset and leases for which the underlying asset is of low value on a lease-by-lease basis.

The Group has also used the practical expedient provided by the standard when applying Ind AS 116 to leases previously classified as operating leases under Ind AS 17 and therefore, has not reassessed whether a contract, is or contains a lease, at the date of initial application, relied on its assessment of whether leases are onerous, applying Ind AS 37 immediately before the date of initial application as an alternative to performing an impairment review, excluded initial direct costs from measuring the right of use

# Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 3. Significant accounting policies (Contd..)

asset at the date of initial application and used hindsight when determining the lease term if the contract contains options to extend or terminate the lease. On transition, the Group recognised a lease liability measured at the present value of the remaining lease payments. The right-of-use asset is recognised at its carrying amount as if the standard had been applied since the commencement of the lease, but discounted using the lessee's incremental borrowing rate as at 1 April 2019. Accordingly, a right-of-use asset of INR 2,090.36 crore and a corresponding lease liability of INR 2,323.56 crore has been recognized. The cumulative effect on transition in retained earnings net off taxes is INR 180.46 crore. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The lease payments for operating leases as per Ind AS 17 - Leases, were earlier reported under cash flow from operating activities.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest accrued on lease liability. The difference between the future minimum lease rental commitments towards non-cancellable operating leases and finance leases reported as at 31 March 2019 compared to the lease liability as accounted as at 1 April 2019 is primarily due to inclusion of present value of the lease payments for the cancellable term of the leases, reduction due to discounting of the lease liabilities as per the requirement of Ind AS 116 and exclusion of the commitments for the leases to which the Group has chosen to apply the practical expedient as per the standard.

### Finance lease

The Group has leases that were classified as finance leases applying Ind AS 17. For such leases, the carrying amount of the right-of-use asset and the lease liability at the date of initial application of Ind AS 116 is the carrying amount of the lease asset and lease liability on the transition date as measured applying Ind AS 17. Accordingly, an amount of INR 36.92 crore (net of depreciation of INR 0.01 crore) has been reclassified from property, plant and equipment and prepaid rent to right-of-use assets. An amount of INR 3.55 crore has been reclassified from other current financial liabilities to lease liability – current and an amount of INR 112.49 crore has been reclassified from borrowings – non-current to lease liability – non-current.

### Company as a lessor

The Group is not required to make any adjustments on transition to Ind AS 116 for leases in which it acts as a lessor, except for a sub-lease. The Group accounted for its leases in accordance with Ind AS 116 from the date of initial application. The Group does not have any sub-lease arrangements.

## v. Impact of COVID-19

The Group does not foresee any large-scale contraction in demand which could result in significant downsizing of its employee base rendering the physical infrastructure redundant. The leases that the Group has entered with lessors are long term in nature and changes in terms of those leases expected due to the COVID-19 are not expected to have impact in the financial statements for the year ended 31 March 2020.

### Impact on transition

For the impact of Ind AS 116 refer Note 41.

When measuring lease liabilities for leases that were classified as operating leases, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019. The weighted average rate applied is 5% to 10.37%.

## 3.11 Recognition of interest income or interest expense

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)





## Notes to the Consolidated Financial Statements (Contd..)

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### 3. Significant accounting policies (Contd..)

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.

#### 3.14 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.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present

# Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 3. Significant accounting policies (Contd..)

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:

- 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).

### Financial assets: Subsequent measurement and gains and losses

Items	Measurement basis
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 reclassified to the statement of profit and loss.



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 3. Significant accounting policies (Contd..)

#### 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 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 Group 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.

#### 3.19 Operating segments

##### A. Basis for segmentation

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and expenses that relate to transactions with any of the Group's other components and for which discrete financial information is available. All operating segments' operating results are reviewed regularly by the Chief Operating Decision Maker (CODM) to make decisions about resources to be allocated to the segments and assess their performance. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Refer Note 31 for performance details of the segments.

#### 3.20 Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 4 Property, plant and equipment and capital work-in-progress

Particulars	Freehold land	Buildings*	Leasehold improvements	Furniture and fixtures	Plant and equipment	Computer equipment	Medical equipment	Motor vehicles	Total (A)	Capital work-in-progress (B)	Total (A+B)
<b>Gross carrying value</b>											
Balance as at 1 April 2018	817.33	710.04	684.05	357.87	217.23	90.87	1,257.98	44.38	4,179.75	401.74	4,581.49
Additions	1.07	57.41	224.98	18.21	23.26	16.18	209.72	3.08	553.91	433.48	987.39
Acquisition through business combinations (refer note 39)	6.96	9.26	3.46	3.29	6.96	0.93	14.46	1.67	46.99	30.79	77.78
Disposals	(3.65)	(0.12)	(13.82)	(17.76)	(1.39)	(2.01)	(24.63)	(1.01)	(64.39)	(337.45)	(401.84)
Exchange difference on translation	4.97	14.51	45.73	18.12	8.59	4.53	50.77	2.78	150.00	21.42	171.42
<b>Balance as at 31 March 2019</b>	<b>826.68</b>	<b>791.10</b>	<b>944.40</b>	<b>379.73</b>	<b>254.65</b>	<b>110.50</b>	<b>1,508.30</b>	<b>50.90</b>	<b>4,866.26</b>	<b>549.98</b>	<b>5,416.24</b>
Balance as at 1 April 2019	826.68	791.10	944.40	379.73	254.65	110.50	1,508.30	50.90	4,866.26	549.98	5,416.24
Additions	10.36	45.12	71.06	23.41	37.79	19.36	224.73	4.78	436.61	487.34	923.95
Acquisition through business combinations (refer note 39)	-	0.14	-	4.04	0.52	0.04	0.83	0.06	5.63	-	5.63
Disposals	-	-	(21.67)	(1.05)	(1.76)	(1.81)	(8.08)	(1.74)	(36.11)	(269.27)	(305.38)
Reclassification	-	-	-	-	0.33	(0.33)	(0.88)	-	(0.88)	(76.63)	(77.51)
Exchange difference on translation	6.10	18.23	76.67	22.66	11.75	6.96	73.69	3.72	219.78	44.55	264.33
<b>Balance as at 31 March 2020</b>	<b>843.14</b>	<b>854.59</b>	<b>1,070.46</b>	<b>428.79</b>	<b>303.28</b>	<b>134.72</b>	<b>1,798.59</b>	<b>57.72</b>	<b>5,491.29</b>	<b>735.97</b>	<b>6,227.26</b>
<b>Accumulated depreciation</b>											
Balance as at 1 April 2018	-	82.07	263.77	214.36	104.40	58.36	462.65	28.65	1,214.26	-	1,214.26
Depreciation for the year	-	35.56	58.11	42.21	21.72	21.40	103.87	5.81	288.68	-	288.68
Disposals	-	-	(7.46)	(6.03)	(0.74)	(0.71)	(9.89)	(0.65)	(25.48)	-	(25.48)
Exchange difference on translation	-	2.84	18.88	10.95	4.77	2.86	24.49	1.98	66.77	-	66.77
<b>Balance as at 31 March 2019</b>	<b>-</b>	<b>120.47</b>	<b>333.30</b>	<b>261.49</b>	<b>130.15</b>	<b>81.91</b>	<b>581.12</b>	<b>35.79</b>	<b>1,544.23</b>	<b>-</b>	<b>1,544.23</b>
Balance as at 1 April 2019	-	120.47	333.30	261.49	130.15	81.91	581.12	35.79	1,544.23	-	1,544.23
Depreciation for the year	-	20.30	84.91	41.73	25.00	20.79	128.02	7.11	327.86	-	327.86
Disposals	-	-	(7.29)	(0.81)	(0.83)	(1.38)	(1.82)	(1.66)	(13.79)	-	(13.79)
Reclassification	-	-	-	-	0.26	(0.26)	(0.01)	-	(0.01)	-	(0.01)
Exchange difference on translation	-	5.09	30.65	17.68	7.31	5.68	37.63	3.00	107.04	-	107.04
<b>Balance as at 31 March 2020</b>	<b>-</b>	<b>145.86</b>	<b>441.57</b>	<b>320.09</b>	<b>161.89</b>	<b>106.74</b>	<b>744.94</b>	<b>44.24</b>	<b>1,965.33</b>	<b>-</b>	<b>1,965.33</b>
<b>Carrying amounts (net)</b>											
<b>As at 31 March 2020</b>	<b>843.14</b>	<b>708.73</b>	<b>628.89</b>	<b>108.70</b>	<b>141.39</b>	<b>27.98</b>	<b>1,053.65</b>	<b>13.48</b>	<b>3,525.96</b>	<b>735.97</b>	<b>4,261.93</b>
<b>As at 31 March 2019</b>	<b>826.68</b>	<b>670.63</b>	<b>611.10</b>	<b>118.24</b>	<b>124.50</b>	<b>28.59</b>	<b>927.18</b>	<b>15.11</b>	<b>3,322.03</b>	<b>549.98</b>	<b>3,872.01</b>

a) For details of property, plant and equipment pledged, refer Note 15.

b) Property Plant and equipment and capital work-in-progress includes borrowing cost capitalised in accordance with Ind AS 23 - Borrowing cost aggregating INR 0.98 Crore (31 March 2019: INR 7.19 Crore)

c) The Company had leases which were classified as finance leases under IND AS 17. An amount of INR 0.87 crore (Gross block - INR 0.88 crore and accumulated depreciation 0.01 crore) has been transferred from Property, plant and equipment to Right of use asset on application of IND AS 116.



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 5 Goodwill and other intangible assets

Particulars	Goodwill on consolidation	Brand name, tradename and trademark	Payor/ Customer relationship	Software	Other intangibles	Total
<b>Gross carrying value</b>						
Balance at 1 April 2018	713.33	47.21	12.94	28.41	18.33	820.22
Additions	-	0.83	-	9.36	-	10.19
Acquisition through business combinations (refer note 39)	99.01	11.40	19.40	0.04	37.75	167.60
Disposals	-	-	-	-	-	-
Exchange difference on translation	32.65	1.05	0.02	0.98	2.03	36.73
<b>Balance at 31 March 2019</b>	<b>844.99</b>	<b>60.49</b>	<b>32.36</b>	<b>38.79</b>	<b>58.11</b>	<b>1,034.74</b>
Balance at 1 April 2019	844.99	60.49	32.36	38.79	58.11	1,034.74
Transition impact of Ind AS 116	-	-	-	-	(36.44)	(36.44)
Additions	-	0.81	-	6.13	-	6.94
Acquisition through business combinations (refer note 39)	177.79	58.62	71.38	0.37	-	308.16
Disposals	(3.51)	-	-	-	-	(3.51)
Exchange difference on translation	56.66	5.33	5.55	1.96	3.72	73.22
<b>Balance at 31 March 2020</b>	<b>1,075.93</b>	<b>125.25</b>	<b>109.29</b>	<b>47.25</b>	<b>25.39</b>	<b>1,383.11</b>
<b>Accumulated amortisation and impairment losses</b>						
Balance at 1 April 2018	4.99	8.56	2.15	17.90	13.84	47.44
Impairment / Amortisation for the year	-	4.33	2.78	5.23	5.45	17.79
Disposals	-	-	-	-	-	-
Exchange difference on translation	0.35	0.22	-	0.57	1.83	2.97
<b>Balance at 31 March 2019</b>	<b>5.34</b>	<b>13.11</b>	<b>4.93</b>	<b>23.70</b>	<b>21.12</b>	<b>68.20</b>
Balance at 1 April 2019	5.34	13.11	4.93	23.70	21.12	68.20
Transition impact of Ind AS 116	-	-	-	-	(0.47)	(0.47)
Impairment / Amortisation for the year	4.86	10.32	6.26	6.41	0.15	28.00
Disposals	(3.51)	-	-	-	-	(3.51)
Exchange difference on translation	0.50	0.68	0.41	1.21	2.75	5.55
<b>Balance at 31 March 2020</b>	<b>7.19</b>	<b>24.11</b>	<b>11.60</b>	<b>31.32</b>	<b>23.55</b>	<b>97.77</b>
<b>Carrying amount (net)</b>						
<b>At 31 March 2020</b>	<b>1,068.74</b>	<b>101.14</b>	<b>97.69</b>	<b>15.93</b>	<b>1.84</b>	<b>1,285.34</b>
<b>At 31 March 2019</b>	<b>839.65</b>	<b>47.38</b>	<b>27.43</b>	<b>15.09</b>	<b>36.99</b>	<b>966.54</b>

#### 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 :

Particulars	As at 31 March 2020	As at 31 March 2019
Medcare Hospital LLC, UAE	120.59	111.72
Sanad Al Rahma for Medical Care LLC, KSA	116.98	108.38
Dr. Ramesh Cardiac and Multispeciality Hospitals Private Limited, India	174.97	174.97
Al Raffah Hospital LLC, Oman	45.10	41.78
Harley Street Group, UAE	83.82	77.66
Malabar Institute of Medical Sciences Limited, India	40.06	40.06
Pharmacies - GCC states	167.91	155.56
Wahat Al Aman Home Healthcare LLC	83.30	-
Grand Optics LLC	86.75	-
Others	149.26	129.52
	<b>1,068.74</b>	<b>839.65</b>

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 5 Goodwill and other intangible assets (Contd..)

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.

Particulars	As at 31 March 2020	As at 31 March 2019
Discount rate	14% - 20.0%	14% - 20.0%
Terminal value growth rate	2.0% - 5.0%	2.0% - 5.0%
Weighted average cost of capital (WACC) before tax - equity	14% - 22%	14% - 22%
Weighted average cost of capital (WACC) before tax - debt	5% - 8.5%	6.0%

The Group 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.

### 6 Investments

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current investments</b>		
<i>Equity shares</i>		
<i>Shares at FVTPL</i>		
Janata Sahakari Bank Limited, Pune (1,000 equity shares of INR 10 each)	*	*
	*	*
<b>Current investments</b>		
<b>Investment in liquid mutual funds, quoted at FVTPL</b>		
<i>Investment in liquid mutual funds, quoted at FVTPL</i>		
Reliance Equity Hybrid Fund - Segregated Portfolio - 1	*	1.80
Reliance Liquid Fund - Treasury Plan	2.89	-
Nippon India Money Market Fund INF204K01ZP3	7.86	-
Nippon India Overnight Fund- Direct Growth Plan	0.80	-
Reliance regular savings fund - Balanced plan	-	0.52
Reliance Liquid Fund	0.05	-
	<b>11.60</b>	<b>2.33</b>
Aggregate book value of quoted and unquoted investments	11.60	2.33
Aggregate market value of quoted and unquoted investments	11.60	2.33

\*Amount is below the rounding off norms adopted by the Company.



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 7 Loans receivable

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
<i>Unsecured, considered good</i>		
Rent and other deposits	46.79	45.86
	<b>46.79</b>	<b>45.86</b>
<b>Current</b>		
<i>Unsecured, considered good</i>		
Rent and other deposits	29.72	22.75
	<b>29.72</b>	<b>22.75</b>
	<b>76.51</b>	<b>68.61</b>

### 8 Other financial assets

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
<i>Unsecured, considered good</i>		
Fixed deposits and deposits with others	44.94	40.40
Interest accrued on fixed deposits with banks	0.17	0.02
Advances given to equity accounted investees	159.34	128.96
Other financial assets	-	5.58
	<b>204.45</b>	<b>174.96</b>
<b>Current</b>		
<i>Unsecured, considered good</i>		
Unbilled revenue	46.10	23.92
Interest accrued on fixed deposits with banks	2.01	1.82
Other financial assets	5.12	3.38
	<b>53.23</b>	<b>29.12</b>
	<b>257.68</b>	<b>204.08</b>

Note: For details of related party transactions, refer note 43.

### 9 Other assets

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
Advances for capital goods	17.01	59.66
Deferred lease expense	11.03	33.37
Prepayments	50.59	69.04
	<b>78.63</b>	<b>162.07</b>
<b>Current</b>		
Prepayments	131.84	162.90
Balances with statutory / government authorities	61.63	32.20
Advance for supply of goods and services	38.79	26.26
Deferred lease expense	1.74	2.67
Other loans and advances	262.61	236.46
	<b>496.61</b>	<b>460.49</b>
	<b>575.24</b>	<b>622.56</b>

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 10 Inventories

Particulars	As at 31 March 2020	As at 31 March 2019
(Valued at lower of cost and net realisable value)		
Medicines and medical consumables	921.76	705.26
Stores and spares	39.19	26.90
	<b>960.95</b>	<b>732.16</b>

### 11 Trade receivables

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Current</b>		
<i>Unsecured</i>		
considered good	2,366.44	2,028.70
credit impaired	682.56	478.89
	<b>3,049.00</b>	<b>2,507.59</b>
<i>Allowances for expected credit loss</i>		
credit impaired	(682.56)	(478.89)
<b>Net trade receivables</b>	<b>2,366.44</b>	<b>2,028.70</b>

For details of trade receivables pledged, refer note 15.

The Group's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 36.

### 12 Cash and cash equivalents

Particulars	As at 31 March 2020	As at 31 March 2019
Balance with banks	135.59	210.42
Cash on hand	15.21	17.22
	<b>150.80</b>	<b>227.64</b>
Less : Book overdraft (refer note 16)	(36.15)	(3.07)
<b>Cash and cash equivalents in the statement of cash flows</b>	<b>114.65</b>	<b>224.57</b>

### 13 Other bank balances

Particulars	As at 31 March 2020	As at 31 March 2019
Balance in banks for margin money*	20.72	97.33
In deposit accounts (with original maturity of more than 3 months)	5.60	16.17
	<b>26.32</b>	<b>113.50</b>

\* includes unutilised amount from initial public offer





## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 14 Share capital

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares (in crores)	Amount	Number of shares (in crores)	Amount
<b>Authorised</b>				
Equity shares of INR 10 each	55.00	550.00	55.00	550.00
Compulsory convertible preference shares (CCPS) of INR 10 each	6.62	66.20	6.62	66.20
	<b>61.62</b>	<b>616.20</b>	<b>61.62</b>	<b>616.20</b>
<b>Issued, subscribed and paid-up</b>				
Equity shares of INR 10 each	50.52	505.23	50.52	505.23
Compulsory convertible preference shares (CCPS) of INR 10 each *	-	-	-	-
	<b>50.52</b>	<b>505.23</b>	<b>50.52</b>	<b>505.23</b>
<b>Reconciliation of shares outstanding at the beginning and at the end of the reporting period</b>				
<i>Equity shares of INR. 10 each fully paid-up</i>				
At the beginning of the year	50.52	505.23	50.52	505.23
Buyback of shares (Refer note (b) below)	(0.57)	(5.71)	-	-
<b>At the end of the year</b>	<b>49.95</b>	<b>499.52</b>	<b>50.52</b>	<b>505.23</b>

\* There are no outstanding compulsory convertible preference shares as at 31 March 2020. ( 31 March 2019: Nil)

#### (a) 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.

(b) The Board of Directors of the Company at its meeting held on 9 January 2020, approved a proposal to buyback upto 57,14,285 fully paid-up equity shares of the Company for an aggregate amount not exceeding INR 120 crore being 1.13% of the total paid up equity share capital, at INR 210 per equity share. The letter of offer was issued to all eligible shareholders as on 10 February 2020. The period for tendering of shares for buyback was from 20 February 2020 to 5 March 2020. The bids were settled and payment was made to shareholders on 13 March 2020. The shares bought back were extinguished by the Company on 18 March 2020 and the stock exchanges were intimated on completion of extinguishment on 24 March 2020. An amount corresponding to face value of the shares bought back was transferred to Capital Redemption Reserve and expenses for the buy back amounting to INR 1.56 crore were adjusted against retained earnings.

#### (c) Employee stock options

Terms attached to stock options granted to employees are described in note 42 regarding employee share based payments.

#### (d) Details of shareholders holding more than 5% shares of the Company

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares (in crores)	%	Number of shares (in crores)	%
<i>Equity shares of INR 10 each fully paid -up held by</i>				
Union Investments Private Limited, Mauritius	18.69	37.41%	18.87	37.35%
Olympus Capital Asia Investments Limited, Mauritius	11.51	23.03%	11.63	23.02%
True North Fund III – A (formerly known as India Value Fund III – A)	-	0.00%	4.16	8.23%
Rimco (Mauritius) Limited	5.06	10.13%	5.11	10.11%

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 14 Share capital (Contd..)

#### (e) Shares reserved for issue under options and contracts (Contd..)

Particulars	As at 31 March 2020		As at 31 March 2019	
	Number of shares (in crores)	%	Number of shares (in crores)	%
Under Employee Stock Option Scheme, 2013: 2,25,756 (31 March 2019: 4,66,131) equity shares of INR 10 each, at an exercise price of INR 50 per share (See note 42)	0.02	1.13	0.05	2.33
Under Employee Stock Option Scheme, 2013: 7,16,680 (31 March 2019: 5,21,200) equity shares of INR 10 each, at an exercise price of INR 10 per share (See note 42)	0.07	0.72	0.05	0.52
Under Employee Stock Option Scheme, 2013: Nil (31 March 2019: 3,79,800) equity shares of INR 10 each, at an exercise price of INR 142 per share (See note 42)	-	-	0.04	5.39
Under Employee Stock Option Scheme, 2013: 1,25,300 (31 March 2019: 2,98,600) equity shares of INR 10 each, at an exercise price of INR 116 per share (See note 42)	0.01	1.45	0.03	3.46
Under Employee Stock Option Scheme, 2013: 7,38,900 (31 March 2019: Nil) equity shares of INR 10 each, at an exercise price of INR 89 per share (See note 42)	0.07	6.58	-	-
Under Employee Stock Option Scheme, 2013: 10,800 (31 March 2019: Nil) equity shares of INR 10 each, at an exercise price of INR 107 per share (See note 42)	*	0.12	-	-
Under Employee Stock Option Scheme, 2013: 10,800 (31 March 2019: Nil) equity shares of INR 10 each, at an exercise price of INR 123 per share (See note 42)	*	0.13	-	-

\* Amount is below the rounding off norms adopted by the Company.

#### (f) Details of bonus shares issued for consideration other than for cash during the past 5 years

- The Company has not issued bonus shares during the period of five years immediately preceding the balance sheet date.

#### (g) Details of shares issued for consideration other than for cash during the past 5 years

- During the year 2015-16, 0.49 crore equity 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, 0.70 crore equity shares have been allotted as per the scheme of amalgamation with Indogulf Hospitals India Private Limited.

#### (h) Details of buyback of shares during the past 5 years

- The Company bought back 57,14,285 equity shares for an aggregate amount of INR 120 crore at INR 210 per equity share. The equity shares bought back were extinguished on 18 March 2020.



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 14 Analysis of accumulated other comprehensive income, net of tax

#### a. Items of other comprehensive income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Remeasurement of net defined benefit liability/ (asset) (net of tax)	6.29	(34.80)
Exchange difference in translating financial statements of foreign operations	138.32	97.21

#### i) Remeasurement of net defined benefit liability/ (asset)

Particulars	As at 31 March 2020	As at 31 March 2019
Remeasurement of net defined benefit liability/ (asset)	6.29	(34.80)
Non-controlling share of remeasurement of net defined benefit liability/ (asset)	(0.38)	2.66
Transferred to retained earnings	(5.91)	32.14
<b>Closing balance</b>	<b>-</b>	<b>-</b>

#### ii) Exchange difference in translating financial statements of foreign operations

Particulars	As at 31 March 2020	As at 31 March 2019
Opening balance	112.05	25.59
Exchange difference in translating financial statements of foreign operations	138.32	97.21
Exchange difference in translating financial statements of foreign operations on capital reserve	(3.24)	(2.42)
Exchange difference in translating non-controlling interest	(15.42)	(8.33)
<b>Closing balance</b>	<b>231.71</b>	<b>112.05</b>

#### b. Disaggregation of changes in items of other comprehensive income

Particulars	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 2019</b>					
Exchange difference in translating financial statements of foreign operations	88.88	-	88.88	8.33	97.21
Remeasurement of net defined benefit liability/ (asset)	-	(32.14)	(32.14)	(2.66)	(34.80)
	<b>88.88</b>	<b>(32.14)</b>	<b>56.74</b>	<b>5.67</b>	<b>62.41</b>
<b>Year ended 31 March 2020</b>					
Exchange difference in translating financial statements of foreign operations	122.90	-	122.90	15.42	138.32
Remeasurement of net defined benefit liability/ (asset)	-	5.91	5.91	0.38	6.29
	<b>122.90</b>	<b>5.91</b>	<b>128.81</b>	<b>15.80</b>	<b>144.61</b>

#### Notes:

- 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.
- 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).

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 15 Borrowings

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
<i>Secured</i>		
Term loans from banks	1,892.24	1,853.23
Long-term maturities of finance lease obligations*	-	112.49
	<b>1,892.24</b>	<b>1,965.72</b>
<b>Current</b>		
<i>Unsecured</i>		
Cash credit and overdraft facilities from banks	56.29	58.16
<i>Secured</i>		
Cash credit, overdraft facilities and discounted bills from banks	157.14	434.61
Short term loans from banks	373.73	149.08
	<b>587.16</b>	<b>641.85</b>
Amount included under other financial liabilities (refer note 16)	493.02	180.87
	<b>2,972.42</b>	<b>2,788.44</b>

Information about the Group's exposure to interest rate and liquidity risks are included in note 36.

\*Finance lease liabilities were included in borrowings until 31 March 2019, but were reclassified to lease liabilities on 1 April 2019 owing to the adoption of the new lease standard. See note 41 for further information about the change in accounting policy for leases.

The bank facilities have the following securities:

#### a) Parent

- Equitable mortgage on certain immovable properties of the Company and of DM Med City Hospitals India Private Limited, a wholly owned subsidiary of the Company.
- First charge on current assets of the Company
- First charge on entire cash flows of the Aster Medcity project (to be routed through the escrow account).
- Hypothecation of all movable fixed assets relating to Aster Medcity Hospital, Kochi (comprising plant and machinery, furniture fixture, vehicles and other movable assets) present and future
- Charge on movable properties (comprising plant and machinery, furniture and fittings, vehicles and other movable assets), present and future, of the Aster Medcity Hospital, Kochi
- 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 Hospital, Kochi.
- 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.



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 15 Borrowings (Contd..)

#### b) Indian subsidiaries

- First, fixed and exclusive charge on the medical equipments, vehicles, fixed deposits 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.
- 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;
- 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 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:

Particulars	Borrowed by Parent/ subsidiaries	Interest rate	Maturity period	Currency	As at 31 March 2020	As at 31 March 2019
Secured loan from banks	Parent	9.25% to 9.6 %	2020-2028	INR	47.67	18.59
Secured loan from banks	Subsidiaries	7.57 % to 13%	2020-2027	INR	243.64	228.06
Secured loan from banks	Subsidiaries	2.84 % to 7.50 %	2020-2023	AED	51.05	14.22
Secured loan from banks	Subsidiaries	3.23% to 6.00%	2020-2022	QAR	22.89	36.56
Secured loan from banks	Subsidiaries	3.25 % to 4.50 %	2020-2027	USD	1,961.50	1,733.12
Secured loan from banks	Subsidiaries	5.00% to 5.25%	2020-2027	OMR	58.51	-
Finance lease	Parent	10.50%	2026	INR	-	0.89
Finance lease	Subsidiaries	11.52%	2020	INR	-	0.69
Finance lease	Subsidiaries	6.00%	2019-2042	QAR	-	114.46
					<b>2,385.26</b>	<b>2,146.59</b>

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 15 Borrowings (Contd..)

#### B Terms and conditions of current borrowings are as follows:

Particulars	Borrowed by Parent/ subsidiaries	Interest rate	Maturity period	Currency	As at 31 March 2020	As at 31 March 2019
Unsecured loan from banks	Parent	11.35% - 11.40%	2020 - 2021	INR	56.29	58.16
Secured loan from banks	Parent	9.00 % to 11.5 %	2020 - 2021	INR	35.55	41.57
Secured loan from banks	Parent	3.04 % to 3.22 %	2020 - 2021	USD	4.03	3.95
Secured loan from banks	Parent	1.50%	2020 - 2021	EURO	1.63	1.54
Secured loan from banks	Subsidiaries	9.00 % to 11.5 %	2020 - 2021	INR	37.09	14.86
Secured loan from banks	Subsidiaries	3.45% to 5.20 %	2020 - 2021	AED	341.97	333.81
Secured loan from banks	Subsidiaries	3.23 % to 6 %	2020 - 2021	QAR	5.09	5.05
Secured loan from banks	Subsidiaries	2.25 % to 5 %	2020 - 2021	USD	74.79	138.59
Secured loan from banks	Subsidiaries	4.25 % - 5.00 %	2020 - 2021	OMR	14.40	27.43
Secured loan from banks	Subsidiaries	7.00 % to 7.25 %	2020 - 2021	JOD	16.32	16.89
					<b>587.16</b>	<b>641.85</b>

#### C Finance leases

Particulars	As at 31 March 2019		
	Future minimum lease payments	Interest element of minimum lease payments	Present value of minimum lease payments
Within less than one year	10.46	6.74	3.73
Between 1 and 5 years	39.69	24.71	14.98
After more than 5 years	151.07	53.74	97.33
<b>Total</b>	<b>201.22</b>	<b>85.19</b>	<b>116.04</b>

\* Finance lease liabilities were included in borrowings until 31 March 2019, but were reclassified to lease liabilities on 1 April 2019 owing to the adoption of the new lease standard. See note 41 for further information about the change in accounting policy for leases.

### 16 Other financial liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
Payable to non-controlling interest on account of business combination	23.25	42.28
	<b>23.25</b>	<b>42.28</b>
<b>Current</b>		
Current maturities of non-current borrowings*	493.02	177.32
Current maturities of finance lease obligations**	-	3.55
Book overdraft	36.15	3.07
Interest accrued but not due on borrowings*	3.06	4.86
Dues to related party (Refer note 43)	1.04	1.04
Payable to non controlling interest towards account of business combination (refer note 36)	22.46	20.80
Payable to partners in clinics	14.24	22.31
Accrued salaries and benefits	343.48	220.56
Dues to creditors for expenses and others	472.95	306.81
Dues to creditors for capital goods	51.30	66.21
Security deposits from employees and from others	3.12	3.48
	<b>1,440.82</b>	<b>830.01</b>
	<b>1,464.07</b>	<b>872.29</b>

\* The details of interest rates, repayment and other terms are disclosed in note 15

\*\* Finance lease liabilities were included in borrowings until 31 March 2019, but were reclassified to lease liabilities on 1 April 2019 owing to the adoption of the new lease standard. See note 41 for further information about the change in accounting policy for leases.

The Group's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 37



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 17 Provisions

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
<i>Provision for employee benefits</i>		
Net defined benefit liability - Gratuity*	15.89	11.84
Compensated absences*	-	2.35
Net defined benefit liability - post employment benefits*	311.36	252.46
	<b>327.25</b>	<b>266.65</b>
<b>Current</b>		
<i>Provision for employee benefits</i>		
Net defined benefit liability - gratuity*	2.67	1.81
Compensated absences*	6.03	3.15
Net defined benefit liability - post employment benefits*	60.98	46.45
<i>Other provisions</i>		
Zakat payable** [ refer note (a) below ]	6.31	-
<b>Total current provisions</b>	<b>75.99</b>	<b>51.41</b>
<b>Total provisions</b>	<b>403.24</b>	<b>318.06</b>

\* Also refer note 32

\*\* Zakat payable is the amount provided for in accordance with the Saudi Arabian Zakat and Income Tax regulations

#### (a) Movement of Zakat payable

Particulars	As at 31 March 2020	As at 31 March 2019
Balance at the beginning	-	10.83
Zakat charges	5.98	23.20
Payment/ adjustments made during the year	0.33	(34.03)
<b>Balance at the end</b>	<b>6.31</b>	<b>-</b>

### 18 Other liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Non-current</b>		
Lease equalisation reserve	-	55.99
Deferred government grant*	29.88	20.33
	<b>29.88</b>	<b>76.32</b>
<b>Current</b>		
Advances received from customers	27.84	26.10
Statutory dues payables	28.37	17.68
Unearned income	53.23	47.15
Deferred government grant*	1.77	1.75
Others	13.13	14.62
	<b>124.34</b>	<b>107.30</b>
	<b>154.22</b>	<b>183.62</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 Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 19 Trade payables

Particulars	As at 31 March 2020	As at 31 March 2019
Total outstanding dues of micro and small enterprises	4.90	0.01
Total outstanding dues of creditors other than micro and small enterprises	1,289.02	1,014.06
	<b>1,293.92</b>	<b>1,014.07</b>

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:

Particulars	As at 31 March 2020	As at 31 March 2019
The principal amount remaining unpaid to any supplier as at the end of the year.	4.71	0.01
The interest due on the principal remaining outstanding as at the end of the year	0.19	-
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.	0.19	0.04
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

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from hospital and medical services	6,294.74	5,610.81
Revenue from pharmacy sales	2,217.73	2,175.13
Revenue from consultancy services	24.72	13.64
Other operating revenue	201.31	163.13
	<b>8,738.50</b>	<b>7,962.71</b>

### 21 Other income

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest income under the effective interest method on		
Fixed deposits with banks	4.05	9.11
Lease deposits	2.04	1.43
Dividend on non-current investments	0.70	0.19
Profit on sale of property, plant and equipment	0.18	1.53
Gain on sale of investment	0.10	-
Other non-operating income	30.80	22.36
	<b>37.87</b>	<b>34.62</b>

### 22 Purchase of medicines and consumables

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Medicines and consumables	2,864.28	2,524.97
	<b>2,864.28</b>	<b>2,524.97</b>





## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 23 Change in inventories

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening stock	732.16	627.03
Closing stock	960.95	732.16
	<b>(228.79)</b>	<b>(105.13)</b>

### 24 Employee benefits expenses

Particulars	As at 31 March 2020	As at 31 March 2019
Salaries and allowances	2,805.22	2,595.27
Contribution to provident and other funds	21.71	22.86
Equity settled share based payments	1.19	3.19
Staff welfare expenses	75.81	66.86
	<b>2,903.93</b>	<b>2,688.18</b>

### 25 Finance costs

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Interest on bank borrowings	188.49	158.26
Interest expense on financial liabilities measured at amortised cost	0.72	0.72
Interest expense on lease liability (refer note 41)	124.79	-
Other borrowing costs	45.67	20.20
	<b>359.67</b>	<b>179.18</b>

### 26 Depreciation and amortisation expense

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Depreciation on property, plant and equipment (refer Note 4)	327.86	288.68
Depreciation on right-of-use assets (refer note 41)	230.08	-
Amortisation on intangible assets (refer Note 5)	28.00	17.79
	<b>585.94</b>	<b>306.47</b>

### 27 Other expenses

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Professional fee paid to doctors	688.83	600.37
Hospital operation and management fees	27.55	16.20
Laboratory outsourcing charges	33.64	28.44
Consumables	5.22	8.42
Power and fuel	111.84	101.38
Housekeeping and security	108.63	82.53
Rent (refer note 41)	93.93	337.49
Insurance	20.34	15.29
Repairs and maintenance:		
- Buildings	3.82	1.81
- Plant and machinery	54.81	26.11
- Others	82.83	87.26

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 27 Other expenses (Contd..)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Rates and taxes	55.45	55.73
Advertising and promotional expenses	99.86	96.75
Legal, professional and consultancy	43.57	44.41
Visa and immigration expenses	38.34	32.76
Printing and stationery	21.17	22.27
Communication expense	33.24	31.03
Canteen expense	34.76	29.32
Travelling expense	33.36	28.88
Allowances for credit losses on financial assets	176.62	188.23
Net loss on account of foreign exchange fluctuations	0.57	1.11
Bank charges	31.12	25.86
Corporate social responsibility*	2.42	3.18
Miscellaneous expenses	139.55	126.81
	<b>1,941.47</b>	<b>1,991.64</b>

#### \* Details of corporate social responsibility

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
- Gross amount required to be spent during the year	0.46	0.52
- Amount spent during the year on:		
Construction/acquisition of an asset	-	-
On purposes other than above	2.42	3.18
	<b>2.42</b>	<b>3.18</b>

### 28 Exceptional items

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Loss on account of flood (Refer Note A)	-	(1.52)
Loss on closure of operations in Philippines and Kuwait (Refer Note B)	(19.64)	-
	<b>(19.64)</b>	<b>(1.52)</b>

- A. Pursuant to a flood on 16 and 17 August 2018, certain property, plant and equipments and inventory of the Company were damaged. During the previous year, the Company booked an expense of INR 27.46 crore for repairs and maintenance of property, plant and equipments and INR 3.11 crore for loss of inventory and recognised insurance claim receivable of INR 29.05 crore based on the initial estimate of loss filed with the insurance company. The aforementioned loss and the corresponding credit arising from insurance claim receivable has been presented on a net basis (INR 1.52 crore) as an exceptional item in the previous year financial statements. During the current and previous year, the Company has received an amount of INR 17.10 crore and INR 4.25 crore respectively, against settlement of one of its insurance claims.
- B. During the year, the Group decided to discontinue its operations in Kuwait and Philippines which comprised of pharmacy services and clinical services respectively. Consequentially, during the year ended 31 March 2020, Group has impaired the carrying value of its assets in Kuwait and recognized a loss of INR 1.27 crores and the Group has impaired the carrying value of its assets in the Philippines and recognized a loss of INR 18.37 crores which has been presented as an exceptional item in these financial statements.



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 29 Deferred tax asset/ liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Deferred tax asset	32.52	8.30
Deferred tax liabilities	155.17	149.08
	<b>(122.65)</b>	<b>(140.78)</b>

#### (i) Deferred tax charge/ (benefit) recognised during the year

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Deferred tax benefit	(12.69)	(2.29)
	<b>(12.69)</b>	<b>(2.29)</b>

#### (ii) Deferred tax assets and liabilities are attributable to the following:

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Deferred tax asset</b>		
MAT credit entitlement	12.51	8.30
Provision for employee benefits and other liabilities	10.67	3.24
Provision for doubtful debts and advances	8.91	3.04
Lease liabilities	4.23	-
Unabsorbed business loss including from specified business	183.00	185.60
<b>Total deferred tax asset</b>	<b>219.32</b>	<b>200.18</b>
<b>Deferred tax liability</b>		
On account of fair valuation of land *	(115.02)	(114.37)
Property, plant and equipment (including right-of-use assets)	(223.39)	(222.92)
Other financial assets (Deposit amortisation)	(3.56)	(3.67)
<b>Total deferred tax liability</b>	<b>(341.97)</b>	<b>(340.96)</b>
<b>Deferred tax liability (net)</b>	<b>(155.17)</b>	<b>(149.08)</b>
<b>Deferred tax assets</b>	<b>32.52</b>	<b>8.30</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.

#### (iii) Movement in temporary differences

Movement during the year ended 31 March 2020	As at 31 March 2019	Credit/ (charge) in the statement of profit and loss	Credit/ (charge) in other comprehensive income/ retained earnings	As at 31 March 2020
MAT credit entitlement	8.30	4.21	-	12.51
Provision for employee benefits and other liabilities	3.24	7.62	(0.19)	10.67
Provision for doubtful debts and advances	3.04	5.87	-	8.91
Unabsorbed business loss including from specified business	185.60	(2.60)	-	183.00
Lease liabilities	-	0.71	3.52	4.23
On account of fair valuation of land *	(114.37)	(0.65)	-	(115.02)
Property, plant and equipment	(222.92)	(0.47)	-	(223.39)
Other financial assets	(3.67)	0.11	-	(3.56)
	<b>(140.78)</b>	<b>14.80</b>	<b>3.33</b>	<b>(122.65)</b>

\* The deferred tax liability arising on the fair valuation recognised based on tax rates applicable to the long-term capital gains.

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 29 Deferred tax asset/ liabilities (Contd..)

Movement during the year ended 31 March 2019	As at 31 March 2018	Credit/ (charge) in the statement of profit and loss	Credit/ (charge) in other comprehensive income/ retained earnings	As at 31 March 2019
MAT credit entitlement	4.90	3.40	-	8.30
Provision for employee benefits and other liabilities	2.01	1.31	(0.08)	3.24
Provision for doubtful debts and advances	0.76	2.28	-	3.04
Unabsorbed business loss including from specified business	155.11	30.49	-	185.60
On account of fair valuation of land *	(113.03)	(1.34)	-	(114.37)
Property, plant and equipment	(182.68)	(40.24)	-	(222.92)
Other financial assets	(4.50)	0.83	-	(3.67)
	<b>(137.43)</b>	<b>(3.27)</b>	<b>(0.08)</b>	<b>(140.78)</b>

\* The deferred tax liability arising on the fair valuation recognised based on tax rates applicable to the long-term capital gains.

#### (iv) 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:

Particulars	31 March 2020		31 March 2019	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses (business loss)	696.24	240.99	757.15	378.74
Tax losses (Long term capital loss)	42.14	9.83	7.60	9.00
Tax losses (unabsorbed depreciation)	131.61	44.81	98.07	32.42
<b>Total</b>	<b>869.99</b>	<b>295.63</b>	<b>862.82</b>	<b>420.16</b>

#### (v) Tax losses carried forward

Particulars	Year ended 31 March 2020	Expiry	Year ended 31 March 2019	Expiry
Brought forward losses - allowed to carry forward for specified period	88.10	Various dates	210.65	Various dates
Brought forward losses from specified business - allowed to carry forward for infinite period	646.69	-	554.10	-
Brought forward losses - allowed to carry forward for infinite period	135.20	-	98.07	-
	<b>869.99</b>		<b>862.82</b>	

Deferred tax assets have not been recognized in respect of the above items, because it is not probable that future taxable profit will be available against which the Group can use the benefits. The above is arrived basis the balances as on date. The deductible temporary difference do not expire under the current tax legislation.



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 30 Income tax asset/ liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
Income tax asset	97.47	70.20
Income tax liabilities	13.30	22.95
	<b>84.17</b>	<b>47.25</b>

#### (i) Tax expense recognised in the Statement of Profit and Loss

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current tax	8.04	8.41
Income tax for earlier years	1.59	18.01
Foreign income taxes	18.44	18.81
<b>Total (A)</b>	<b>28.07</b>	<b>45.23</b>

#### (ii) Reconciliation of effective tax rate

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Profit before tax	330.04	410.25
Statutory income tax rate	34.94%	34.94%
Tax expenses /(asset)	115.32	143.34
Income chargeable at special rate	18.44	18.81
Tax on exempt income	(84.52)	(142.10)
Other temporary differences	(11.79)	8.65
Additional deduction on investment allowance	(51.14)	(6.44)
Un-recognised deferred tax assets	40.17	4.96
<b>Income tax expense</b>	<b>26.48</b>	<b>27.22</b>

### 31 Segment 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). Members of Board of the Group have been identified as the Chief Operating Decision Maker ("CODM") as defined by Ind AS 108 "Operating Segments". All operating segments' operating results are reviewed regularly by the Group's CODM to make decisions about resources to be allocated to the segments and assess their performance.

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

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 31 Segment reporting (Contd..)

#### A. Business segments : (Contd..)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Segment revenue</b>		
Hospitals	4,572.78	3,950.29
Clinics	2,006.13	1,978.09
Retail Pharmacies	2,143.11	2,020.72
Others	16.48	13.61
<b>Total</b>	<b>8,738.50</b>	<b>7,962.71</b>
<b>Segment profits before income tax</b>		
Hospitals	416.47	270.22
Clinics	232.79	258.94
Retail Pharmacies	223.20	199.98
Others	1.02	1.39
<b>Total</b>	<b>873.48</b>	<b>730.53</b>
Less:		
Finance charges	(359.67)	(179.18)
Exceptional items	(19.64)	(1.52)
Unallocated expenses (net of unallocated income)	(163.94)	(139.33)
<b>Profit before share of equity accounted investees and tax</b>	<b>330.23</b>	<b>410.50</b>
Share of loss of equity accounted investees	(0.19)	(0.25)
<b>Profit before tax</b>	<b>330.04</b>	<b>410.25</b>
Tax expense	(15.38)	(42.94)
<b>Profit for the year</b>	<b>314.66</b>	<b>367.31</b>
Less : Non controlling interest	(38.05)	(34.20)
<b>Profit attributable to the owners of the Company</b>	<b>276.61</b>	<b>333.11</b>

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Segment assets</b>		
Hospitals	7,692.03	5,475.01
Clinics	2,006.39	1,557.80
Retail Pharmacies	1,635.09	1,179.67
Others	21.91	1.78
Unallocated	1,082.42	722.15
<b>Total</b>	<b>12,437.84</b>	<b>8,936.41</b>
<b>Segment liabilities</b>		
Hospitals	3,634.40	1,472.99
Clinics	881.43	626.31
Retail Pharmacies	1,011.24	713.94
Unallocated	3,192.26	2,443.35
<b>Total</b>	<b>8,719.33</b>	<b>5,256.59</b>

#### B. 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)



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 31 Segment reporting (Contd..)

#### B. Geographical segment information : (Contd..)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
<b>Segment revenue</b>		
GCC States	7,104.95	6,643.39
India	1,630.59	1,314.02
Rest of the world	2.96	5.30
<b>Total</b>	<b>8,738.50</b>	<b>7,962.71</b>

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Segment assets</b>		
GCC States	9,464.45	6,254.83
India	2,969.70	2,659.12
Rest of the world	3.69	22.46
<b>Total</b>	<b>12,437.84</b>	<b>8,936.41</b>

#### C. Major customer

No customer has contributed more than 10% of the Group's total revenue.

### 32 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

Particulars	As at 31 March 2020	As at 31 March 2019
Defined benefit liability - Gratuity plan (Plan A)	23.20	18.13
Plan assets	4.64	4.48
<b>Net defined benefit liability</b>	<b>18.56</b>	<b>13.65</b>
Net defined benefit liability - End of service benefits (Plan B)	372.34	298.91
Liability for compensated absences**	6.03	5.50
<b>Total employee benefit liability</b>	<b>396.93</b>	<b>318.06</b>
Non-current	327.25	266.65
Current	69.68	51.41

For details about related employee benefit expenses, see note 24

\*\* As at 31 March 2020, due to a change in leave policy of the Group, the compensated absences are fully short term.

# Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 32 Employee benefits: (Contd..)

### b) Reconciliation of net defined benefit (assets)/ liability

#### i) Plan A

##### a) 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:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Defined benefit obligation as at beginning of the year	18.13	12.95
Benefits paid	(1.60)	(1.42)
Current service cost	4.36	3.53
Interest cost	1.28	0.95
Past Service Cost	0.33	2.36
Gain on settlement	-	-
Actuarial (gains)/ losses recognised in other comprehensive income		
- changes in demographic assumptions	-	(0.01)
- changes in financial assumptions	0.51	(3.83)
- experience adjustments	0.19	3.60
<b>Defined benefit obligations as at end of the year</b>	<b>23.20</b>	<b>18.13</b>

##### b) Reconciliation of the present values of plan assets

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Plan assets at beginning of the year	4.48	4.24
Contributions paid into the plan	0.45	0.82
Interest income	0.17	0.31
Benefits paid	(0.62)	(0.80)
Return on plan assets recognised in other comprehensive income	0.16	(0.09)
Acquisition/(disposal) during the year	-	-
<b>Plan assets at the end of the year</b>	<b>4.64</b>	<b>4.48</b>
<b>Net defined benefit liability</b>	<b>18.56</b>	<b>13.65</b>

#### ii) Plan B

##### a) 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 liability and its components:

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Defined benefit obligation as at beginning of the year	298.91	211.80
Benefits paid	(36.69)	(32.31)
Current service cost	71.36	62.51
Past service cost	7.55	-
Interest cost	9.78	7.98
Actuarial (gains) losses recognised in other comprehensive income		
-changes in demographic assumptions	-	-
-changes in financial assumptions	3.31	4.77
-experience adjustments	(10.33)	30.15
Effect of changes in foreign exchange rates	28.45	14.01
<b>Defined benefit obligations as at end of the year</b>	<b>372.34</b>	<b>298.91</b>





## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 32 Employee benefits: (Contd..)

#### c) Expense recognised in consolidated statement of profit and loss

##### i) Expense recognised in consolidated statement of profit and loss

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Current service cost	75.72	66.04
Interest cost	11.06	8.93
Interest income	(0.17)	(0.31)
Past service cost	7.88	2.36
Loss (gain) on settlement	-	-
	<b>94.49</b>	<b>77.02</b>

##### ii) Remeasurements recognised in other comprehensive income (excluding tax)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Actuarial (gain)/ loss on defined benefit obligation	(6.32)	34.68
Return on plan assets excluding interest income	(0.16)	0.09
	<b>(6.48)</b>	<b>34.77</b>

#### d) Plan assets comprises the following

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Insurance policy	4.64	4.48

#### e) Defined Benefit obligation

##### i) Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted average):

Particulars	As at 31 March 2020	As at 31 March 2019
<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	5.5% - 7%	7% - 8%
Future salary growth	2% - 8%	3% - 7%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)
<b>Plan B</b>		
Attrition rate	15%	15%
Discount rate	2.30% - 3.10%	3.20%
Future salary growth	2% - 3.50%	2.75% - 3.50%
Mortality rate	IALM 2012-14 (Ult.)	IALM 2012-14 (Ult.)

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 32 Employee benefits: (Contd..)

#### e) Defined Benefit obligation (Contd..)

##### i) Actuarial assumptions (Contd..)

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.

##### (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.

Particulars	31 March 2020		31 March 2019	
	Increase	Decrease	Increase	Decrease
<b>Plan A</b>				
Discount rate (0.5% - 1% movement)	(1.46)	1.67	(6.11)	6.57
Future salary growth (0.5% - 1% movement)	1.71	(1.38)	6.81	(6.54)
Attrition rate (0.5% - 1% movement)	0.06	(0.07)	(3.35)	3.37
<b>Plan B</b>				
Discount rate (1% movement)	(18.03)	19.93	(16.06)	17.96
Future salary growth (1% movement)	19.76	(18.23)	17.85	(16.27)
Attrition rate (1% movement)	(0.02)	0.01	0.25	(0.28)

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.

### 33 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) Net profit attributable to equity share holders (basic)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Net profit for the year, attributable to the equity share holders	276.61	333.11



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 33 Earnings per share (Contd..)

#### A. Basic earnings per share (Contd..)

##### ii) Weighted average number of equity shares (basic)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Opening balance (Refer note 14)	50.22	50.15
Effect of share options exercised	0.01	0.06
Buy-back of equity shares	(0.02)	-
Weighted average number of equity shares of INR 10 each for the year	50.21	50.21
Earnings per share, basic (INR)	5.51	6.63

#### 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) Net profit attributable to equity share holders (diluted)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Net profit for the year, attributable to the equity share holders	276.61	333.11

##### ii) Weighted average number of equity shares (diluted)

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Weighted average number of equity shares of INR 10 each for the year (basic)	50.21	50.21
Effect of exercise of share options	0.08	0.08
Weighted average number of equity shares of INR 10 each for the year (diluted)	50.29	50.29
<b>Earnings per share, diluted (INR)</b>	<b>5.50</b>	<b>6.62</b>

Note : Diluted earnings per share = Profit attributable to equity shareholders / weighted average number of diluted potential shares outstanding during the year.

### 34 Contingent liabilities

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Contingent liabilities:</b>		
Claims against the Group not acknowledged as debts in respect of:		
a) Income tax related matters [see note (a) and (b) below]	21.01	20.98
b) KVAT related matters [see note (c) below]	-	1.60
c) Disputed provident fund demand pending before appellate authorities [see note (d) below]	0.94	0.88
d) Other matters including claims relating to employees/ ex-employees etc. [see note (e) below]	1.61	1.61
e) Customer claims	6.35	4.56
f) Salary payable under minimum wages act [see note (f)]	17.14	17.14
Export commitments under EPCG scheme [see note (g)]	34.05	35.25
<b>Guarantees:</b>		
a) Bank guarantee	16.40	45.04
<b>Commitments:</b>		
a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	189.50	260.96

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 34 Contingent liabilities (Contd..)

#### Notes:

- (a) Aster DM, the parent company has received income tax assessment orders for AY 2014-15 & 2015-16, wherein the assessing officer has disallowed Foreign Tax Credit (FTC) relating to dividend received from its Mauritius subsidiary. This amount to INR 20.08 crore and claimed as per the provisions of Section 90/90A of Income Tax Act 1961. The Company has also received income tax demand order of INR 0.18 crore for AY 2012-13 where in assessing officer denied legal and professional fee and business promotion expenses. 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 such demands raised by the Assessing Officer.
- (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) Aster DM, the parent company has received a Kerala Value Added Tax (KVAT) demand for the FY 2014-15 wherein the assessing officer raised a demand for INR 1.28 crore against the Company, on account of difference in returns filed with audited accounts / report against which an appeal was filed by the Company. The Deputy Commissioner (Appeals) has directed the Assessing Officer to pass a modified order. The modified order was passed on 20 June 2019 reducing the VAT demand to INR 0.28 crore and interest to INR 0.09 crore. Further, the company went ahead to settle the issue by applying for settlement under KVAT Amnesty scheme 2019-20 on 27 September 2019. Tax amount of INR 0.08 crore (after adjusting pre deposit) and matter has been settled. Aster DM, the parent company has received a Kerala Value Added Tax (KVAT) demand for the FY 2015-16 wherein the assessing officer raised a demand for INR 1.25 crore against the Company, on account of difference in returns filed with audited accounts / report against which an appeal was filed by the Company. Appellate authority passed an order on 30.04.2019 setting aside the demands account of difference in audit report and annual report and also the addition for probable suppression. However, the demand with respect to transportation of goods with defective records was confirmed. The modified order was received and the matter settled.
- (d) A subsidiary company has received demand from the provident fund authorities wherein demand of ₹ 0.94 crores net of advance has been raised against the Company on account of provident fund contribution in respect of certain trainees employed by the Company. 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 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 company 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 company has obtained an independent legal opinion in support of this.
- (f) On 23 April 2018, The Government of Kerala issued an order revising the minimum wages of medical and nursing staff. The order mentions that the changes would be effective retrospectively from 1 October 2017. Since the legislation was issued in April 2018, management has started paying the revised salary with effect from 1 April 2018. The Group filed an appeal against the retrospective application of this order with the High Court of Kerala which has issued an interim stay order on 26 July 2018. The Writ Petition WP (c) No. 25109/2018 challenging the retrospective effect of minimum wage order passed by the Government of Kerala is pending before the Hon'ble High Court of Kerala in hearing list. Based on the stay order and legal advise, management believes that their position will be upheld and therefore has not provided for the incremental cost for the period October 2017 to March 2018.
- (g) The Group has obtained duty free / concessional duty licenses for import of capital goods by undertaking export obligations under the EPCG scheme. As at 31 March 2020, export obligations remaining to be fulfilled amounts to INR 34.05 crore (31 March 2019: INR 35.25 crore). 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 32.98 crore (31 March 2019: INR 25.01 crore) to the customs authorities in this regard.
- (h) On 28th February 2019, the Hon'ble Supreme Court of India has delivered a judgment clarifying the principles that need to be applied in determining the components of salaries and wages on which Provident Fund (PF) contributions need to be made by establishments. Basis this judgment, the Group has re-computed its liability towards PF from the month of March 2019 and has paid PF as per Supreme Court judgement. In respect of the earlier periods/years, the Company has been legally advised that there are numerous interpretative challenges on the application of the judgment retrospectively. Based on such legal advice, the management believes that it is impracticable at this stage to reliably measure the provision required, if any, and accordingly, no provision has been made towards the same. Necessary adjustments, if any, will be made to the books as more clarity emerges on this subject.



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 34 Contingent liabilities (Contd..)

- (i) 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.
- (j) 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.
- (k) The Group has given Bank Guarantees in respect of certain contingent liabilities listed above.
- (l) The Group does not have any long-term commitments or material non-cancellable contractual commitments/contracts, including derivative contracts for which there were any material foreseeable losses.

### 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 2020 and 31 March 2019 was as follows:

Particulars	As at 31 March 2020	As at 31 March 2019
Total equity attributable to the equity shareholders of the Company	3,272.14	3,213.76
<b>As a percentage of total capital</b>	52%	54%
Long-term borrowings including current maturities	2,385.26	2,146.59
Short-term borrowings	587.16	641.85
<b>Total borrowings</b>	<b>2,972.42</b>	<b>2,788.44</b>
<b>As a percentage of total capital</b>	<b>48%</b>	<b>46%</b>
<b>Total capital (equity and borrowings)</b>	<b>6,244.56</b>	<b>6,002.20</b>

### 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.

#### As at 31 March 2020

Particulars	Note	Carrying amount			Fair value				
		Financial assets at amortised cost	FVTPL	Other financial liabilities at amortised cost	Total Carrying value	Level 1	Level 2	Level 3	Total
<b>Assets</b>									
<b>Financial assets not measured at fair value*</b>									
Cash and cash equivalents	12	150.80	-	-	150.80	-	-	-	-
Other bank balances	13	26.32	-	-	26.32	-	-	-	-
Trade receivables	11	2,366.44	-	-	2,366.44	-	-	-	-
Loans	7	76.51	-	-	76.51	-	-	-	-
Other financial assets	8	257.68	-	-	257.68	-	-	-	-
<b>Financial assets measured at fair value</b>									
Investments	6	-	11.60	-	11.60	11.60	-	-	11.60
<b>Total</b>		<b>2,877.75</b>	<b>11.60</b>	<b>-</b>	<b>2,889.35</b>	<b>11.60</b>	<b>-</b>	<b>-</b>	<b>11.60</b>

# Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 36 Financial Instruments- Fair values and risk management (Contd..)

### A Accounting classifications and fair values (Contd..)

#### As at 31 March 2020 (Contd..)

Particulars	Note	Carrying amount			Fair value				
		Financial assets at amortised cost	FVTPL	Other financial liabilities at amortised cost	Total Carrying value	Level 1	Level 2	Level 3	Total
<b>Liabilities</b>									
<b>Financial liabilities not measured at fair value*</b>									
Trade payables	19	-	-	1,293.92	1,293.92	-	-	-	-
Borrowings (including current maturities of borrowings)	15	-	-	2,972.42	2,972.42	-	-	-	-
Lease liabilities	41	-	-	2,632.26	2,632.26	-	-	-	-
Other financial liabilities	16	-	-	948.59	948.59	-	-	-	-
<b>Financial liabilities measured at fair value</b>									
Payable to minority shareholders towards acquisitions (note A.1 below)	16	-	22.46	-	22.46	-	-	22.46	22.46
Derivatives (note A.2 below)		-	123.75	-	123.75	-	-	123.75	123.75
<b>Total</b>		-	<b>146.21</b>	<b>7,847.19</b>	<b>7,993.40</b>	-	-	<b>146.21</b>	<b>146.21</b>

#### As at 31 March 2019

Particulars	Note	Carrying amount			Fair value				
		Financial assets at amortised cost	FVTPL	Other financial liabilities at amortised cost	Total Carrying value	Level 1	Level 2	Level 3	Total
<b>Assets</b>									
<b>Financial assets not measured at fair value*</b>									
Cash and cash equivalents	12	227.64	-	-	227.64	-	-	-	-
Other bank balances	13	113.50	-	-	113.50	-	-	-	-
Trade receivables	11	2,028.70	-	-	2,028.70	-	-	-	-
Loans	7	68.61	-	-	68.61	-	-	-	-
Other financial assets	8	204.08	-	-	204.08	-	-	-	-
<b>Financial assets measured at fair value</b>									
Investments	6	-	2.33	-	2.33	2.33	-	-	2.33
<b>Total</b>		<b>2,642.53</b>	<b>2.33</b>	<b>-</b>	<b>2,644.86</b>	<b>2.33</b>	<b>-</b>	<b>-</b>	<b>2.33</b>
<b>Liabilities</b>									
<b>Financial liabilities not measured at fair value*</b>									
Trade payables	19	-	-	1,014.07	1,014.07	-	-	-	-
Borrowings (including current maturities of borrowings)	15	-	-	2,788.44	2,788.44	-	-	-	-
Other financial liabilities	16	-	-	690.95	690.95	-	-	-	-
<b>Financial liabilities measured at fair value</b>									
Payable to minority shareholders towards acquisitions (Note A.1 below)	16	-	20.80	-	20.80	-	-	20.80	20.80
Derivatives (note A.2 below)		-	88.95	-	88.95	-	-	88.95	88.95
<b>Total</b>		<b>-</b>	<b>109.75</b>	<b>4,493.46</b>	<b>4,603.21</b>	<b>-</b>	<b>-</b>	<b>109.75</b>	<b>109.75</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.



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 36 Financial Instruments- Fair values and risk management (Contd..)

#### A Accounting classifications and fair values (Contd..)

**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 INR 22.46 and INR 20.80 as at 31 March 2020 and 31 March 2019 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 Specialty 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. The Company has entered into share subscription and share purchase agreement dated 14 July 2014, with Sri Sainatha Multispeciality Hospitals Private Limited and its promoter group (non-controlling interest). The non-controlling interest has a put option on 19.27% of the non-controlling interests' equity ownership in Sri Sainatha Multispeciality Hospitals Private Limited. The option is exercisable from April 2020 onwards. The put option contains an obligation for the Company to acquire 19.27% 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.

#### 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 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.

#### 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 2020 and 31 March 2019 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	Derivatives put option	Contingent consideration
Balance at 1 April 2018	(86.30)	(19.46)
<b>Gain included in "other non-operating income"</b>		
Net change in fair value (unrealised) (refer note 21)	2.70	-
<b>Gain included in OCI</b>		
Exchange difference in translating financial statements of foreign operations	-	(1.34)
<b>Balance as at 31 March 2019</b>	<b>(83.60)</b>	<b>(20.80)</b>
Balance at 1 April 2019	(83.60)	(20.80)
<b>Gain included in "other non-operating income"</b>		
Net change in fair value (unrealised) (refer note 21)	10.61	-
<b>Gain included in OCI</b>		
Exchange difference in translating financial statements of foreign operations	-	(1.65)
Additions during the year	(3.66)	-
<b>Balance as at 31 March 2020</b>	<b>(76.65)</b>	<b>(22.45)</b>

# Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 36 Financial Instruments- Fair values and risk management (Contd..)

### B Measurement of fair values (Contd..)

#### Level 3 fair values (Contd..)

#### 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.

#### Put option

As at 31 March 2020	31 March 2020	
	Increase	Decrease
Volatility (1% movement)	(2.91) to (0.05)	0.17 to 5.83
EBITDA growth rates (1% movement)	0.19 to 2.93	(2.64) to (0.15)
Risk free rate (1% movement)	(7.75) to (0.20)	0.26 to 8.99

As at 31 March 2019	As at 31 March 2019	
	Increase	Decrease
Volatility (1% movement)	(0.05)	0.06
EBITDA growth rates (1% movement)	1.40	(1.35)
Risk free rate (1% movement)	(3.27)	2.57

### 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 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 2,366.44 crore (31 March 2019: 2,028.70 crore) and unbilled receivables amounting to 46.10 crore (31 March 2019: 23.92 crore). The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows

Allowance for credit loss	As at 31 March 2020	As at 31 March 2019
Balance at the beginning	478.89	329.46
Impairment loss recognised	176.62	188.23
Impairment loss recognised/(reversed)	(19.20)	(59.78)
Exchange difference on allowance for credit loss	46.25	20.98
<b>Balance at the end</b>	<b>682.56</b>	<b>478.89</b>





## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 36 Financial Instruments- Fair values and risk management (Contd..)

#### C Financial risk management (Contd..)

##### ii) Credit risk (Contd..)

No single customer accounted for more than 10% of the revenue as of 31 March 2020 and 31 March 2019. There is no significant concentration of credit risk. 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.

##### 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 along with its unutilised credit facilities are 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 2020.

Particulars	Less than 1 year	More than 1 year	Total
Trade payables	1,293.92	-	1,293.92
Current borrowings	587.16	-	587.16
Non current borrowings (including current maturities)	493.02	1,892.24	2,385.26
Lease liabilities	182.89	2,449.37	2,632.26
Derivatives	3.66	120.09	123.75
Other financial liabilities	947.80	23.25	971.05

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2019:

Particulars	Less than 1 year	More than 1 year	Total
Trade payables	1,014.07	-	1,014.07
Current borrowings	641.85	-	641.85
Non current borrowings (including current maturities)	180.87	1,965.72	2,146.59
Derivatives	-	88.95	88.95
Other financial liabilities	649.14	42.28	691.42

Financial assets carried at amortised cost as at 31 March 2020 is INR 2,877.75 crore and carried at FVTPL is INR 11.60 crore. (31 March 2019: INR 2,642.53 crore and INR 2.33 crore respectively)

Financial assets of INR 222.06 Crore (including restricted deposits of INR 44.94 Crore) as at 31 March 2020 carried at amortised cost is in the form of cash and cash equivalents, deposits, etc. where the Group has assessed the counterparty credit risk. Trade receivables of INR 2,366.44 Crore as at 31 March 2020 carried at amortised cost and is valued considering provision for allowance using expected credit loss method (if any). In addition to the historical pattern of credit loss, we have considered the likelihood of increased credit risk and consequential default considering emerging situations due to COVID-19. This assessment is not based on any mathematical model but an assessment considering the impact immediately seen in the demand outlook and the financial strength of the customers in respect of whom amounts are receivable. The Group has specifically evaluated the potential impact with respect to Healthcare service sector. The Group closely monitors its customers who are being impacted.

##### 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, SAR and USD.

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 36 Financial Instruments- Fair values and risk management (Contd..)

#### C Financial risk management (Contd..)

##### iv) Market risk (Contd..)

##### Foreign currency risk (Contd..)

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 2020	AED	OMR	QAR	SAR	USD	Others
<b>Financial Assets</b>						
Investments	10.22	-	-	-	-	-
Other financial assets (current and non-current)	154.39	0.85	-	23.12	0.57	1.16
Trade Receivables	1,676.38	169.65	166.80	193.26	-	10.23
Cash and Cash Equivalents and Bank balances	71.02	18.11	11.59	14.86	0.03	5.52
<b>Financial Liabilities</b>						
Borrowings (current and non-current)	392.59	72.91	31.32	-	2,036.29	16.32
Trade payables	973.43	44.36	45.86	63.30	-	21.63
Lease liabilities (current and non-current)	1,864.40	278.97	168.02	23.95	-	22.28
Other financial liabilities (current and non-current)	708.84	25.93	20.66	44.49	0.47	5.30

As at 31 March 2019	AED	OMR	QAR	SAR	USD	Others
<b>Financial Assets</b>						
Investments	1.97	-	-	-	-	-
Other financial assets (current and non-current)	141.88	-	0.02	10.55	0.25	1.45
Trade Receivables	1,424.40	156.53	137.09	165.43	-	12.63
Cash and Cash Equivalents and Bank balances	173.73	9.40	6.68	20.55	42.21	6.19
<b>Financial Liabilities</b>						
Borrowings (current and non-current)	349.78	27.43	154.48	-	1,871.71	16.89
Trade payables	725.86	42.21	41.41	40.56	-	22.82
Other financial liabilities (current and non-current)	431.98	16.90	21.03	24.26	3.89	7.70

##### 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:

Nature of transactions	Impact on profit or (loss)		Impact on equity	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
<b>AED Sensitivity</b>				
INR/ AED - Increase by 1%	3.15	3.82	(6.10)	(5.33)
INR/ AED - Decrease by 1%	(3.15)	(3.82)	6.10	5.33
<b>OMR Sensitivity</b>				
INR/ OMR - Increase by 1%	0.12	0.33	0.91	0.80
INR/ OMR - Decrease by 1%	(0.12)	(0.33)	(0.91)	(0.80)



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 36 Financial Instruments- Fair values and risk management (Contd..)

#### C Financial risk management (Contd..)

##### iv) Market risk (Contd..)

##### Sensitivity analysis(Contd..)

Nature of transactions	Impact on profit or (loss)		Impact on equity	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
<b>QAR Sensitivity</b>				
INR/ QAR - Increase by 1%	0.18	0.14	1.30	1.10
INR/ QAR - Decrease by 1%	(0.18)	(0.14)	(1.30)	(1.10)
<b>SAR Sensitivity</b>				
INR/ SAR - Increase by 1%	(0.31)	(0.36)	5.08	5.02
INR/ SAR - Decrease by 1%	0.31	0.36	(5.08)	(5.02)

##### 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:

Particulars	As at 31 March 2020	As at 31 March 2019
<b>Financial liabilities (bank borrowings)</b>		
Variable rate long term borrowings including current maturities	2,295.47	2,130.99
<b>Derivative financial instrument</b>		
Interest rate swap	840.11	902.11

##### (b) Sensitivity

A reasonably possible change of 1 percent change 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.

Nature of transactions	Impact on profit or (loss)		Impact on equity	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
<b>Sensitivity</b>				
1% increase in MCLR rate	(22.95)	(21.31)	(22.95)	(21.31)
1% decrease in MCLR rate	22.95	21.31	22.95	21.31

The interest rate sensitivity is based on the closing balance of secured term loans from banks.

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 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'

Name of the entity	As at / For the year ended 31 March 2020							
	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	78.77%	2,929.11	19.33%	60.83	(0.26%)	(0.38)	13.16%	60.45
<b>Subsidiaries and step down subsidiaries</b>								
<b>India</b>								
Aster DM Healthcare (Trivandrum) Private Limited	(0.19%)	(7.25)	(0.10%)	(0.30)	0.00%	-	(0.07%)	(0.30)
DM Med City Hospitals India Private Limited	1.84%	68.40	0.16%	0.51	0.00%	-	0.11%	0.51
Prerana Hospital Limited	0.88%	32.61	1.68%	5.29	(0.17%)	(0.24)	1.10%	5.05
Ambady Infrastructure Private Limited	1.89%	70.27	(0.06%)	(0.19)	0.00%	-	(0.04%)	(0.19)
Sri Sainatha Multispeciality Hospitals Private Limited	0.85%	31.50	0.24%	0.77	0.01%	0.01	0.17%	0.78
Malabar Institute of Medical Sciences Limited	11.76%	437.42	3.81%	11.98	0.13%	0.19	2.65%	12.17
Dr. Ramesh Cardiac and Multispeciality Hospitals Private Limited	3.13%	116.41	1.43%	4.50	0.03%	0.04	0.99%	4.54
Aster Ramesh Duhita LLP	0.01%	0.23	(0.10%)	(0.31)	0.00%	-	(0.07%)	(0.31)
Sanghamitra Hospitals Private Limited	0.37%	13.81	1.11%	3.50	(0.10%)	(0.15)	0.73%	3.35
Ramesh Fertility Centre LLP	0.03%	1.13	0.16%	0.49	0.00%	-	0.11%	0.49
EMED Human Resources (India) Private Limited	0.01%	0.47	0.00%	-	0.00%	-	0.00%	-
Ezhimala Infrastructure LLP	(0.00%)	(0.02)	(0.01%)	(0.03)	0.00%	-	(0.01%)	(0.03)
Aster Clinical Lab LLP	(0.00%)	(0.14)	(0.36%)	(1.14)	0.00%	-	(0.25%)	(1.14)
<b>Foreign</b>								
Affinity Holdings Private Limited	47.53%	1,767.52	29.07%	91.47	0.00%	-	19.92%	91.47
Aster DM Healthcare FZC	65.98%	2,453.31	128.37%	403.94	4.52%	6.53	89.37%	410.47
Aster Day Surgery Centre LLC	(0.41%)	(15.42)	(0.63%)	(1.98)	0.00%	-	(0.43%)	(1.98)
Al Rafa Medical Centre LLC	(0.13%)	(4.81)	0.03%	0.11	0.00%	-	0.02%	0.11
Asma Pharmacy LLC	0.05%	1.82	0.03%	0.09	0.00%	-	0.02%	0.09
Dar Al Shifa Medical Centre LLC	(0.06%)	(2.11)	(0.62%)	(1.94)	0.00%	-	(0.42%)	(1.94)
DM Healthcare LLC	4.64%	172.70	53.55%	168.49	0.00%	-	36.69%	168.49
DM Pharmacies LLC	0.45%	16.76	0.58%	1.81	0.00%	-	0.39%	1.81
Dr. Moopens Healthcare Management Services LLC	(3.30%)	(122.87)	(20.22%)	(63.62)	0.00%	-	(13.85%)	(63.62)
Aster Primary Care LLC	(0.01%)	(0.24)	0.12%	0.38	0.00%	-	0.08%	0.38
Eurohealth Systems FZ LLC	0.44%	16.38	1.25%	3.92	0.00%	-	0.85%	3.92
Med Shop Drugs Store LLC	2.37%	88.23	0.62%	1.94	0.00%	-	0.42%	1.94
Medcare Hospital LLC	28.25%	1,050.51	68.47%	215.46	0.00%	-	46.91%	215.46
Medshop Garden Pharmacy LLC	0.59%	22.04	1.35%	4.24	0.00%	-	0.92%	4.24
Modern Dar Al Shifa Pharmacy LLC	0.24%	9.01	0.82%	2.58	0.00%	-	0.56%	2.58
Rafa Pharmacy LLC	(0.04%)	(1.57)	0.07%	0.22	0.00%	-	0.05%	0.22
Shindagha Pharmacy LLC	(0.01%)	(0.38)	(0.18%)	(0.58)	0.00%	-	(0.13%)	(0.58)
Union Pharmacy LLC	0.19%	7.17	(0.21%)	(0.67)	0.00%	-	(0.15%)	(0.67)
Aster Pharmacies Group LLC	8.89%	330.71	55.73%	175.35	0.00%	-	38.18%	175.35
Alfa Drug Store LLC	3.80%	141.32	14.76%	46.43	0.00%	-	10.11%	46.43



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 37 Non-controlling interest (Contd..)

Name of the entity	As at / For the year ended 31 March 2020							
	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
Aster Al Shafar Pharmacies Group LLC	0.29%	10.69	0.22%	0.69	0.00%	-	0.15%	0.69
New Aster Pharmacy DMCC	0.20%	7.43	0.56%	1.75	0.00%	-	0.38%	1.75
Symphony Healthcare Management Services LLC	(1.43%)	(53.34)	(8.76%)	(27.55)	0.00%	-	(6.00%)	(27.55)
Zabeel Pharmacy LLC	0.00%	0.03	0.11%	0.34	0.00%	-	0.08%	0.34
Aster Pharmacy LLC, AUH	0.05%	1.91	0.21%	0.65	0.00%	-	0.14%	0.65
Al Shafar Pharmacy LLC, AUH **	(0.03%)	(1.11)	(0.01%)	(0.04)	0.00%	-	(0.01%)	(0.04)
Aster Grace Nursing and Physiotherapy LLC	0.03%	1.02	(0.20%)	(0.64)	0.00%	-	(0.14%)	(0.64)
Aster Medical Centre LLC**	(0.73%)	(27.27)	0.00%	-	0.00%	-	0.00%	-
Aster Opticals LLC	(0.44%)	(16.31)	(1.34%)	(4.21)	0.00%	-	(0.92%)	(4.21)
Al Rafa Investments Limited	(0.03%)	(1.25)	(0.05%)	(0.16)	0.00%	-	(0.04%)	(0.16)
Al Rafa Holdings Limited	(0.01%)	(0.49)	(0.03%)	(0.08)	0.00%	-	(0.02%)	(0.08)
Harley Street LLC	0.01%	0.19	(0.00%)	(0.00)	0.00%	-	(0.00%)	(0.00)
Harley Street Pharmacy LLC	(0.02%)	(0.62)	0.15%	0.48	0.00%	-	0.11%	0.48
Harley Street Medical Centre LLC	1.03%	38.14	2.26%	7.11	0.00%	-	1.55%	7.11
Al Raffah Hospital LLC	2.22%	82.42	4.64%	14.60	0.00%	-	3.18%	14.60
Al Raffah Medical Centre LLC	(0.76%)	(28.27)	(2.14%)	(6.74)	0.00%	-	(1.47%)	(6.74)
Dr. Moopen's Healthcare Management Services WLL	5.72%	212.63	3.63%	11.42	1.01%	1.46	2.80%	12.88
Welcare Polyclinic W.L.L	(0.06%)	(2.21)	0.23%	0.73	0.00%	-	0.16%	0.73
Dr. Moopens Aster Hospital WLL	(2.16%)	(80.36)	1.81%	5.68	0.00%	-	1.24%	5.68
Sanad Al Rahma for Medical Care LLC	13.67%	508.39	(9.78%)	(30.77)	(0.80%)	(1.16)	(6.95%)	(31.93)
Aster Kuwait Pharmaceuticals and Medical Equipment Company W.L.L	0.10%	3.75	9.76%	30.72	0.00%	-	6.69%	30.72
Orange Pharmacies LLC	(0.74%)	(27.58)	(0.57%)	(1.79)	0.00%	-	(0.39%)	(1.79)
Aster DM Healthcare SPC	(1.58%)	(58.71)	(2.92%)	(9.20)	0.00%	-	(2.00%)	(9.20)
Aster DM Healthcare INC	0.01%	0.56	6.29%	19.81	0.00%	-	4.31%	19.81
Al Raffah Pharmacies Group LLC	0.09%	3.36	0.12%	0.39	0.00%	-	0.08%	0.39
Harley Street Dental LLC	(0.11%)	(3.94)	(0.21%)	(0.66)	0.00%	-	(0.14%)	(0.66)
Aster DCC Pharmacy LLC	(0.16%)	(5.80)	(0.81%)	(2.56)	0.00%	-	(0.56%)	(2.56)
Noor Al Shefa Clinic LLC	0.26%	9.75	0.82%	2.57	0.00%	-	0.56%	2.57
Zahrath Al Shefa Medical Center LLC	0.01%	0.34	0.07%	0.22	0.00%	-	0.05%	0.22
Zahrath Al Shefa Pharmacy LLC	0.08%	2.95	0.23%	0.73	0.00%	-	0.16%	0.73
Samary Pharmacy LLC	0.28%	10.50	0.74%	2.33	0.00%	-	0.51%	2.33
E-Care International Medical Billing Services Co. LLC	0.36%	13.23	2.21%	6.95	0.00%	-	1.51%	6.95
Metro Meds Pharmacy L.L.C	0.12%	4.32	0.53%	1.68	0.00%	-	0.37%	1.68
Metro Medical Center L.L.C	0.11%	3.97	0.27%	0.83	0.00%	-	0.18%	0.83
Aster Hospital Sonapur L.L.C	0.02%	0.61	0.00%	-	0.00%	-	0.00%	-
Oman Al Khair Hospital L.L.C	0.27%	10.04	(0.93%)	(2.92)	0.00%	-	(0.64%)	(2.92)
Radiant Healthcare L.L.C	0.74%	27.69	(2.06%)	(6.47)	0.00%	-	(1.41%)	(6.47)

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 37 Non-controlling interest (Contd..)

Name of the entity	As at / For the year ended 31 March 2020							
	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
Alfa Investments Limited #	0.00%	0.05	(0.08%)	(0.27)	0.00%	-	(0.06%)	(0.27)
Active Holdings Limited	0.00%	0.12	(0.06%)	(0.20)	0.00%	-	(0.04%)	(0.20)
Grand Optics LLC	(2.40%)	(89.07)	(0.36%)	(1.14)	0.00%	-	(0.25%)	(1.14)
Premium Healthcare Limited	0.06%	2.30	0.30%	0.94	0.00%	-	0.21%	0.94
Wahat AI Aman Home Healthcare LLC	0.70%	26.15	2.78%	8.74	0.00%	-	1.90%	8.74
Alfaone-FZ LLC	0.01%	0.20	0.00%	-	0.00%	-	0.00%	-
		<b>10,210.41</b>		<b>1,157.53</b>		<b>6.30</b>		<b>1,163.83</b>
Associates (Investment as per equity method) (Refer note 40)	0.61%	22.75	(0.06%)	(0.19)	0.00%	-	(0.04%)	(0.19)
Adjustment arising out of consolidation	(187.20%)	(6,961.02)	(279.90%)	(880.73)	84.72%	122.51	(165.09%)	(758.22)
Non controlling interest in subsidiaries	12.00%	446.37	12.09%	38.05	10.93%	15.80	11.73%	53.85
<b>Consolidated net assets/ Profit after tax</b>	<b>100.00%</b>	<b>3,718.51</b>	<b>100.00%</b>	<b>314.66</b>	<b>100.00%</b>	<b>144.61</b>	<b>100.00%</b>	<b>459.27</b>

The following table summarises the financial information relating to subsidiaries which have material non-controlling interest:

#### (i) Malabar Institute of Medical Sciences Limited

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current assets	718.87	664.18
Current assets	103.73	70.70
Non-current liabilities	(227.06)	(194.80)
Current liabilities	(158.12)	(114.23)
<b>Net assets</b>	<b>437.42</b>	<b>425.85</b>
<b>NCI</b>	<b>25.86%</b>	<b>27.32%</b>
<b>Carrying amount of non-controlling interests</b>	<b>113.12</b>	<b>116.34</b>

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	484.17	345.47
Profit for the year	11.98	6.06
Other comprehensive income/ (loss) for the year	0.19	(0.31)
<b>Total comprehensive income for the year</b>	<b>12.17</b>	<b>5.75</b>
<b>Attributable to non-controlling interest</b>		
Profit for the year	3.10	1.66
Other comprehensive income/ (loss) for the year	0.05	(0.09)
<b>Cash flows from/ (used in) :</b>		
Operating activities	57.58	23.04
Investing activities	(66.86)	(98.15)
Financing activities	10.83	89.13
<b>Net increase in cash and cash equivalents</b>	<b>1.55</b>	<b>14.02</b>



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 37 Non-controlling interest (Contd..)

#### (ii) Dr. Ramesh Cardiac and Multispeciality Hospitals Private Limited

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current assets	187.13	157.12
Current assets	52.73	41.28
Non-current liabilities	(78.80)	(40.32)
Current liabilities	(44.65)	(38.71)
<b>Net assets</b>	<b>116.41</b>	<b>119.37</b>
<b>NCI</b>	<b>49%</b>	<b>49%</b>
<b>Carrying amount of non-controlling interests</b>	<b>57.04</b>	<b>58.49</b>

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	214.38	208.42
Profit for the year	4.50	6.73
Other comprehensive income/(loss) for the year	0.04	(0.31)
<b>Total comprehensive income for the year</b>	<b>4.54</b>	<b>6.42</b>
<b>Attributable to non-controlling interest</b>		
Profit for the year	2.21	3.30
Other comprehensive income/(loss) for the year	0.02	(0.15)
<b>Cash flows from:</b>		
Operating activities	27.75	12.99
Investing activities	(15.23)	(11.01)
Financing activities	(7.98)	(4.74)
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>4.54</b>	<b>(2.76)</b>

#### (iii) Medicare Hospital LLC

Particulars	As at 31 March 2020	As at 31 March 2019
Non-current assets	1,136.14	445.50
Current assets	1,195.65	905.28
Non-current liabilities	(848.19)	(83.13)
Current liabilities	(433.09)	(372.09)
<b>Net assets</b>	<b>1,050.51</b>	<b>895.56</b>
<b>NCI</b>	<b>15%</b>	<b>20%</b>
<b>Carrying amount of non-controlling interests</b>	<b>157.58</b>	<b>179.11</b>

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue from operations	1,741.52	1,633.00
Profit for the year	215.46	174.01
<b>Total comprehensive income for the year</b>	<b>215.46</b>	<b>174.01</b>
<b>Attributable to non-controlling interest</b>		
Profit for the year	32.32	34.80
<b>Cash flows from/ (used in) :</b>		
Operating activities	440.64	130.35
Investing activities	(23.26)	(13.56)
Financing activities	(375.49)	(92.98)
<b>Net increase in cash and cash equivalents</b>	<b>41.89</b>	<b>23.81</b>

# Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 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:

SI No	Particulars	Country of incorporation	Ownership interest held by Group			
			31 March 2020		31 March 2019	
			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	87%	87%	85%	85%
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	77%	77%	58%	58%
7	Malabar Institute of Medical Sciences Limited	India	74%	74%	73%	73%
8	Dr. Ramesh Cardiac and Multispecialty Hospitals Private Limited	India	51%	51%	51%	51%
9	Aster Clinical Lab LLP	India	100%	100%	NA	NA
<b>Step down subsidiaries</b>						
10	Aster Ramesh Duhita LLP	India	51%	51%	51%	51%
11	Sanghamitra Hospitals Private Limited	India	51%	51%	51%	51%
12	Ramesh Fertility Centre LLP	India	50%	50%	50%	50%
13	EMED Human Resources (India) Private Limited, India (from 5 March 2020)	India	100%	100%	NA	NA
14	Ezhimala Infrastructure LLP	India	100%	40%	NA	NA
15	Aster DM Healthcare FZC	UAE	100%	100%	100%	100%
16	Aster Day Surgery Centre LLC	UAE	82%	49%	82%	49%
17	Al Rafa Medical Centre LLC	UAE	51%	40%	51%	40%
18	Asma Pharmacy LLC	UAE	50%	49%	50%	49%
19	Dar Al Shifa Medical Centre LLC	UAE	51%	40%	51%	40%
20	DM Healthcare LLC	UAE	100%	100%	100%	49%
21	DM Pharmacies LLC	UAE	100%	49%	100%	49%
22	Dr. Moopens Healthcare Management Services LLC	UAE	100%	49%	100%	49%
23	Aster Primary Care LLC	UAE	71%	40%	71%	40%
24	Eurohealth Systems FZ LLC	UAE	100%	95%	100%	95%
25	Med Shop Drugs Store LLC	UAE	100%	49%	100%	49%
26	Medcare Hospital LLC	UAE	85%	30%	80%	30%
27	Medshop Garden Pharmacy LLC	UAE	100%	49%	100%	49%
28	Modern Dar Al Shifa Pharmacy LLC	UAE	51%	40%	51%	40%
29	Rafa Pharmacy LLC	UAE	100%	49%	100%	49%
30	Shindagha Pharmacy LLC	UAE	90%	49%	90%	49%
31	Union Pharmacy LLC	UAE	75%	37%	75%	37%
32	Aster Pharmacies Group LLC	UAE	100%	49%	100%	49%
33	Alfa Drug Store LLC	UAE	100%	49%	100%	49%
34	Aster Al Shafar Pharmacies Group LLC	UAE	51%	49%	51%	49%
35	New Aster Pharmacy DMCC	UAE	100%	100%	100%	100%
36	Symphony Healthcare Management Services LLC	UAE	100%	0%	100%	0%
37	Zabeel Pharmacy LLC	UAE	51%	49%	51%	49%
38	Aster Pharmacy LLC, AUH	UAE	100%	49%	100%	49%
39	Al Shafar Pharmacy LLC, AUH **	UAE	51%	49%	51%	49%
40	Aster Grace Nursing and Physiotherapy LLC	UAE	60%	29%	60%	29%
41	Aster Medical Centre LLC**	UAE	90%	39%	90%	39%
42	Aster Opticals LLC	UAE	60%	49%	60%	49%
43	Al Rafa Investments Limited	UAE	100%	0%	100%	0%
44	Al Rafa Holdings Limited	UAE	100%	0%	100%	0%
45	Harley Street LLC	UAE	60%	9%	60%	9%
46	Harley Street Pharmacy LLC	UAE	60%	9%	60%	9%
47	Harley Street Medical Centre LLC	UAE	60%	9%	60%	9%





## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 38 Group information (Contd..)

#### Subsidiaries, step-down subsidiaries and associates of the parent company (Contd..)

##### (a) Subsidiaries and step-down subsidiaries (Contd..)

The consolidated Ind AS financial statements of the Group includes subsidiaries listed in the table below: (Contd..)

SI No	Particulars	Country of incorporation	Ownership interest held by Group			
			31 March 2020		31 March 2019	
			Beneficial	Legal *	Beneficial	Legal *
48	Al Raffah Hospital LLC	Oman	100%	70%	100%	70%
49	Al Raffah Medical Centre LLC	Oman	100%	70%	100%	70%
50	Dr. Moopen's Healthcare Management Services WLL	Qatar	99%	49%	99%	49%
51	Welcare Polyclinic W.L.L	Qatar	50%	45%	50%	45%
52	Dr. Moopen's Aster Hospital WLL	Qatar	99%	49%	99%	49%
53	Sanad Al Rahma for Medical Care LLC	Kingdom of Saudi Arabia	97%	97%	97%	97%
54	Aster Kuwait Pharmaceuticals and Medical Equipment Company W.L.L**	Kuwait	54%	2%	54%	2%
55	Orange Pharmacies LLC	Jordan	51%	0%	51%	0%
56	Aster DM Healthcare SPC	Bahrain	100%	100%	100%	100%
57	Aster DM Healthcare INC**	Philippines	90%	90%	90%	90%
58	Al Raffah Pharmacies Group LLC	Oman	100%	70%	100%	70%
59	Harley Street Dental LLC	UAE	38%	74%	38%	74%
60	Aster DCC Pharmacy LLC	UAE	70%	70%	70%	70%
61	Noor Al Shefa Clinic LLC	UAE	70%	70%	70%	70%
62	Zahrath Al Shefa Medical Center LLC	UAE	70%	70%	70%	70%
63	Zahrath Al Shefa Pharmacy LLC	UAE	70%	70%	70%	70%
64	Samary Pharmacy LLC	UAE	70%	70%	70%	70%
65	E-Care International Medical Billing Services Co. LLC	UAE	80%	51%	80%	51%
66	Metro Meds Pharmacy L.L.C	UAE	66%	66%	66%	66%
67	Metro Medical Center L.L.C	UAE	66%	66%	66%	66%
68	Aster Hospital Sonapur L.L.C	UAE	90%	90%	90%	90%
69	Oman Al Khair Hospital L.L.C	Oman	60%	42%	60%	42%
70	Radiant Healthcare L.L.C	UAE	76%	76%	76%	76%
71	Alfa Investments Limited #	UAE	0%	0%	0%	0%
72	Active Holdings Limited	UAE	0%	99%	0%	99%
73	Ibn Alhaitham Pharmacy LLC ***	UAE	NA	NA	100%	49%
74	Maryam Pharmacy LLC ***	UAE	NA	NA	100%	0%
75	Grand Optics LLC	UAE	85%	85%	NA	NA
76	Premium Healthcare Limited	UAE	80%	80%	NA	NA
77	Wahat Al Aman Home Healthcare LLC	UAE	100%	49%	NA	NA
78	Alfaone-FZ LLC	UAE	100%	100%	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.

\*\*\* represents subsidiaries which are wound-up during the current year.

# Although the percentage of voting rights as a result of legal holding by the Group is Nil, the Group has the power to appoint/replace all members of the Board of Directors. Consequently Group has control over the entity.

# Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 38 Group information (Contd..)

### Subsidiaries, step-down subsidiaries and associates of the parent company (Contd..)

#### (b) Associates

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

SI No	Particulars	Country of incorporation	Ownership interest held by Group			
			31 March 2020		31 March 2019	
			Beneficial	Legal *	Beneficial	Legal *
1	MIMS Infrastructure and Properties Private Limited	India	36%	36%	35%	35%
2	EMED Human Resources (India) Private Limited, India (till 5 March 2020)	India	NA	NA	33%	33%
3	Aries Holdings FZC	UAE	25%	25%	25%	25%
4	AAQ Healthcare Investments LLC	UAE	33%	33%	33%	33%
5	Al Mutamaizah Medicare Healthcare Investment Co. LLC	UAE	49%	49%	49%	49%

The principal place of business of all the entities listed above is the same as their respective countries of incorporation.

## 39 Acquisition of Subsidiaries and Non-Controlling Interests (NCI)

### Acquisition of subsidiary

#### i) Acquisition of Grand Optics LLC

On 23 April 2019, the Group entered into a Share Purchase Agreement to acquire 85% shares in Grand Optics LLC. Grand Optics LLC is engaged in the business of retail optical outlets. Upon transfer of control, the Group owns economic and beneficial interest in 85% of the net worth and profit / (loss) of Grand Optics LLC. The acquisition is expected to provide the Group with an increased share of retail optical business through access to Grand Optics LLC'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	INR (in Crore)
Total consideration	26.43

#### B Identifiable assets acquired and liabilities assumed

Particulars	INR (in Crore)
<b>Property, plant and equipment</b>	3.61
Intangible assets including trade name and favourable lease	32.32
Other assets	42.56
Cash and cash equivalent	0.80
<b>Total assets</b>	<b>79.29</b>
Other liabilities	(132.43)
<b>Total liabilities</b>	<b>(132.43)</b>
<b>Net identifiable assets acquired</b>	<b>(53.14)</b>



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 39 Acquisition of Subsidiaries and Non-Controlling Interests (NCI) (Contd..)

#### i) Acquisition of Grand Optics LLC (Contd..)

##### C Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	INR (in Crore)
Consideration transferred	26.43
Fair value of non controlling interest	4.08
Fair value of net identifiable assets acquired	53.14
<b>Goodwill</b>	<b>83.65</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.
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.
Favorable Leases	A leasehold agreement conveys the rights of a tenant to use and occupy a landlord's space for a stated term under certain conditions through a lease. The value of the agreement is generally determined by the terms of the agreement -- specifically, the actual rental rate relative to fair market rental rates. In case the actual rental rate is lower than fair market rental rates, this is an asset, otherwise this will be a liability for the Lessee.

#### ii) Acquisition of Premium Healthcare Limited ("The Clinic")

On 5 December 2019, the Group acquired 80% of the issued share capital of Premium Healthcare Limited. Premium Healthcare Limited owns and operates a clinic in the Dubai International Financial Centre under the trade name "The Clinic", which is engaged in providing dental care services. Upon transfer of control, the Group owns economic and beneficial interest in 80% of the net worth and profit / (loss) of Premium Healthcare Limited.

##### A Consideration transferred

The following table summarises the acquisition date fair value of consideration transferred:

Particulars	INR (in Crore)
Total consideration	16.78

# Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 39 Acquisition of Subsidiaries and Non-Controlling Interests (NCI) (Contd..)

### ii) Acquisition of Premium Healthcare Limited ("The Clinic") (Contd..)

#### B Identifiable assets acquired and liabilities assumed

Particulars	INR (in Crore)
<b>Property, plant and equipment</b>	0.39
Intangible assets including Trade Name	5.02
Other assets	1.54
<b>Total assets</b>	<b>6.95</b>
Other liabilities	(0.59)
<b>Total liabilities</b>	<b>(0.59)</b>
<b>Net identifiable assets acquired</b>	<b>6.36</b>

#### C Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	INR (in Crore)
Consideration transferred / transferable	16.78
Fair value of non controlling interest	4.82
Fair value of net identifiable assets acquired	(6.36)
<b>Goodwill</b>	<b>15.24</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.
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.

### iii) Acquisition of Wahat AI Aman Home Healthcare LLC ("Entity").

On 31 December 2019, the Group acquired 100 per cent. of the issued share capital of Wahat AI Aman Home Health Care LLC (Wahat). Wahat is engaged in providing skilled home healthcare services, diabetes management services and intermittent services. The acquisition of Wahat is expected to provide the Group with an increased share of medical and healthcare sector through access to the Entity's customer base and market share.



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 39 Acquisition of Subsidiaries and Non-Controlling Interests (NCI) (Contd..)

#### iii) Acquisition of Wahat AI Aman Home Healthcare LLC ("Entity") (Contd..)

##### A Consideration

The following table summarises the acquisition date fair value of consideration transferred/ transferable:

Particulars	INR (in Crore)
Total consideration	191.37

##### B Identifiable assets acquired and liabilities assumed

Particulars	INR (in Crore)
<b>Property, plant and equipment</b>	0.96
Intangible assets including material contract with Daman and trade name	96.46
Other assets	25.85
Cash and cash equivalent	0.58
<b>Total assets</b>	<b>123.85</b>
Other liabilities	(11.38)
<b>Total liabilities</b>	<b>(11.38)</b>
<b>Net identifiable assets acquired</b>	<b>112.47</b>

##### C Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	INR (in Crore)
Consideration transferred / transferable	191.37
Fair value of identifiable assets acquired	(112.47)
<b>Goodwill</b>	<b>78.90</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.
Material contract with Daman	We have valued Customer Relationships using a variant of Income Approach – Multi-Period Excess Earnings Method ("MPEEM"). In MPEEM, value is estimated as the present value of the benefits anticipated from ownership of such intangible assets 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 a 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 (Contd..)

(All amounts in Indian rupee crores)

### 39 Acquisition of Subsidiaries and Non-Controlling Interests (NCI) (Contd..)

#### iv) Acquisition of Noor Al Shefa Group

On 19 April 2018, the Group entered into a Share Purchase Agreement to acquire 70 % voting shares in Noor Al Shefa Clinic LLC, Zahrath Al Shefa Medical Center LLC, Zahrath Al Shefa Pharmacy LLC and Samary Pharmacy LLC ("Noor Al Shefa Group"). Noor Al Shefa Group is engaged in the business of running clinics, pharmacy and other healthcare services. Upon transfer of control, the Group owns economic and beneficial interest in 70% of the net worth and profit/(loss) of the Noor Al Shefa Group. The acquisition is expected to provide the Group with an increased share of medical and healthcare sector through access to the Noor Al Shefa Group'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	INR (in Crore)
Total consideration	36.27

#### B Identifiable assets acquired and liabilities assumed

Particulars	INR (in Crore)
<b>Property, plant and equipment</b>	2.66
Intangible assets including payor relationships and trade name	15.19
Other assets	11.29
Cash and cash equivalent	2.28
<b>Total assets</b>	<b>31.42</b>
Other liabilities	(9.50)
<b>Total liabilities</b>	<b>(9.50)</b>
<b>Net identifiable assets acquired</b>	<b>21.92</b>

#### C Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	INR (in Crore)
Consideration transferred	36.27
Fair value of non controlling interest	13.10
Fair value of net identifiable assets acquired	(21.92)
<b>Goodwill</b>	<b>27.45</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.



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 39 Acquisition of Subsidiaries and Non-Controlling Interests (NCI) (Contd..)

#### iv) Acquisition of Noor Al Shefa Group (Contd..)

##### C Goodwill (Contd..)

##### Measurement of fair values

Assets acquired	Valuation technique
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.

#### v) Acquisition of E-Care International Medical Billing Services Co LLC ("Entity").

On 11 June 2018, the Group entered into a Trust and Sponsorship Agreement to acquire 80% beneficial interest based on a share purchase agreement in E-Care International Medical Billing Services Co LLC. E-Care International Medical Billing Services Co LLC is engaged in providing healthcare related services. Upon transfer of control, the Group owns economic and beneficial interest in 80% of the net worth and profit/(loss) of the entity. The Group also expects to reduce costs through economies of scale.

##### A Consideration

The following table summarises the acquisition date fair value of consideration transferred:

Particulars	INR (in Crore)
Total consideration	11.39

##### B Identifiable assets acquired and liabilities assumed

Particulars	INR (in Crore)
<b>Property, plant and equipment</b>	0.69
Intangible assets including license	1.67
Other assets	5.04
Total assets	7.40
<b>Provision for terminal benefits</b>	<b>(0.13)</b>
Other liabilities	(0.78)
<b>Total liabilities</b>	<b>(0.91)</b>
<b>Net identifiable assets acquired</b>	<b>6.49</b>

# Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 39 Acquisition of Subsidiaries and Non-Controlling Interests (NCI) (Contd..)

### v) Acquisition of E-Care International Medical Billing Services Co LLC ("Entity"). (Contd..)

#### C Goodwill

Particulars	INR (in Crore)
Consideration transferred	11.39
Fair value of non controlling interest	1.40
Fair value of net identifiable assets acquired	(6.49)
<b>Goodwill</b>	<b>6.30</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.
License	License is an integral part of this business and it is a prerequisite for a third-party administrator. License can be obtained by incurring time and costs; however, level of difficulty in obtaining such license and permits are high. An estimate of market price of the license will capture the appropriate value of cost, time and effort involved in obtaining a license. Therefore, license has been valued based on Cost approach by estimating market price at which it can be acquired.

### vi) Acquisition of Metro Medical Center L.L.C & Metro Meds Pharmacy L.L.C ("Metro Group").

On 15 October 2018, the Group entered into a Share Purchase Agreement to acquire 66 % voting shares in Metro Medical Centre L.L.C & Metro Meds Pharmacy L.L.C giving it control over the Metro Group. Metro 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 66% of the net worth and profit/(loss) of the Metro Group. The acquisition is expected to provide the Group with an increased share of medical and healthcare sector through access to the Metro Group's customer base and market share. The Group also expects to reduce costs through economies of scale.

#### A Consideration

The following table summarises the acquisition date fair value of consideration transferred:

Particulars	INR (in Crore)
Total consideration	24.60

#### B Identifiable assets acquired and liabilities assumed

Particulars	INR (in Crore)
<b>Property, plant and equipment</b>	2.66
Intangible assets including payor relationships	8.17
Other assets	10.37
Cash and cash equivalent	0.76
<b>Total assets</b>	<b>21.96</b>
Other liabilities	(11.77)
<b>Total liabilities</b>	<b>(11.77)</b>
<b>Net identifiable assets acquired</b>	<b>10.19</b>





## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 39 Acquisition of Subsidiaries and Non-Controlling Interests (NCI) (Contd..)

#### vi) Acquisition of Metro Medical Center L.L.C & Metro Meds Pharmacy L.L.C ("Metro Group").. (Contd..)

##### C Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	INR (in Crore)
Consideration transferred / transferable	24.60
Fair value of non controlling interest	10.44
Fair value of net identifiable assets acquired	(10.19)
<b>Goodwill</b>	<b>24.85</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.

#### vii) Acquisition of Oman Al Khair Hospital L.L.C ("Entity").

On 10 December 2018, the Group entered into a Share Purchase Agreement to acquire 60 % beneficial interest in Oman Al Khair Hospital L.L.C. Upon transfer of control, the Group owns economic and beneficial interest in 60% of the net worth and profit/(loss) of the Entity. The acquisition is expected to provide the Group with an increased share of medical and healthcare sector through access to the Entity's customer base and market share. The Group also expects to reduce costs through economies of scale.

##### A Consideration

The following table summarises the acquisition date fair value of consideration transferred:

Particulars	INR (in Crore)
Total consideration	19.05

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 39 Acquisition of Subsidiaries and Non-Controlling Interests (NCI) (Contd..)

#### vii) Acquisition of Oman Al Khair Hospital L.L.C ("Entity") (Contd..)

##### B Identifiable assets acquired and liabilities assumed

Particulars	INR (in Crore)
<b>Property, plant and equipment</b>	12.01
Intangible assets including payor relationships	2.04
Other assets	4.64
Cash and cash equivalent	0.88
<b>Total assets</b>	<b>19.57</b>
Other liabilities	(4.95)
<b>Total liabilities</b>	<b>(4.95)</b>
<b>Net identifiable assets acquired</b>	<b>14.62</b>

##### C Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	INR (in Crore)
Consideration transferred / transferable	19.05
Fair value of non controlling interest	11.20
Fair value of identifiable assets acquired	(14.62)
<b>Goodwill</b>	<b>15.63</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.



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 39 Acquisition of Subsidiaries and Non-Controlling Interests (NCI) (Contd..)

#### viii) Acquisition of Radiant Healthcare L.L.C

On 12 February 2019, the Group entered into a Share Purchase Agreement to acquire 76 % voting shares in Radiant Healthcare LLC. Radiant Healthcare LLC is engaged in the business of running Hospitals and other healthcare services. Upon transfer of control, the Group owns economic and beneficial interest in 76% of the net worth and profit/(loss) of the Radiant Healthcare LLC. 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

The following table summarises the acquisition date fair value of consideration transferred:

Particulars	INR (in Crore)
Total consideration	57.73

#### B Identifiable assets acquired and liabilities assumed

Particulars	INR (in Crore)
<b>Property, plant and equipment</b>	33.23
Intangible assets including favorable lease	35.89
Other assets	0.40
<b>Total assets</b>	<b>69.52</b>
Other liabilities	-
<b>Total liabilities</b>	<b>-</b>
<b>Net identifiable assets acquired</b>	<b>69.52</b>

#### C Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	INR (in Crore)
Consideration transferred / transferable	57.73
Fair value of non controlling interest	14.24
Fair value of net identifiable assets	(69.52)
<b>Goodwill</b>	<b>2.45</b>

#### ix) Acquisition of Sanghamitra Hospitals Private Limited

On 1 April 2018, the Group entered into a Share Purchase Agreement to acquire 51 % voting shares in Sanghamitra Hospital Private Limited. Sanghamitra Hospital Private Limited is engaged in the business of running Hospitals and other healthcare services. Upon transfer of control, the Group owns economic and beneficial interest in 51% of the net worth and profit/(loss) of the Sanghamitra Hospital Private Limited. 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

The following table summarises the acquisition date fair value of consideration transferred:

Particulars	INR (in Crore)
Total consideration	29.08

# Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 39 Acquisition of Subsidiaries and Non-Controlling Interests (NCI) (Contd..)

### ix) Acquisition of Sanghamitra Hospitals Private Limited (Contd..)

#### B Identifiable assets acquired and liabilities assumed

Particulars	INR (in Crore)
<b>Property, plant and equipment</b>	26.53
Intangible assets including payor relationships and trade name	5.40
Other assets	6.77
Cash and cash equivalent	0.76
<b>Total assets</b>	<b>39.46</b>
Other liabilities	(19.69)
<b>Total liabilities</b>	<b>(19.69)</b>
<b>Net identifiable assets acquired</b>	<b>19.77</b>

#### C Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	INR (in Crore)
Consideration transferred / transferable	29.08
Fair value of non controlling interest	13.03
Fair value of identifiable assets acquired	(19.77)
<b>Goodwill</b>	<b>22.34</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.



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 39 Acquisition of Subsidiaries and Non-Controlling Interests (NCI) (Contd..)

#### x) Acquisition of Non-controlling interest (NCI) – Medcare Hospital LLC

On 17 September 2019, the Group had acquired an additional 5% stake in Medcare Hospital LLC for a consideration of INR 106.10 crore, thereby increasing the Group's stake from 80% as at 31 March 2019 to 85% as at 31 March 2020. Accordingly, the Group has recognised a decrease in NCI of INR 42.24 crore and corresponding increase in accumulated losses of INR 63.86 crore.

#### xi) Acquisition of Non-controlling interest (NCI) – Malabar Institute of Medical Sciences Limited

In September 2019, the Group had acquired an additional stake of 0.92% in Malabar Institute of Medical Sciences Limited for a consideration of INR 3.69 crore, thereby increasing the Company's stake from 73.22% as at 31 March 2019 to 74.14% as at 31 March 2020. Accordingly, the Group has recognised a decrease in NCI of INR 3.99 crore and corresponding decrease in accumulated losses of INR 0.31 crore.

#### xii) Acquisition of Non-controlling interest (NCI) – Prerana Hospital Limited

In November 2019, the Group had acquired an additional stake of 2.06% in Prerana Hospital Limited for a consideration of INR 1.29 crore, thereby increasing the Company's stake from 84.93% as at 31 March 2019 to 86.99% as at 31 March 2020. Accordingly, the Group has recognised a decrease in NCI of INR 0.64 crore and corresponding increase in accumulated losses of INR 0.65 crore.

#### xiii) Acquisition of Non-controlling interest (NCI) – Sri Sainatha Multispeciality Hospitals Private Limited

During the year, the Company has acquired an additional stake of 19.27% in Sri Sainatha Multispeciality Hospitals Private Limited for a consideration of INR 12.41 crore, thereby increasing the Company's stake from 58.05% as at 31 March 2019 to 77.32% as at 31 March 2020. Accordingly, the Group has recognised a decrease in NCI of INR 5.97 crore and corresponding increase in accumulated losses of INR 6.44 crore.

#### xiv) Subscription to rights issue of Malabar Institute of Medical Science Limited, India ('MIMS')

During the year ended 31 March 2019, the Company subscribed to rights issue of Malabar Institute of Medical Science Limited for INR 44.79 crore in cash, increasing its ownership interest from 70.68% to 73.22%. The Group consequently recognised a increase in NCI of INR 2.37 crore. Excess of investments over net assets acquired amounting to INR 1.75 crores have been debited to retained earnings.

#### xv) Conversion of Prerana Compulsory convertible preference shares ( Prerana CCPS)

During the year ended 31 March 2019, the Company's investment in Prerana CCPS got converted to equity, increasing its ownership interest from 80.80% to 84.93%. The Group consequently recognised a increase in NCI of INR 1.92 crore. Excess of investments over net assets acquired amounting to INR 1.92 crores have been debited to retained earnings.

### 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.

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 40 Investment in equity accounted investees (Contd..)

Particulars	Country	Legal and beneficial holding	Share of profits/ (losses)		Investment	
			Year ended 31 March 2020	Year ended 31 March 2019	As at 31 March 2020	As at 31 March 2019
AAQ Healthcare Investments LLC	UAE	33%	1.40	5.96	6.99	5.59
Aries Holdings FZC	UAE	25%	1.74	0.40	5.64	3.90
Al Mutamaizah Medcare Healthcare Investment Co. LLC	UAE	49%	(3.46)	(6.79)	-	0.18
EMED Human Resources (India) Private Limited	India	33%	-	0.06	-	0.12
MIMS Infrastructure and Properties Private Limited	India	36%	0.13	0.12	10.12	9.99
<b>Total</b>			<b>(0.19)</b>	<b>(0.25)</b>	<b>22.75</b>	<b>19.78</b>

Summarised financial information :

#### (i) MIMS Infrastructure and Properties Private Limited

The Group has a 36% 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	As at 31 March 2020	As at 31 March 2019
Non-current assets	24.50	25.11
Current assets	2.87	2.14
Non-current liabilities	(1.72)	(2.08)
Current liabilities	(1.15)	(0.83)
<b>Net assets</b>	<b>24.50</b>	<b>24.34</b>
Ownership held by the group	36%	35%
<b>Group's share of net assets</b>	<b>8.90</b>	<b>8.52</b>

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue	1.43	1.14
Profit before tax	0.48	0.48
Income tax	(0.12)	(0.13)
Profit after tax	0.35	0.35
<b>Total comprehensive income</b>	<b>0.35</b>	<b>0.35</b>
Ownership held by the group	36%	35%
<b>Group's share of total comprehensive income</b>	<b>0.13</b>	<b>0.12</b>



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 40 Investment in equity accounted investees (Contd..)

#### (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	As at 31 March 2020	As at 31 March 2019
Non-current assets	370.88	339.68
Current assets	23.09	28.80
Non-current liabilities	(115.20)	(143.05)
Current liabilities	(273.25)	(213.90)
<b>Net assets</b>	<b>5.52</b>	<b>11.53</b>
<b>Group's share of net assets</b>	<b>(2.41)</b>	<b>3.91</b>

Particulars	Year ended 31 March 2020	Year ended 31 March 2019
Revenue	50.54	53.87
Profit before tax	3.89	6.06
Income tax	-	(0.06)
Profit after tax	3.89	6.00
<b>Total comprehensive income</b>	<b>3.89</b>	<b>6.00</b>
<b>Group's share of total comprehensive income</b>	<b>(0.32)</b>	<b>(0.37)</b>

### 41 Leases

The Group has taken hospital premises on lease from various parties from where healthcare, clinical and management services are rendered. The leases typically run for a period of 2 years - 24 years. Lease payments are renegotiated nearing the expiry to reflect market rentals.

As a lessee, the Group previously classified leases as operating or finance leases based on its assessment of whether the lease transferred substantially all the risks and rewards of ownership. Under Ind AS 116, the Group recognises right-of-use assets and lease liabilities – i.e. these leases are recorded on the balance sheet.

On transition to Ind AS 116, the Group recognised INR 2,090.36 crore of right-of-use assets and INR 2,323.56 crore of lease liabilities, recognising the difference of INR 180.46 crore in retained earnings (net of INR 52.74 crore transferred from lease equalisation reserve, pre-paid rent, capital work-in-progress). When measuring lease liabilities, the Group discounted lease payments using its incremental borrowing rate at 1 April 2019 based on the tenure of the lease. The rate applied is 5% - 10.37%.

#### (i) Lease liabilities

Following are the changes in the lease liabilities for the year ended 31 March 2020:

Particulars	Year ended 31 March 2020
Balance at 1 April 2019 (on transition)	2,323.56
Finance lease (under non current borrowings including current maturities) transferred to lease liabilities	115.56
Additions	192.15
Finance cost accrued during the period	124.79
Amortisation of finance cost transferred to capital-work-in-progress	27.29
Deletions	(16.31)
Payment of lease liabilities	(289.73)
Exchange difference on lease liabilities	154.95
<b>Balance as at 31 March 2020</b>	<b>2,632.26</b>
Non-current lease liabilities	2,449.37
Current lease liabilities	182.89

# Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

## 41 Leases(Contd..)

### (ii) Maturity analysis – contractual undiscounted cash flows

Particulars	Year ended 31 March 2020
Less than one year	304.66
One to five years	963.61
More than five years	3,199.77
<b>Total undiscounted lease liabilities at 31 March 2020</b>	<b>4,468.04</b>

### (iii) Right-of-use assets

Right-of-use assets are presented on the balance sheet.

Particulars	Land and buildings
Balance at 1 April 2019	2,090.36
Deferred leases expenses (under current and non current assets) transferred to right of use assets	64.77
Finance lease asset (under property, plant and equipment) transferred to right of use assets	0.79
Addition to right-of-use assets	225.42
Acquisition through business combinations	39.01
Disposals/ transfers/ alteration	(14.14)
Depreciation for the year	(230.08)
Amortisation to Capital-work-in-progress	(18.85)
Exchange difference on translation	155.01
<b>Balance at 31 March 2020</b>	<b>2,312.29</b>

### (iv) Amounts recognised in statement of profit or loss

Particulars	Year ended 31 March 2020
Interest on lease liabilities	124.79
Depreciation on right-of-use assets	230.08

### (v) Amounts recognised in statement of cash flows

Particulars	Year ended 31 March 2020
Total cash out flow for leases	(289.73)

### (vi) Operating leases \*

The Group 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 Group 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	31 March 2020	31 March 2019
Payable in less than one year	-	306.27
Payable between one to five years	-	736.38
Payable after more than five years	-	3,023.97





## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 41 Leases(Contd..)

#### (vi) Operating leases \*(Contd..)

Amounts recognised in statement of profit or loss

Particulars	31 March 2020	31 March 2019
Cancellable lease	-	314.98
Non-cancellable lease	-	38.71

\* On adoption of IND AS 116, the Group recognised right of use assets & lease liabilities in relation to leases which had previously been classified as 'operating leases' under the principles of Ind AS 17 (disclosed in (i)above)

### 42 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 exercise price approved by the Nomination and Remuneration Committee (agreed at 25% discount on weighted average market value on the latest trading day in National Stock Exchange prior to Nomination and Remuneration Committee meeting at which grant is made). 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, 7 June 2017, 1 March 2018, 30 April 2018, 12 February 2019, 28 May 2019, 29 August 2019, 11 November 2019 and 10 February 2020 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 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.

Option Type	Grant date	Number of instruments	Exercise price	Vesting conditions	Contractual life of options
Incentive option	2 March 2013	3,44,280	50	At the end of 1 year based on performance	5 years from the date of grant*
Incentive option	1 April 2014	3,44,280	50		
Incentive option	1 April 2015	3,60,526	50		
Incentive option	22 November 2016	4,10,385	50		
Incentive option	7 June 2017	1,48,000	175	50% at the end of first year and 25% each at the end of second & third year based on performance.	
Incentive option				25% at the end of each financial year over a period of 4 years based on performance.	
Milestone option	2 March 2013	7,15,986	50	25% at the end of each financial year over a period of 4 years based on performance.	
Milestone option	1 April 2014	2,54,537	50		
Milestone option	1 April 2015	27,493	50		
Milestone option	22 November 2016	1,38,000	50		
Milestone option	7 June 2017	1,11,000	175	50% at the end of first year and 25% each at the end of second & third year each based on performance.	
Performance option	1 March 2018	4,82,200	142	25% at the end of each financial year over a period of 4 years based on performance.	
Performance option	1 March 2018	1,83,829	50		
Performance option	12 February 2019	1,26,400	116		
Performance option	12 February 2019	1,72,200	116	50% at the end of each financial year over a period of 2 years based on performance.	
Performance option	28 May 2019	1,17,600	102	25% at the end of each financial year over a period of 4 years based on performance.	
Performance option	29 August 2019	5,15,400	89		

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 42 Share based payments (Contd..)

#### A Description of share-based payment arrangements- Share option plans (equity-settled) (Contd..)

Option Type	Grant date	Number of instruments	Exercise price	Vesting conditions	Contractual life of options
Performance option	29 August 2019	2,62,500	89	3 annual tranches of 33%, 33% and 34% respectively each based on the performance.	
Performance option	11 November 2019	10,800	107	25% at the end of each financial year	
Performance option	10 February 2020	10,800	123	over a period of 4 years based on performance.	
Loyalty option	2 March 2013	4,20,000	10	100% vesting at the end of 1 year	5 years from
Loyalty option	1 April 2014	9,000	10	from date of grant.	the date of
Loyalty option	1 April 2015	15,000	10		vesting
Loyalty option	22 November 2016	1,76,000	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	2,85,000	10		
Loyalty option	1 March 2018	1,46,800	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.	
Loyalty option	30 April 2018	71,000	10	At the end of 1 year from the date of grant.	
Loyalty option	12 February 2019	31,600	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.	
Loyalty option	12 February 2019	37,700	10	At the end of 1 year from the date of grant.	
Loyalty option	28 May 2019	29,400	10	2 tranches upon completion of 6 years and 9 years of service	
Loyalty option	29 August 2019	5,18,600	10	37.5% vesting on completion of 3	
Loyalty option	11 November 2019	7,200	10	years and 6 years each respectively	
Loyalty option	10 February 2020	7,200	10	and 25% on completion of 9 years.	

\* The exercise period for options granted on 2 March 2013 was extended by two years as per resolution passed by the Nomination and Remuneration Committee in their meeting held on 8 February 2018.



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 42 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	₹ 87.20	₹ 173.09	₹ 216.86	₹ 77.07	₹ 40.90
Share price at grant date	₹ 233.00	₹ 216.71	₹ 259.65	₹ 132.56	₹ 170.00
Exercise Price	₹ 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	2.25 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	₹ 87.20	₹ 173.31	₹ 219.21	₹ 78.50	₹ 48.68
Share price at grant date	₹ 232.75	₹ 216.71	₹ 259.65	₹ 132.56	₹ 170.00
Exercise Price	₹ 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	29 August 2019	28 May 2019	12 February 2019	12 February 2019	1 March 2018	1 March 2018
Fair value at grant date	₹ 49.68	₹ 60.76	₹ 71.55	₹ 65.16	₹ 133.44	₹ 61.55
Share price at grant date	₹ 117.55	₹ 137.75	₹ 157.85	₹ 157.85	₹ 173.10	₹ 173.10
Exercise Price	₹ 89.00	₹ 102.00	₹ 116.00	₹ 116.00	₹ 50.00	₹ 142.00
Expected volatility	36.250%	32.21%	39.950%	39.950%	16.380%	16.380%
Expected life	2.67 years	3 years	2.75 years	2 years	2.50 years	2.50 years
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil
Risk- free interest rate	6.54%	7.10%	6.78%	6.78%	7.76%	7.76%

Option Type	Performance options		
Date of grant	29 August 2019	11 November 2019	10 February 2020
Fair value at grant date	₹ 51.60	₹ 64.66	₹ 71.47
Share price at grant date	₹ 117.55	₹ 144.75	₹ 164.10
Exercise Price	₹ 89.00	₹ 107.00	₹ 123.00
Expected volatility	36.250%	35.660%	34.640%
Expected life	3 years	3 years	3 years
Expected dividends	Nil	Nil	Nil
Risk- free interest rate	6.54%	6.53%	6.42%

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 42 Share based payments (Contd..)

#### B Measurement of fair value (Contd..)

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	₹ 165.47	₹ 226.89	₹ 208.88	₹ 251.09	₹ 124.19	₹ 161.42
Share price at grant date	₹ 173.10	₹ 233.00	₹ 216.71	₹ 259.65	₹ 132.56	₹ 170.00
Exercise Price	₹ 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%

Option Type	Loyalty option					
Date of grant	30 April 2018	12 February 2019	12 February 2019	28 May 2019	29 August 2019	11 November 2019
Fair value at grant date	₹ 162.48	₹ 129.61	₹ 149.41	₹ 131.79	₹ 109.68	₹ 137.84
Share price at grant date	₹ 170.95	₹ 157.85	₹ 157.85	₹ 137.75	₹ 117.55	₹ 144.75
Exercise Price	₹ 10.00	₹ 10.00	₹ 10.00	₹ 10.00	₹ 10.00	₹ 10.00
Expected volatility	48.990%	39.950%	39.950%	32.210%	36.250%	35.660%
Expected life	2.50 years	2.50 years	2.50 years	7.26 years	3.09 years	5.84 years
Expected dividends	Nil	Nil	Nil	Nil	Nil	Nil
Risk- free interest rate	6.63%	6.78%	6.78%	7.10%	6.54%	6.53%

Option Type	Loyalty option
Date of grant	10 February 2020
Fair value at grant date	₹ 157.10
Share price at grant date	₹ 164.10
Exercise Price	₹ 10.00
Expected volatility	34.640%
Expected life	5.73 years
Expected dividends	Nil
Risk- free interest rate	6.42%

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	31 March 2020	31 March 2019
Outstanding as on 1 April	0.17	0.26
Granted during the year	0.15	0.04
Lapsed / forfeited during the year	0.09	0.05
Exercised during the year	0.03	0.07
Expired during the year	0.01	0.01
Options outstanding at the end of the year	0.19	0.17
Options exercisable at the end of the year	0.02	0.04
Weighted average share price at the date of exercise (in INR)	55.37	70.29

The options outstanding at 31 March 2020 have an exercise price in the range of INR 10 to INR 123 (31 March 2019: INR 10 to INR 116) and a weighted average remaining contractual life of 4.95 years (31 March 2019: 4.13 years).

#### D Expense recognised in statement of profit and loss

For details on the employee benefits expense, see Note 24.



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 43 Related party disclosures

#### (i) Names of related parties and description of relationship with the company

##### A) Enterprises where control / significant influence exists

(a) Enterprises exercising significant influence	Union Investments Private Limited, Mauritius
(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 Aster DM Foundation, India Wayanad Infrastructure Private Limited Equity accounted investees (Refer note 40)
b) Key managerial personnel and their relatives	Dr. Azad Moopen (Chairman and Managing Director) Alisha Moopen (Deputy Managing Director) (from 7 August 2019) Sreenath Reddy (Chief Financial Officer) Puja Aggarwal (Company Secretary) Daniel James Snyder (Independent Director) (till 20 April 2020) Prof. Biju Varkkey (Independent Director) Dr. Layla Mohamed Hassan Ali Almarzooqi (Independent Director) Maniedath Madhavan Nambiar (Independent Director) (till 11 February 2020) Ravi Prasad (Independent Director) (till 20 April 2020) Suresh Muthukrishna Kumar (Independent Director) T J Wilson (Director) Anoop Moopen (Director) Daniel Robert Mintz (Director) Shamsudheen Bin Mohideen Mammu Haji (Director)

#### ii) Related party transactions

Nature of transactions	Year ended 31 March 2020	Year ended 31 March 2019
<b>Union Investments Private Limited</b>		
Repayment of offer proceeds	-	1.66
Buyback of shares	38.90	-
<b>DM Education &amp; Research Foundation</b>		
Income from consultancy services	1.23	1.81
Interest income under the effective interest method on lease deposit	0.66	0.61
Operating lease- Hospital operation and management expense	0.74	0.74
Other expenses	4.79	4.76
Expenses incurred on behalf of associates	0.01	-
Repayment to associates	3.18	-
Collection by associates	2.59	3.60
<b>Wayanad Infrastructure Private Limited</b>		
Other expenses	0.01	0.02
<b>Aster DM Foundation India</b>		
Donation given	2.00	2.53
<b>MIMS Infrastructure and Properties Private Limited</b>		
Advances received	-	2.90
Finance cost	0.35	0.08
Expenses reimbursement	0.10	-
Repayment of advances	0.40	-
<b>Aries Holdings FZC</b>		
Advance given during the year/ repaid	40.20	-
Repayment of advances	-	4.45

## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 43 Related party disclosures

#### ii) Related party transactions (Contd..)

Nature of transactions	Year ended 31 March 2020	Year ended 31 March 2019
<b>AAQ Healthcare Investment LLC</b>		
Advance given during the year	3.90	5.77
<b>AI Mutamaizah Medcare Healthcare Investment Co. LLC</b>		
Advance given to equity accounted investees (net)	-	14.16
<b>Key managerial personnel &amp; their relatives</b>		
Rental expense	0.57	0.57
Buyback of shares	2.39	-
Short-term employee benefits		
- Salaries and allowances*	26.81	33.85

\*The aforesaid amount does not include provision for gratuity and compensated absences as the same is determined for the Group as a whole based on an actuarial valuation.

#### iii) Balance receivable / (payable)

Particulars	Related Party balances as at	
	31 March 2020	31 March 2019
<b>Wayanad Infrastructure Private Limited</b>		
Other financial liabilities (current) - Dues to creditors for expenses	(0.09)	(0.08)
<b>Union Investments Private Limited</b>		
Other financial liabilities (current)- Dues to related party	(1.04)	(1.04)
<b>DM Education &amp; Research Foundation</b>		
Other non current assets - deferred lease expenses	3.63	4.37
Other current assets - deferred lease expenses	0.74	0.74
Other financial assets (current)	2.57	0.35
Other financial assets- (non current) Rent and other deposits	10.05	9.39
<b>Aries Holdings FZC</b>		
Advance given to equity accounted investees	109.19	68.99
<b>AAQ Healthcare Investment LLC</b>		
Advance given to equity accounted investees	49.71	45.81
<b>AI Mutamaizah Medcare Healthcare Investment Co. LLC</b>		
Advance given	14.27	14.16
<b>MIMS Infrastructure and Properties Private Limited</b>		
Other current assets	0.07	0.02
Advance received from equity accounted investees	(2.50)	(2.90)
<b>Key managerial remuneration payable</b>	1.60	6.79

**44** 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 725 crore. Details of utilisation of IPO proceeds are as follows:



## Notes to the Consolidated Financial Statements (Contd..)

(All amounts in Indian rupee crores)

### 44 (Contd..)

Particulars	Objects of issue as per prospectus	Utilised upto 31 March 2020	Unutilised amount as at 31 March 2020
Repayment/ prepayment of debt	564.16	564.16	-
Purchase of medical equipment	110.31	108.80	1.51
Fresh issue related expenses	44.32	44.32	-
General corporate purposes*	6.21	6.21	-
<b>Total</b>	<b>725.00</b>	<b>723.49</b>	<b>1.51</b>

\*The excess utilised has been adjusted against fresh issue related expenses.

**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** In March 2020, the World Health Organisation declared COVID-19 to be a pandemic. This pandemic has resulted in disruption to regular business operations due to lockdown, disruptions in transportation, travel bans, quarantines, social distancing and other emergency measures imposed by the government. The Group has adopted measures to curb the spread of infection in order to protect the health of its employees and ensure business continuity with minimal disruption. The Group believes that the COVID 19 pandemic will only have a short term impact on its operations and after easing of the lockdown restrictions, the business is expected to return to normal. The Group has considered available internal and external information while finalizing various estimates in relation to its financial statements up to the date of approval of the financial statements by the Board of Directors. Further, the Group has taken various measures to reduce its fixed cost - for example, salary reductions, optimization of administrative, sales and marketing costs, deferment of capex along with judicious resource allocation and requesting for the waiver of minimum guarantee fee and revenue share for hospital premises taken on lease. Accordingly, the Management believes that the Group will not have any challenge in meeting its financial obligations for the next 12 months based on the financial position and liquidity as on the date of the balance sheet and as on date of signing of these financial statements. The actual impact of the global health pandemic may be different from that which has been estimated, as the COVID -19 situation evolves in India and globally. The Group will continue to closely monitor any material changes to future economic conditions. However, the pandemic did not have any material impact on the financial statements for the year ended 31 March 2020.

**47** The previous year figures have been reclassified/ regrouped wherever necessary to align with current year presentation.

for **B S R & Associates LLP**

Chartered Accountants

Firm registration number: 116231W/ W-100024

**Rushank Muthreja**

Partner

Membership No.: 211386

Bengaluru

23 June 2020

for and on behalf of the Board of Directors of

**Aster DM Healthcare Limited**

CIN: L85110KL2008PLC021703

**Dr. Azad Moopen**

Chairman and Managing Director

DIN 00159403

Dubai

23 June 2020

**Sreenath Reddy**

Chief Financial Officer

Dubai

23 June 2020

**T J Wilson**

Director

DIN 02135108

Dubai

23 June 2020

**Puja Aggarwal**

Company Secretary

Membership no. : ACS49310

Bengaluru

23 June 2020







**Aster**



UAE | INDIA | OMAN | SAUDI ARABIA | QATAR | BAHRAIN | JORDAN

