Care Beyond Boundaries

An insight into our healthcare ecosystem across geographies

Annual Report 2018-19

Aster DM Healthcare Limited

Inside the pages

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

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.

The value of maintaining and sustaining good health is priceless and we aspire to develop and excel beyond predefined limits in order to surely and positively impact the lives of people.

With Aster DM Healthcare's committed and dedicated healthcare services at the forefront of the healthcare sector, we are assured that the capacities of our business model are not just commercially oriented but are equally equipped to be welfare oriented. As a reputed and renowned presence in the healthcare industry, we aim to leave no stone unturned in our efforts and endeavours that are initiated to transform people's ailments into their wholesome well-being.

Aligning with the needs of our customers, we have been successful in emerging as caregivers who care not only about profits, but are positively inclined to improve and facilitate the condition of our customers. With the principle of extending our care to those in need, guiding us in our journey forward, we have been able to transcend the barriers of boundaries and reach out to people with our expert healthcare solutions and services.

Driven by compassion and consideration, we dare to take risks when it comes to rescuing people in vulnerable situations and care to engender a marked improvement in their lives.

About Us

One of the largest and fastest growing private healthcare providers, Aster DM Healthcare Limited, operates in multiple Gulf Cooperation Council (GCC) countries and India. As an integrated healthcare service provider, we cover the entire life cycle of healthcare, right from primary to quaternary care through state-of-the-art hospitals, clinics and pharmacies.

With over three decades of experience, we continue to provide quality healthcare services at an affordable cost in 9 countries across GCC and India. We conduct our business in healthcare under the aegis of our brands 'Aster', 'Medcare', and 'Access'.

24 Hospitals

12 GCC	12 India

114 Clinics

106 GCC	8 India

219 Pharmacies

219 GCC

Care for patients

18.23 Outpatient Visits (in Mn)

16.41 GCC	1.82 India

218 In-patient Nos. (in '000)

82.5 GCC	135.5 India

5,441 Capacity Beds

1,101 GCC	4,340 India

60 ARPOB* (in '000)

161 GCC	26.1 India

**ARPOB: Average Revenue Per Occupied Bed per day*

Employee strength

2,756* Doctors

**(including 1,061 fee for Service Doctors)*

6,268 Nurses

10,835 Others

Value creation (₹ in crore)

7,963 Revenue from operations

6,649 GCC	1,314 India

335 Adjusted PAT*

341 GCC	(6) India

**Excludes exceptional income/ expense of INR -1.5 cr*

Chairman's Message

Dear Shareholders,

It is once again a moment of great honour and pleasure for me as I present to you Aster's performance for the year 2018-19. To begin with, we performed impressively despite some of the challenges posed (like floods in Kerala and Nipah virus) by delivering consistent growth and by implementing our strategies in an effective manner.

The global economy in the year under review was marred by turbulence, owing to volatility in oil prices. Even as India continues to emerge as one of the fastest growing economies, the nation's growth trajectory was affected negatively by poor growth reported in the agriculture sector, rising inflation and widening current account deficit.

Despite these headwinds, Aster continues to post a healthy financial performance by leveraging the merits of its robust and sound business model. The numbers for Aster's financial performance were positive with revenue from operations growing by 18.48% to ₹ 7963 crore in FY 2018-19 from ₹ 6721 crore in the previous year. Our EBITDA grew by 41% from ₹ 613 crore in FY 2017-18 to ₹ 863 crore in FY 2018-19. Adjusted PAT showed a healthy growth of 140% to ₹ 335 crore in the year under review as compared to ₹ 139 crore in previous year. A majority of our revenue is attributable to our operations in the GCC market, which is 83% while the remaining 17% is accountable to our Indian operations.

Unfortunately as of now, I believe investors have not recognized the true value of our Company. One of the key reasons for this is our presence across multiple geographies with multiple brands therein. This makes analysts take more time to build their models. The seasonal nature of our business makes predictability too a little difficult with investors preferring to review performance over a little more extended period. Further, the overall capital market sentiment as you know has been muted and this too has not helped. I am confident however that our strong financial and operating performance will be recognised. This is already visible in the increasing number of research reports being initiated that elaborate on the opportunity and potential for the Company.

Muted investments in healthcare has resulted in a widening gap between demand and supply in the Indian market. With a view to delve deeper into the Indian market and eliminate the necessary gaps in the healthcare sector, we have sanctioned the provision of quality healthcare at affordable rates. The public's acceptance of Aster in Bengaluru and Kochi has been impactful. In a concentrated effort to provide tertiary and quaternary care through large hospitals, in metropolitans and tier I cities as well.

We plan to navigate further in the GCC market by expanding our presence through our three brands classified according to high-income, middle-income and low-income groups in the form of Medcare, Aster and Access, respectively. With these brands on the forefront of the healthcare landscape, we aspire to reach out to everyone in need, irrespective of their financial capabilities.

A number of factors like increase in lifestyle diseases, rising population, ageing, implementation of mandatory health insurance in many GCC countries has resulted in a plethora of opportunities for us. As a result, we plan to add 330+ beds over the next two years in GCC through Aster and Access, to address the current demand in the GCC market.

Providing quality treatment to our patients and living up to our promise of 'We'll Treat You Well' demands a talent pool that is committed and skilled. Hence, we strive to centre our human resource strategies on building diversity and promoting inclusiveness. At the end of March 2019, the total strength of our workforce across all our operation stood at 19,859 consisting of 59% women employees, 2,756 doctors (including 1,061 fee for service doctors).

We, at Aster, strive to keep pace with the socio-economic changes and aim to be responsible and accountable for our actions. We have always prioritised the health and safety of our employees and seek to safeguard the security and welfare of the society and the environment in which we operate. Keeping our priorities in mind, we invest significantly towards securing our future and subsequently uplift the society. Extending support towards rebuilding homes in Kerala in the aftermath of the devastating Kerala floods was a part of our altruistic activities. Kerala is not just one of our key markets but is also home to a significant number of our employees and their families.

At Aster, our pattern for growth and evolution has imprints of our value creation leveraged through building scale in the Indian and GCC markets and delivering increased share value for shareholders. As a part of our scheme to explore the Indian market further, we plan to expand our footprints by opening new hospitals in Bengaluru and Chennai. We further plan to consolidate the existing business by increasing the utility of our bed capacity, improve the efficacy of our business model and undertake cost control measures to improve our profitability.

Overall, the year 2018-19 was successful in terms of our performance and going forward, 2020 looks to be bright and optimistic with many prospects for further excellence.

I would like to take this opportunity to place on record, my sincere gratitude to the Board for their proficient guidance, my leadership team for their steadfast commitment and our employees who remain dedicated to script Aster's resounding success. With the continued support of our shareholders, employees and our partners, we were able to positively impact the lives of so many people across the globe through our quality services and we look forward to continue doing the same in the coming years.

Dr. Azad Moopen
Founder, Chairman and
Managing Director


Overall, the year 2018-19 was successful in terms of our performance and going forward, 2020 looks to be bright and optimistic with many prospects for further excellence.

Q&A with CFO

How would you summarise the overall financial performance of the Company this fiscal?

FY19 was a year of positive financial performance for Aster DM. During the year, the consolidated revenue grew 18.48% (constant currency growth of 11%) YoY to ₹7963 crore from ₹6721 crore in the previous fiscal. The revenue growth was driven mainly by GCC markets where we grew by 19.69% to ₹6,649 crore against ₹5,555 crore in FY 2018. Our performance from our India operations grew by 23.24% to ₹1314 crore in FY19 from ₹1,167 crore in the previous fiscal.

The Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) stood at ₹863 crore in FY19, reporting growth of 41% (constant currency growth of 32%) from ₹613 crore in FY18. Profit After Tax (PAT) increased by 24% to ₹333 crore in the year under review from ₹269 crore in the previous fiscal. Adjusted PAT (PAT adjusted for exceptional items) showed a healthy growth of 140% (constant currency growth of 121%) to ₹335 crore in the year under review as compared to ₹139 crore in previous year. The overall profitability and revenue was impacted by various headwinds in both the domestic and the international market. The domestic market was majorly affected by the floods in South India and the Nipah virus. The GCC economies have slowdown over the years due to the introduction of VAT and plummeting real estate prices, but that didn't have any major impact on the business. In Dubai, we witnessed additional demand from the middle and lower segments which led to robust growth in our revenues and profitability.

Could you please elaborate on the region-wise performance and margins for the year?

We predominantly operate in GCC and Indian markets. In FY19, the share in consolidated revenue of GCC Hospitals, GCC Clinics, GCC Pharmacies and India Hospitals & Clinics was approximately 32%, 24%, 27% and 17% respectively. Our Return on Capital Employed (RoCE) continues to be robust across all our business segments as we operate on asset-light model. RoCE for our GCC hospitals and GCC clinics establishment was 13% and 25% respectively, while for our GCC Pharmacies segment, it was around 45%. EBITDA margin for our GCC Hospitals, GCC clinics and GCC Pharmacies segments stood at 13.4%, 15.9% and 10.2% respectively. The EBITDA margin of GCC Hospitals and Clinics improved by 90 bps and 390 bps. In India, EBITDA margin for hospitals and clinics was 11% showing an improvement of 200 bps.

During the year under review, we continued our focus on margin expansion through sale of own/ exclusive licensed products. Our expansion strategy of further penetrating tier- I cities in India are estimated to deliver superior EBITDA margins.

We see a marked improvement in the net debt-EBIDTA ratio. Could you please tell us the reasons for improvement?

Net Debt to EBITDA ratio helps us to understand our liquidity position reflecting the cash availability with the Company.

The robust cash conversion is attributable to our asset-light model. We normally enter into long-term leasing contracts for hospitals and short-term lease duration for clinics and pharmacies. With increased capital expenditure during the year for our new projects, our net debt profile did show a increment to ₹ 2,329 crore as on March 31, 2019. However, our current operational assets were able to derive benefits of a healthy EBITDA to around ₹ 863 crore in FY19 leading to a healthy Net debt to EBITDA ratio to 2.7 times.

You mentioned about capital expenditure proposed for new projects. Would you able to provide some insight on these new projects?

We plan to increase our operating bed-capacity by around 7-8% by next year. To cater to additional demand in GCC markets, especially in Oman and the UAE regions, we are planning to open new hospitals and clinics. Our expansion strategy is mainly based on providing quality services to middle and low-income segment category of patients, where we feel that there is a supply-demand gap. We are planning to add approx. 330+ beds over the next two years in GCC through Aster and Access brand hospitals. The ramp up of these capacities will help meet the larger unmet patient needs through our qualitative care.

In India, we plan to penetrate tier-I cities with large format hospitals (400 to 500 beds each) based on the asset-light business model. Expansion in tier-II cities will be implemented by entering into partnership with local hospitals by leveraging IT/tele-medicines, instead of building hospitals.

Going forward, we remain excited about the opportunities available in India and the GCC markets. With investment strategies in place and a team of excellent doctors with a common vision of providing quality healthcare service, we believe that Aster DM is well poised for sustainable growth.

Sreenath Reddy
Chief Financial Officer

Message from Aster Leadership

> We are delighted with our performance and strongly believe clinical excellence and financial performance go hand in hand

Our continued emphasis on clinical and service excellence has seen us end FY2018-19 on an extremely fulfilling note. We have performed very well across all our areas of operation namely Hospitals, Clinics and Pharmacies. Our capacities have expanded over the previous year, having added 3 hospitals, 12 clinics and 12 pharmacies in the GCC in FY18-19 and bringing our total global capacity to 24 hospitals, 114 clinics and 219 pharmacies. This is a testament to our differentiated model and the strategic direction that the company is taking in order to deliver sustainable performance that is underlined by growth. Going forward through to FY21 we propose to set up hospitals in Dubai, Sharjah and Muscat with expansion of our existing facility in Riyadh.

The most important aspect for us as a healthcare organization is the impact that we are able to make and the number of lives we are able to heal. In 2018-19, it gives me great pride to say, that we treated 16.5 million patients in the GCC. The increase in our in-patient numbers is another reflection of the appreciation for quality healthcare services that are being provided across our facilities. This growth is also attributed to the introduction of mandatory health insurance in the GCC states especially the UAE due to which people are preferring to locally avail in-patient procedures in orthopaedic, maternity, gynaecology etc. for which they used to travel back to their home countries.

Let me dwell on just a few initiatives that were extremely gratifying and a reflection of the levels of excellence we strive for. In FY18-19, for the first time in Dubai, a Single Incision Colorectal Laparoscopic Surgery was performed in Aster Hospital, Al Qusais. Further, an Obstetrics and Gynaecology Consultant at Aster Sanad Hospital delivered a baby on-board a flight from Saudi to Philippines. In 2018, the surgical Team at Aster Hospital, Mankhool, Dubai removed from a 46- year-old patient a thyroid gland which was 20 times larger than its normal size, weighing half-a-kilogram. Our Aster Pharmacy network is one of the most awarded in the region.

Giving back to the society in which we operate has also been at the core of many of our activities at Aster DM healthcare. While through our business operations we strive to make quality healthcare more affordable and accessible for the masses, it is through our CSR initiatives that we try to break the vicious circle of poverty and a lack of access to healthcare. Through our Aster Volunteers Global Programme which has been running successfully since 2017, we have been able to make a positive difference in the lives of more than 1 million people till date.

We are delighted with our performance and strongly believe clinical excellence and financial performance go hand in hand. With the maturing insurance dominated market that we are seeing in the middle east, there is a specific and keen focus on internal optimisation and right sizing of teams. We are making massive efforts to become leaner and more efficient in a manpower heavy industry like healthcare. This will enable us to improve margins which has been reflected on our increased growth on ebitda compared to revenue which we are seeing some fruits already and is now a major focus across the organistaion. We look forward to continuing double digit growth in Hospitals with high ROEs on the back of our light asset model.

With growth in all our businesses, along with planned expansions, we aim to build a long-lasting sustainable modern organisation without deviating from our values and purpose.

Alisha Moopen
Chief Executive Officer –GCC Hospitals & Clinics

> The strong foundation laid for standardizing governance structures is assisting the leadership team across India to enhance productivity, increase staff engagement and excel at Clinical and Service Excellence

Aster India is marching ahead from strength to strength, wherein all our hospitals are doing well as per the Annual Operating Plans. Our diversified portfolio consists of tertiary and quaternary care and has 12 hospitals with over 4300 beds. The flagship hospitals located at Kochi, Calicut and Bengaluru.

The Kerala hospitals have successfully overcome the challenges of 2018 due to the NIPAH virus and floods. They have shown a positive Year-on-Year growth, both in top-line and EBITDA by instituting robust operational efficiency measures that have all yielded good results. The new 300-bed facility – Aster MIMS Kannur is currently undergoing soft commissioning and is expected to be launched by Q2 of this fiscal. In Karnataka, our second hospital – Aster RV Hospital, a 250-bed quaternary care centre was launched on June 30, 2019 by the Honourable Governor of Karnataka, Shri Vajubhai Vala in presence of an august audience. This hospital has some of the latest state of the art equipment, some of which are being introduced for the first time in the private sector of Karnataka, such as GE Optima Intra Operative MRI. The hospital is also equipped with Philips Azurion Bi-Plane Hybrid Cathlab and the Da Vinci Surgical Robot. Its clinical focus would be on Cardiology, Orthopedics, Neurosciences, Gastroenterology and Critical Care, in addition to Multi-organ transplants. Unlike traditional hospital expansions within a city, wherein they focus on a hub & spoke model, Aster RV Hospital at JP Nagar is a genuine stand-alone quaternary care centre which will address the needs of South Bengaluru. We will continue to focus more on the City as we are convinced of its potential. The new project in Chennai is at the design stage and will soon be taken up for regulatory approval.

The strong foundation laid for standardizing governance structures is assisting the leadership team across India to enhance productivity, increase staff engagement and excel at Clinical and Service Excellence. We remain confident that the next quarters of the current fiscal will positively reflect the hard work put in by the entire Aster India leadership team. Our new venture - Aster Labs in the laboratory vertical is fast taking shape with the appointment of key personnel along the setting up of our first reference lab at Bengaluru.

Dr. Harish Pillai
Chief Executive Officer – India

> The integration of clinic and pharmacy business has provided us a holistic ecosystem delivering end to end patient excellence

Aster Primary Care stood strong throughout FY19 which proved to be a challenging time across the UAE healthcare market – we strengthened our network of clinics and pharmacy, with new outlets allowing us to support patients with good health and happiness.

The integration of clinic and pharmacy business has provided us a holistic ecosystem delivering end to end patient excellence by driving operational efficiencies and optimizing costs; thus, positioning Aster as the nation's healthcare partner of choice for both patients and stakeholders.

As we turn our focus to FY20 we look to continue to put our patients at the heart of everything we do. From growing our eco-system working with government, suppliers & partners to support patients on their healthcare journey to introducing our carefully sourced own brand health care product ranges.

Key initiatives to drive the business to the forefront of the market include system upgrades to support operational capabilities; the introduction of the long-awaited HIS system which will enhance productivity through process efficiencies whilst also bring together patient records across all verticals in to a central point for better care; implementing our new customer relationship management and loyalty program which will deliver personalized, tailored solutions to each patient's needs; the launch of Supply Chain Management system will integrate the back end of the business to leverage synergies and optimize cost efficiencies; and our new employee program which aims to upskill and engage all colleagues from on-boarding to learning & development and appreciation to ensure we become an organization of endearment and an employer of choice .

We are also exploring opportunities to expand into niche and private health services for income generation and to further amplify our market position.

From the outset FY20 is one we are all looking forward to, continuing to strive towards delivering our mission of delivering good health and happiness through affordable healthcare.

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

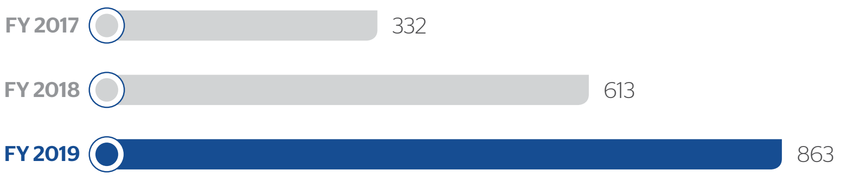
Financial Summary and Highlights

Revenue (₹ in crore)

11%
Constant Currency Growth FY 19

18%
YoY growth FY 19

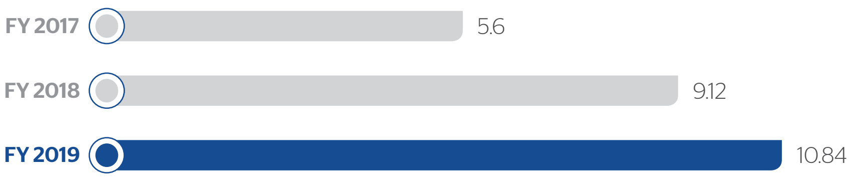
EBITDA (₹ in crore)



32%
Constant Currency Growth FY 19

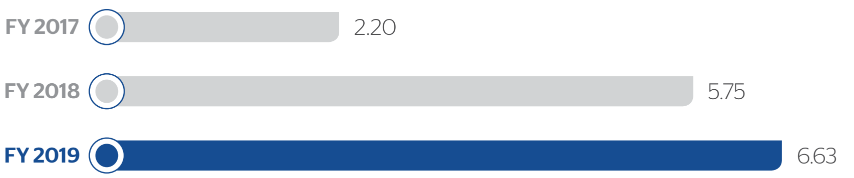
41%
YoY growth FY 19

EBITDA Margin (in %)



172 bps
YoY growth FY 19

EPS – Basic (in ₹ per share)



RoCE (pre-tax) (in %)

Segment wise revenue break-up in FY 2019

49%
Hospitals

27%
Pharmacies

24%
Clinics

Geography wise revenue break-up

₹ in crore		In %	
6,649 GCC	**1,314** India	**83** GCC	**17** India

Segment wise EBITDA break-up in FY 2019

49%
Hospitals

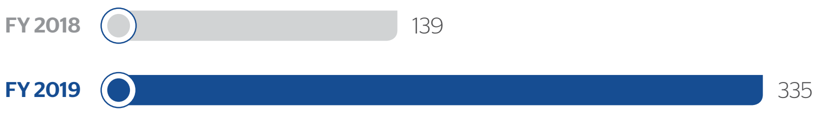
21%
Pharmacies

30%
Clinics

Geography wise EBITDA break-up

₹ in crore		In %	
742 GCC	**121** India	**86** GCC	**14** India

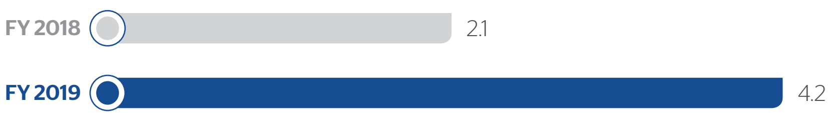
Adjusted PAT (₹ in crore)



121%
Constant Currency Growth FY 19

140%
YoY growth FY 19

Adjusted PAT Margin (in %)



210 bps
YoY growth FY 19

Adjusted PAT is PAT adjusted for exceptional items

Our Core competencies

Complete Circle of Care

- Aster provides complete healthcare solutions to people including primary, secondary, tertiary and quaternary care
- Hospitals, clinics and pharmacies equipped with best-in-class technology
- Strategic location of 114 clinics across India and GCC

Experienced core management team

- **8 years**
  Average experience of Directors in healthcare sector
- Strong managerial, healthcare and regulatory experience possessed by second line of management

Balanced business portfolio

- Diverse revenue model with presence in multiple countries mitigates the risk of slowdown in any economy or any factor in one or more countries
- Presence across healthcare value-chain to address a diverse set of patients with our three brands, Medcare, Aster and Access, across all countries
- GCC operations exposed to stable currencies pegged to US dollars, creating a natural hedge to currency fluctuations

Leveraging our presence to create operational excellence

- **83:17**
  GCC - India revenue contribution ratio
- Source of high quality medical professionals from India
- Leverage GCC network to promote medical value tourism to India
- **0.6 times**
  Net-debt to equity ratio

Asset-light model in GCC

- Operating on an asset-light business model wherein the assets (hospitals, clinics and pharmacies) in GCC are leased
- This results in lower capital expenditure while transcending for higher RoCE
- Average Return on Capital Employed (RoCE) of established GCC units are higher than the industry average

Robust Performance

- Geographical diversification clubbed with rapid scaling up of hospitals, clinics and pharmacies
- Proven track record in financial and operational performance in GCC countries

Benchmark healthcare offerings

- Received several industry recognitions and patient endorsements for providing highest quality of patient care

Our Vision and Values

Our Vision

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."**

Our Promise

We'll Treat You Well.

A promise that sums up what we do and why we exist.
One that we strive to honour every day, every moment.

Our values

Excellence

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

Integrity

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

Passion

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

Compassion

To move beyond boundaries with empathy and care.

Respect

To treat people with utmost dignity, value their contributions and foster a culture that allows each individual to rise to their fullest potential.

Unity

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

A review of FY 2018-19

ONE
Q1 FY19

- Added 11 clinics and 6 pharmacies
- Increased operational beds by 170 with addition of 1 hospital
- Added 150 beds with the acquisition of Ramesh Sanghamitra, Ongole under Aster Ramesh Hospitals
- Achieved operational break-even in Medcare Hospital (Sharjah) and Aster Hospital (Doha) within 12 months of commencement
- Aster Medcity was re-accredited by JCI and NABH
- Aster CMI Hospitals was ranked as 2nd best hospital in Bengaluru by The Times Group Healthcare survey
- Aster Ramesh Hospitals, Vijayawada and Guntur were the first hospitals in the state of Andhra Pradesh to receive NABH for Nursing Excellence Certifications
- E-care International Medical Billing Services Co. LLC (TPA Business in U.A.E) was acquired by Affinity Holdings Private Limited (Mauritius)

TWO
Q2 FY19

- Added 1 hospital, 1 clinic and 3 pharmacies
- Aster CMI received the NABH Accreditation and DNB Accreditation for Anesthesiology & Radio diagnosis.
- Aster Medcity won the ASSOCHAM Service Excellence Award and the Express Healthcare Best Corporate Hospital Pharmacy
- Aster Hospital, Qusais (Dubai, UAE) commissioned in August 2018

THREE
Q3 FY19

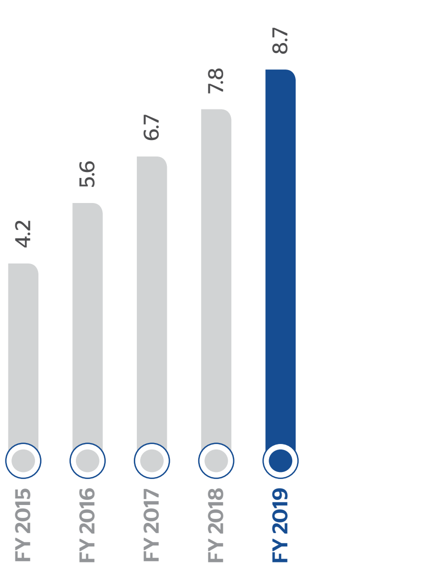
- Aster CMI Hospital's Department of Bariatric surgery awarded as the "Center of Excellence for Bariatric surgery" by the Obesity and Metabolic Surgery Society of India
- Separate dedicated area for Physical Medicine and Rehabilitation launched by Aster Medcity with capacity of 16 beds
- Aster MIMS, Calicut renewed NABH accreditation
- Telemedicon - 2018, an international conference with 750 delegates, was organized by Aster Ramesh Hospitals, Andhra Pradesh
- Aster Medcity organized Aster Nutricon, 2018, to provide insight about the features of bariatric nutrition including the role of nutrition in bariatric surgery, medical and nutritional management in pre and post -bariatric surgery and nonsurgical management of obesity
- Aster Medcity launched DoctorMate, a Mobile App to make patient data base management easy
- Aster CMI launched integrated medicine for Ayurveda for both in-patient & out-patient

FOUR
Q4 FY19

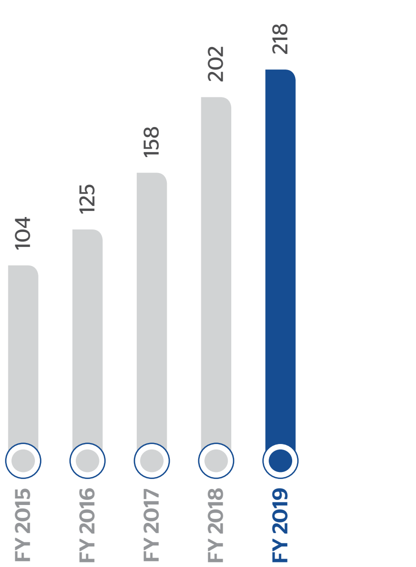
- Commenced Aster MIMS hospital, Kannur in the state of Kerala with bed capacity of 302 beds
- Acquired Cedars Hospital in Dubia, UAE with bed capacity of 17 beds
- Acquired Al Khair Hospital, in Ibri, Oman with bed capacity of 22 beds
- Medcare Women and Children Hospital, Dubai was accredited by JCI
- Aster MIMS Hospital - Kotakkal, Kerala was accredited by NABH
- Medcare Hospital awarded with Dubai Quality Award and Aster Pharmacy with the Dubai Service Excellence Award . Medcare Orthopaedics & Spine Hospital and Aster Clinic also presented with the Dubai Quality Appreciation Award
- The following Hospitals were recognized with "Association of Healthcare Providers India" (AHPI)
  - Aster Aadhar, Kolhapur and Aster WIMS, Wayanad, Kerala for Excellence in Community Engagement
  - Aster Medcity, Kochi for Quality beyond Accreditation
  - Aster MIMS, Kozhikode, Kerala for Nursing Excellence

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.

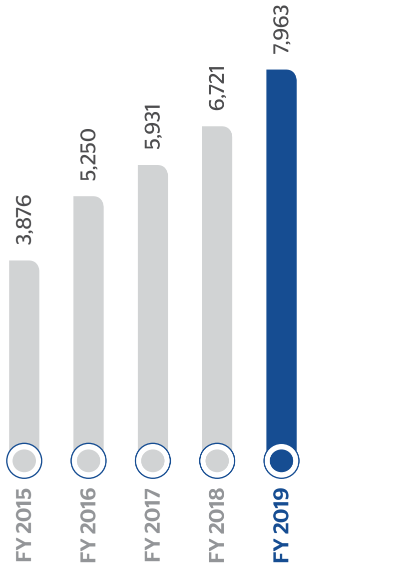
Outpatient Count*
(in Millions)



Inpatient Count
(in '000)

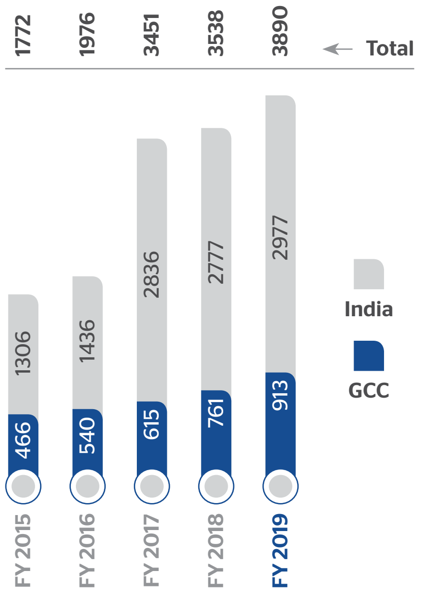


Aster DM - Revenue from Operations (In ₹ Crore)

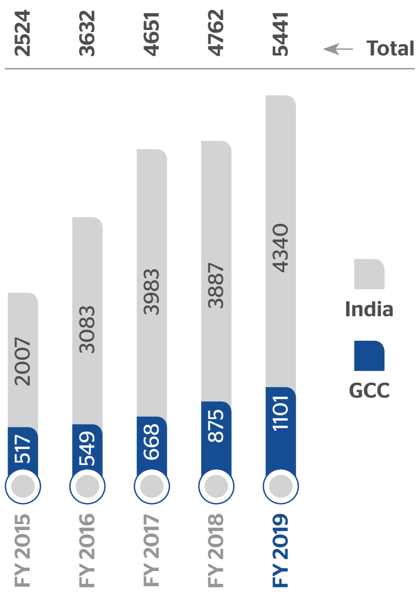


*out-patient visits mentioned above does not include pharmacy visit

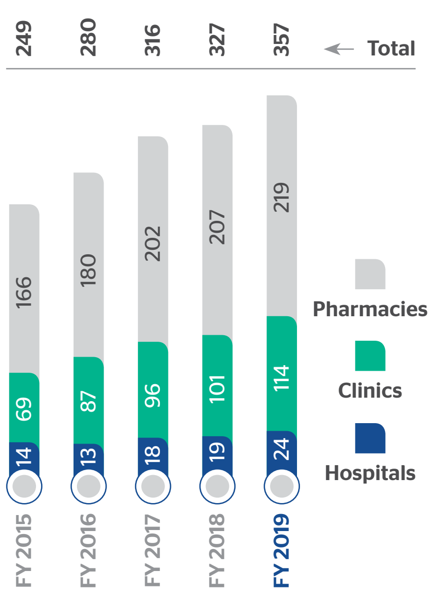
Operational Beds



Installed Beds



Number of Facilities
(In Units)



Our Global Footprints

9
Number of countries we are present

GCC

12
Hospitals

106
Clinics

219
Pharmacies

Medcare

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

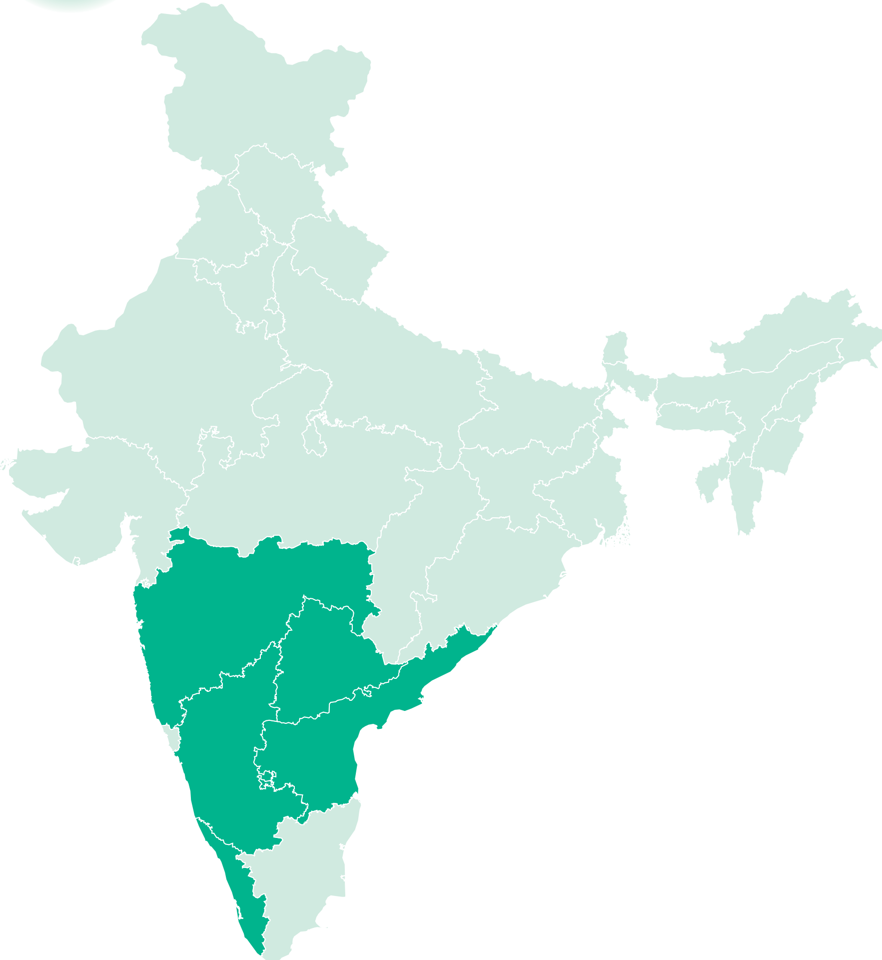
Aster

- Aster Hospital at Mankhool in Dubai, UAE
- Aster Hospital in Qatar
- Al Raffah Hospital in Muscat, Oman
- Al Raffah Hospital in Sohar, Oman
- Sanad Hospital in Riyad, KSA
- Aster Cedar Hospital in Dubai, UAE
- Aster Hospital at Qusais in Dubai, UAE
- Aster Hospital in Ibri, Oman

Countries in which Aster DM Healthcare is present in:

	UAE	Qatar	Kuwait	Philippines	Oman	KSA	Jordan	Bahrain
Clinics	85	7	-	5	7	-	-	2
Pharmacies	186	6	7	-	7	-	11	2

India



12
Hospitals

8
Clinics

Aster

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

States we are present in India:

	Kerala	Karnataka	Maharashtra	Telangana	Andhra Pradesh
Clinics	1	4	-	-	3
Hospitals	5	1	1	1	4

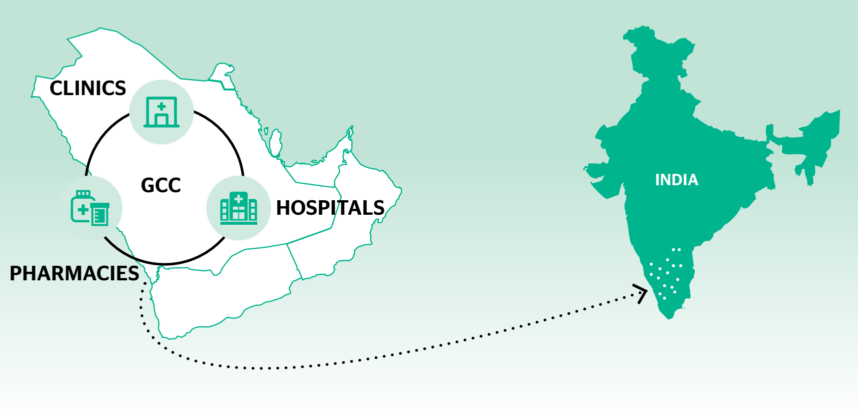
Clinics Hospitals

Our Business Model

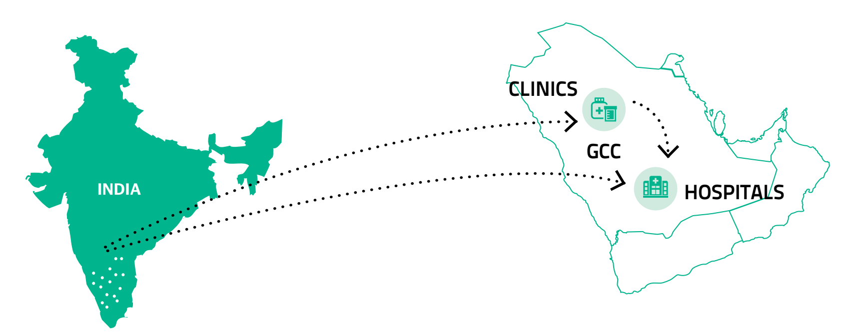
A Healthcare Ecosystem

Our integrated healthcare framework built around primary and tertiary healthcare across GCC and India gives us a differentiated edge in the industry space. Being a dominant and market leader in GCC countries, our primary care clinics are the initial touch-points in the patient's journey, while the hospitals and pharmacies continue the care beyond that point. For complex tertiary care, we transfer our patients to our hospitals located in India. Our Indian operations also act as a source of talent for our GCC operations, with high-skilled individuals ready to explore opportunities beyond shore.

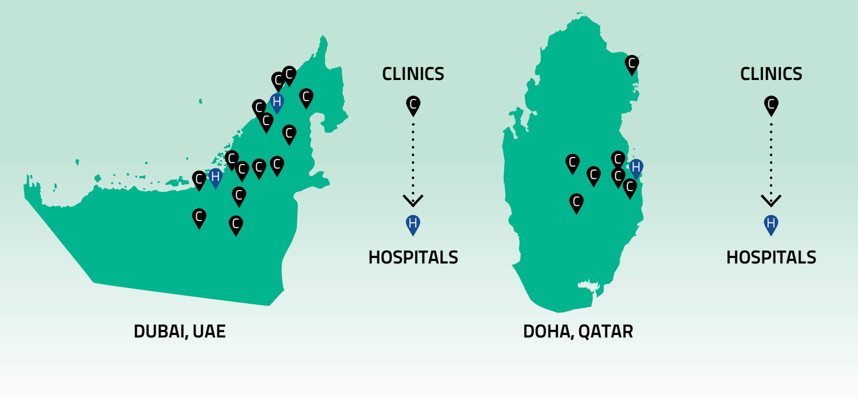
Patient Life Cycle Management



Resource Talent Management



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



An Integrated Healthcare Provider

Through an integrated business model we seek to provide our patients with quality healthcare services starting from primary and secondary to tertiary and quaternary care.

Primary Care

~5.6 mn Clinic OPD visits	**~9.6 mn** Pharmacy visits	**~3.1 mn** Hospital OPD visits

Secondary Care

2,18,000+ IP Discharges	**9,600+** Urology Cases	**14,800+** General Surgeries
17,100+ Deliveries	**1,200+** Joint Replacements	**3,200+** Gastro-intestinal Surgeries

Tertiary and Quaternary Care

1,700+ Cardiovascular Surgeries	**250+** Transplants*	**500+** Bariatric Surgeries
2,400+ Neurosurgery	**1,100+** Spine Surgeries	**2,900+** Plastic Surgeries

*Note: *Transplants includes kidney, heart, liver, pancreas, etc.*
Above numbers are for the financial year FY19

Making a positive difference in patients' lives

Hospitals in GCC

Aster Hospitals, UAE

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

Aster Hospital, Mankhool features:

- JCI Accredited
- 5 extensively equipped operating theaters
- Twin sharing rooms
- Single rooms
- VIP rooms
- Day Surgery Unit
- Dialysis Unit
- 5 Intensive Care Units (ICU) including an Isolation unit
- Labor room and delivery suites
- 8 Neonatal ICU beds including an Isolation unit
- Baby Nursery

Aster Hospital, Qusais features:

- 6 Operation Theaters including a separate OT for women equipped with the most advanced technology
- Private rooms
- Deluxe Rooms
- 9 NICU beds
- 4 beds for Labor, Delivery and Recovery
- A critical care unit comprising of 10 beds
- Day Care Unit with 10 beds
- 24-Hour Emergency Care with 10 beds
- 24×7 Pharmacy

Complex Cardiology Procedure Performed for the first time in Dubai at Aster Hospitals

Orbital Atherectomy was performed on a 70-year-old male patient by Dr. Naveed Ahmed, Interventional Cardiology Specialist, at Aster Hospital, Mankhool.

In Dubai, Aster Hospital is the first healthcare facility to successfully attempt and execute the completion of complex cardiology procedure and the third within UAE. The patient, 70-year old, Abdul Kader, hailing from India, with a long history of diabetes and hypertension, had undergone an angioplasty nearly 10 years ago. The surgery was extremely successful with the patient being discharged within 24-hrs post his operation. This surgery marked a huge milestone for Aster Hospitals and revolutionized the department of interventional cardiology especially in a region that has very few doctors trained in rotational atherectomy.

Aster Hospital & Medical Centres, Qatar

Aster DM Healthcare is the largest private healthcare provider in the State of Qatar. Aster Qatar started its operations with a polyclinic in the year 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 departments to super specialty departments like 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 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 with more than 15 specialties and a 61-bed capacity. An advanced facility, Aster Hospital, also has 24-hour Emergency Department, 3 fully equipped Operating Rooms, Intensive Care Units including isolation Unit, 16 Slice CT Scan and 1.5 Tesla MRI Scan and a Day Care Unit.

Key differentiators

- Largest Private healthcare provider in the State of Qatar with primary and secondary care facility
- Aster Medical Centres and Aster Hospital in Qatar conducted 5,871 Lipid Profile Tests for the public within 5 hours on occasion of the World Heart Day 2018

Aster Hospital records successful total knee replacement surgery

A 54-year-old man regained his mobility after the successful execution of the total knee replacement (TKR) surgery which was presided over by a leading orthopaedic surgeon at Aster Hospital, Doha. Mr. Sean Webber from South Africa had severe knee pain and his mobility was restricted. The X-ray and physical examinations showed that the patient was suffering from osteoarthritis of the knee, which is common as age progresses.

Having undergone conservative therapy and medications, Mr Webber had no other option than to undergo a total knee replacement, an advanced surgery in which the worn out joint surfaces are replaced with metal components with a plastic insert in between them. After three weeks of surgery, Mr. Webber could walk without support.

Aster Al Raffah Hospitals & Clinics, Oman

Aster Al Raffah Hospitals & Clinics Oman comprises of 3 hospitals and 6 clinics across Oman. The Hospitals are located in Muscat (85 beds), Sohar (74 beds) & Ibri (31 beds) whereas the Polyclinics are located in Al Khoudh, Amerat, Ruwi, Ma'abella, Sohar & Liwa. A wide range of specialities including General Medicine, General Surgery, ENT, Pediatrics & Neonatology, Dermatology, Ophthalmology, Dentistry, Gynecology & Obstetrics to Super specialty services like Gastroenterology, Orthopedics and Spine Surgery, Laparoscopic Surgery, Cardiology, Urology, Neurology, Plastic Surgery, Rheumatology, Nephrology, Psychiatry are present in the Sultanate of Oman.

Key differentiators

- Delivering seamless medical care to more than 2,500 patients per day across Oman
- More than 550 medical professionals dedicated to serve the people of Oman
- The Department of Gastroenterology at Aster Al Raffah Hospital, Muscat shone bright by successfully performing more than 2,500 spectrum of procedures in the year 2018 - 2019
- Performed Endoscopic Sleeve Gastroplasty (ESG), a minimally invasive weight loss procedure. It is a non-surgical procedure that reduces the size of the stomach using an endoscopic suturing device.

Medcare Hospitals & Medical Centres

Medcare hospital & Medical Centres is a pioneer of premium healthcare in UAE. We strive to deliver a patient-centric healthcare journey, champion clinical excellence and provide state-of-the-art care. We are leaders in innovation and advanced digitalization to create a seamless and unique experience for our patients. We operate in three multi-specialty hospitals including Medcare Hospital Safa Park Dubai (64 beds), Medcare Hospital Sharjah (130 beds), and Medcare Women and Children Hospital (108 beds) in Dubai and one specialty hospital, Medcare Orthopaedics & Spine Hospital (33 beds). In addition, we have three specialty centres and 11 multi-specialty centres at key locations across Dubai and Sharjah.

Key differentiators

- Launched two new 'virtual health assistant' chatbots which are revolutionising the way patients in the UAE region access Medcare's healthcare services. The two health assistants use advanced artificial intelligence (AI) algorithms to learn about the patient in order to personalise responses and give accurate information in real-time
- In January 2019, Medcare Women & Children Hospital was accredited with Joint Commission International recognition also popularly known as JCIA. It is a quality accreditation that recognizes hospitals all over the world for their quality and patient safety

Methicillin-resistant Staphylococcus aureus (MRSA) and chronic infection surgery

Surgery was performed on a child who was diagnosed with methicillin-resistant Staphylococcus aureus (MRSA) and chronic infection. A four year old girl had recurrent swelling in her neck over a period of time and was finding it difficult to speak, swallow & breathe. She had earlier been continuously prescribed courses of antibiotics to treat the condition while she was under the care of different doctors in USA & UK. Due to accurate diagnosis by the doctors at Medcare, the child was operated under general anaesthesia to remove the chronic tissue and the right submandibular gland and the doctors managed to preserve the vital neck structures i.e. nerves, muscles and vessels. As a result of our expertise and compassionate care, the girl is now living a healthy, happy and pain free childhood.

Hospitals in India

Aster CMI Hospital, Bengaluru

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

Key differentiators

- 1st in Asia to use Normothermic Machine Perfusion for a Liver Transplant - the break-through procedure introduced at Aster CMI Hospital aims to improve liver transplant success rates across India
- 1st in India and 3rd in the world to successfully perfom TIPS (Transjugular Intrahepatic Portosystemic Shunt)on a 53 year old patient having reverse anatomy of organs (Situs Inversus Totalis)

Aster CMI rescues teen suffering from rarest of the rare genetic disease

A 13 year old teen, Ciara, from Mauritius was suffering from rarest of the rare Complement Deficiency genetic disease, C1q deficiency since the age of 2, and became the first teen in Asia suffering from this complex condition to receive a bone marrow transplant. Not only was she wheelchair bound, but also had very high risk of permanent renal failure till the Pediatric Immunology department at Aster CMI Hospital diagnosed her to be suffering from a very rare genetic disease – complement C1q deficiency as confirmed by the genetic studies conducted at the hospital. She was advised to undergo a bone marrow transplant and her father was found to be a full HLA match. He donated his bone marrow to Ciara and the teen has been cured to lead a normal life now. Efforts taken by the hospital to help the family raise a large sum worth ₹26.5 lakhs through a crowd funding platform played a vital role in making the successful transplant possible. There has been less than 10 such cases which have undergone successful transplantation in the world so far.

Aster Medcity Hospital, Kochi

One of the most technologically advanced healthcare destinations in India, Aster Medcity is a 670-bed facility located in a 40-acre waterfront campus in Kochi, Kerala. The hospital is JCI and NABH accredited and houses quaternary care facilities with one Multi-speciality Hospital and ten dedicated Centres of Excellence in Cardiac Sciences, Neurosciences, Orthopaedics & Rheumatology, Nephrology & Urology, Oncology, Women's Health, Child & Adolescent Health, Gastroenterology & Integrated Liver Care, Multi-Organ Transplant and Minimal Access Robotic Surgery.

The Multi-speciality Hospital offers a wide range of 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

- An outstanding team of 320+ doctors who provide optimal, evidence-based treatment with a multidisciplinary approach
- The first quaternary care facility in Kerala to achieve JCI accreditation
- The first hospital in India to achieve all relevant accreditations and certifications within one year of opening its doors to the world
- Ranked among the top healthcare facilities in India, Aster Medcity has achieved several international and domestic records including:
  - 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
  - Third hospital in the world to perform robotic trans-vaginal renal transplant surgery
  - First 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

Emergency liver transplants at Aster Medcity saves identical twins from liver failure

Emergency liver transplants at Aster Medcity prevented a double tragedy by saving a pair of one-year old identical twins, Hilal and Hubail, from liver failure and loss of two precious lives. A case of accidental poisoning by rat poison leading to liver failure, it was the well-coordinated efforts of the Integrated Liver Care team at Aster that saved their lives through emergency liver transplants for both the baby boys. The fifteen hour long complex transplant surgery was completed successfully, making this the first case of identical twins to undergo simultaneous live-liver transplant for acute liver failure in the world. It was also crucial as it was a challenge to conduct simultaneous surgeries in four people including the twins and donors. A month long post-surgery care of the twins was carried out by an expert team led by Dr. Rajappan Pilla, Head, Paediatric ICU, Aster Medcity.

Aster Ramesh Hospitals, Andhra Pradesh

Ramesh Hospitals was a leading multi-specialty tertiary care chain situated in Coastal Andhra Pradesh. Established in 1988 with a 6-bed setup, today Ramesh Hospitals operates 4 hospitals and a total bed capacity of 738 beds in the Vijayawada – Guntur – Ongole region, all of which are NABH accredited. Our acquisition of Ramesh Hospitals in 2016, now makes Aster Ramesh a leading NABL accredited facility. Our wide reach spans across 5 districts in Coastal Andhra Pradesh through a network of over 25 Telemedicine and out-patient outreach centres. Renowned for its success rate and expertise, Aster Ramesh Hospitals has been conducting academic programmes in Cardiology – PGDCC and DNB in Cardiology & Neurology. The hospital provides latest medical technology with a Philips Brilliance ICT 256 slice CT Scanner and a CX3 Tesla Digital MRI.

Key differentiators

- Dedicated team of 60+ full time Consultants, 70+ junior doctors and 1000+ medical staff across all specialties
- Market leader in Cardiology with a prominent brand presence; treated 12,00,000+ patients, conducted ~15,000 CT Surgeries, ~80,000 Cath lab procedures and ~1,400 Primary Percutaneous Coronary Interventions (PCI)
- Early adopter of technology with state-of-the-art medical equipment
  - Established the first Cath Lab 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

Largest Small Intestine Tumour Removed

A 32 years old male was suffering from abdominal pain for 15 days and his CECT abdomen showed a large 21 x 19 x 13 cm complex cystic lesion with solid areas occupying the centre of the abdomen with no other abnormality elsewhere. With a probable diagnosis of infected mesenteric cyst, Laparoscopic excision was attempted but soon had to be converted to laparotomy as the cyst wall was very fragile and looked like some sort of malignancy with cystic degeneration.

Surprisingly it was a large tumour arising from the MID JEJUNUM. Tumor was excised with 10 cm margin on either side. Histopathology and IHC was suggestive of mantle cell lymphoma a subtype of non hodgkin's lymphoma. Incidentally this is the largest small bowel tumour reported to be resected in the world till date. The previous one was recorded at 13 x 5 cm, done at Athens, Greece, in 2010.

Laparoscopic Management Of Giant Hydronephrotic Kidneys

Three patients aged 49-55 years were affected with flank distension and pain for long durations (2 right and 1 left). Upon examination it was revealed that there was a cystic mass present in the respective kidney region. Diagnostic ultrasounds revealed giant hydronephrosis on respective sides. To further study the structure and function of the renal unit's contrast, enhanced CT KUB and DMSA scans were done. The renal units were deemed non-functional by DMSA (percentage function 0-1%). CT scans revealed large kidneys with papery thin parenchyma in each case, reaching up to true pelvis inferiorly and crossing the midline medially, with estimated capacity 2000-4500ml. CT revealed pelvic primary UPJ obstruction in two and lower ureteric stone (20mm) in one case as the cause of obstruction.

In view of large capacity non-functioning units with bothersome clinical symptoms, our experienced team of laparoscopic urologists Dr Mayank Mohan Agarwal and Dr Durga Prasad offered laparoscopic nephrectomy (in UPJO cases) / nephroureterectomy (in lower ureteric stone case) to the respective patients. All the procedures were accomplished successfully by laparoscopically using a 5-port technique (3, 12mm and 2, 5mm). In one patient, concomitant laparoscopic hysterectomy was performed by the same team in view of uterine myomas with menorrhagia. All the patients recovered uneventfully and were discharged by 2-4 days after their surgery without antibiotics and minimal analgesics.

Clinics and Pharmacies

Aster Clinics, India and GCC

Aster Clinics was established in 1987 and today, it has emerged as the largest network of clinics in the UAE offering affordable healthcare; operating by maintaining the highest quality of standards and setting new benchmarks in care giving to make a positive difference in the lives of our patients.

Key differentiators

- Aster Clinic won the Dubai Quality Appreciation Award during the 25th Annual Dubai Business Excellence Awards, organized to recognize the outstanding pursuit of excellence in business practices in 2018 by the Department of Economic Development (DED), a department under the patronage of His Highness Sheikh Mohammed Bin Rashid Al Maktoum, UAE Vice President and Prime Minister and Ruler of Dubai
- Aster Clinic, introduced Vertigo Clinic at it's Aster Specialty Clinic, International City campus. The clinic offers treatments designed to identify, manage and treat Vertigo
- Aster Clinic, introduced Friday Clinics to provide further convenience and care to people during their weekends

114
Clinics across India and GCC

Over 3,500
Employees as on March 31, 2019

Over 30
Specialisms as on March 31, 2019

Aster Pharmacy, GCC

Aster Pharmacy is a growing network of over 200 stores that is built upon three decades of experience, offering solutions to customers for all their healthcare needs. Our experts work with manufacturers across multiple continents who supply exceptional products through high manufacturing standards and quality accreditation allowing us to offer customers a wide range of nutritional supplements, baby care, personal care, medical device, rehabilitation products and much more.

Key differentiators

- Aster Pharmacy unveiled UAE's first eco-friendly pharmacy made with 80% recyclable material
- Aster Pharmacy launched two new products - NutraTrim & DermaBrite, under its in-house brand Nature's Answer
- Aster Pharmacy introduced fréche - a leading French skincare brand with a legacy of over 70 years. Fréche offers a total of 19 products, catering to a wide range of solutions like cleansers, micellar water, face, body and sun protection creams for each skin type, such as oily or acne-prone, dry or dehydrated, sensitive & normal skin. It provides an effective skincare range that promises to soothe, nourish and balance the skin
- One of the most awarded pharmacy network in UAE

219
Pharmacy across GCC

1,521
Employees as on March 31, 2019

Medical Excellence Highlights

Aster DM Healthcare has been steady in its continuous pursuit to push boundaries of excellence in the healthcare sector and cater to the needs of patients, thereby setting global benchmarks in the field of medicine and patient care. As a dedicated service provider in the healthcare segment, we have accomplished several milestones and performed surgeries that were 'firsts'. Mentioned below are some of the significant achievements that are a testament to our clinical excellence.

India

Aster Ramesh Hospitals, Andhra Pradesh

In a rare device closure procedure saved a **40-day old baby** suffering from severe pulmonary arterial hypertension along with Aortopulmonary window, an uncommon congenital cardiac defect.

- Saved a newborn baby with an unclosed hole in the aorta or the main artery of the heart, also known as patent ductus arteriosus, through stenting
- In a rare device closure procedure saved a 40-day old baby suffering from severe pulmonary arterial hypertension along with Aortopulmonary window, an uncommon congenital cardiac defect
- Launched 'Komali Fertility center' at Guntur, which started its operations from April 1, 2019.
- Organized Telemedicon – 2018, an international conference with 750 delegates from November 1st to November 3rd, 2018.
- Set a Guinness World Record for recording the highest number of blood pressure readings taken in an hour across multiple locations
- First ever Transcatheter Aortic valve replacement performed
- New specialty clinics launched for Cardiology Clinic in Markapuram, Gastroenterology Clinic and Pulmonology Clinic in Tenali

Aster CMI Hospital, Bengaluru

Successfully performed a TIPS (Transjugular Intrahepatic Portosystemic Shunt) surgery on a 53-year old patient suffering from reverse anatomy of organs (Situs Inversus Totalis), for the 3rd time in the world and **1st time in India**. Situs Inversus Totalis, is a condition which involves total reversal of the usual anatomy of organs and is found to occur in about 1 in 10,000-20,000 live births.

- Became the first in Asia to use Normothermic machine perfusion to revitalise organs before transplantation in a liver transplant case
- Neurosurgery team successfully performed Phrenic Nerve Stimulation for diaphragmatic palsy, Dorsal column stimulation for traumatic paraplegia and Mechanical Thrombectomy
- Used a deceased donor's liver with an exsit split to benefit 2 patients
- Performed Ace Split liver transplant in a 32-month old baby
- A citizen of Iraq weighing 212 kg with BMI of 90, previously operated in Germany, underwent revision Sleeve and MGB under the Department of Bariatric surgery
- Performed 4 Robotic surgeries in Urology in Dec 2018
- Bariatric Surgery performed successfully on a 207 Kg Sudanese woman
- Neuro specialists performed a complex surgery to restore the mobility of a 7-year-old child from Kenya by conducting a nerve pacing surgery, probably the first of its kind in the country among children
- The Pediatric Immunology Department recognized as Foundation for Primary Immunodeficiency Diseases (FPID) center of excellence
- Successfully performed a TIPS (Transjugular Intrahepatic Portosystemic Shunt) surgery on a 53-year old patient suffering from reverse anatomy of organs (Situs Inversus Totalis), for the 3rd time in the world and 1st time in India. Situs Inversus Totalis, is a condition which involves total reversal of the usual anatomy of organs and is found to occur in about 1 in 10,000-20,000 live births
- Less than a month old new born who had been infected by a rare life threatening infection of the skin called Necrotising Fasciitis, also known as flesh eating bacteria, was miraculously saved by the combined efforts of the doctors

Aster Medcity Hospital, Kochi

Successfully performed Kerala's first permanent His Bundle Pacemaker implantation surgery, the most physiologic form of pacemaker implantation on a **71-year** old patient.

- Completed 100 Liver transplants in July 2018 and 100 Robotic Gynae Surgeries in August 2018
- Integrated Liver Care team saved the lives of one-year old identical twins from liver failure
- Launched a Vertigo Clinic in September 2018
- Aster Medcity Women's Health achieved another milestone in the month of November when the 1000th baby was delivered on November 20, 2018
- Organised Aster Nutricon 2018 CME at Kochi. This CME featured bariatric nutrition including the role of nutrition in bariatric surgery, medical and nutritional management in pre and post-bariatric surgery and nonsurgical management of obesity
- Joined CDC's AMR Challenge- A global commitment to take action against the spreading of antimicrobial resistance
- Launched a separate dedicated area for Physical Medicine and Rehabilitation consisting of 16 beds
- Commenced a critical care project, a series of sessions with IMA and local GPs showcasing Aster Emergency Department and critical care department excellence in handling critical cases
- STEMI project initiated efforts to divert STEMI cases to Aster Medcity by contacting periphery hospitals within 15 Km range
- A 43 year old patient was suffering from Klippel Trenaunay's Syndrome with intractable rectal bleed. We successfully resected the last part of the colon and rectum using laparoscopy
- Successfully performed Kerala's first permanent His Bundle Pacemaker implantation surgery, the most physiologic form of pacemaker implantation on a 71-year old patient
- Indian made valve inserted without surgery in an octogenarian, the first commercial patient, using Transcatheter Aortic Valve Implantation (TAVI)

Aster MIMS Hospital, Calicut

A benign tumor that weighed **4.5 kg** was removed from the thoracic cavity of a patient by the Cardiac team.

- Successfully performed 500th Kidney transplant
- Performed an Endoscopic Vein Harvesting for CABG (Coronary artery bypass grafting), for the first time in North Kerala
- A benign tumor that weighed 4.5 kg was removed from the thoracic cavity of a patient by the Cardiac team
- A fully amputated arm was re-implanted successfully by a plastic surgeon and the team
- Deep Brain Stimulation surgery, Laser Surgery for Hemorrhoid and Varicose Veins, Minimally Invasive Spine Surgery introduced during the year
- Performed DBS surgery, which is a first in North Kerala. Three surgeries have been conducted till December 2018
- Performed a heart surgery for a Somalia patient diagnosed with severe valvular pulmonary stenosis, small hypertrophic right ventricle
- Entered into a MoU with National Health Mission for empanelment of Paediatric Cardiac Surgery

GCC

Aster Hospitals – UAE

- The surgical team at Aster Hospital, Mankhool, Dubai recently removed a thyroid gland from a 46-year-old patient that was 20 times larger than its normal size, weighing half-a-kilogram
- For the first time in Dubai, a Single Incision Colorectal Laparoscopic Surgery was performed in Aster Hospital, Al Qusais
- A general surgeon at Medcare hospital Sharjah removed the gall bladder of a woman with a rare condition called Situs Inversus where her body organs were located in the 'reverse side', in contrast to the normal anatomy
- Medcare partnered with The United Medical Eastern Services (UEMedical) to launch a new HealthPlus Fertility Centre in Dubai
- Medcare Multi-Specialty Hospital in Dubai successfully operated on a 4-year old patient suffering from a large swelling on the right side of his neck, complicated by contracting MRSA while being treated abroad
- Medcare Women and Children Hospital announced the opening of the first DHA accredited Fetal Medicine Unit in the UAE
- Medcare Orthopedic and Spine Hospital in UAE performed a spinal reconstruction surgery on a 28-year-old Emirati man suffering from Achondroplasia (a form of dwarfism)

Medcare Hospitals and Medical Centers

- Medcare Multi-Specialty Hospital restored a 2-year-old Emirati boy's ability to speak after he had swallowed drain cleaner
- Medcare Orthopedic and Spine Hospital performed a critical 12-hour surgery on a 28-year-old Emirati patient suffering from a rare neurological deficit due to a congenital problem associated with dwarfism, and helped him to walk again

Aster Clinics

- Aster Clinic doctors helped an insulin dependent diabetic woman experience motherhood again
- In collaboration with Baby Shop-Landmark Group, Aster Clinics, joined hands to spread awareness about Breast Cancer this Mother's Day
- Introduced #SugarlessFriday (as a part of Aster Circle of Strength Initiative)—a social media content series covering recipes, tips and more, that were equally delightful for the taste buds, as they were for the health! We also brought to the consumers' diabetesfriendly recipes for a healthier lifestyle, a collaboration with one of the most awarded & renowned Food Stylist & Blogger - Ritu Chaturvedi
- To further raise awareness about Diabetes as a part of its Aster Circle of Strength Initiative, Aster Clinics collaborated with KT for Good initiative by Khaleej Times & shared life-changing patient stories
- Reached out to more than 1000 children in the community across UAE through its Aster Kids Canvas Competition and related activities

Aster Oman

- Aster Al Raffah Hospital, Muscat performed a new Non-surgical weight loss procedure (Endoscopic Sleeve Gastroplasty)

Corporate Social Responsibility

Giving back to the society

As an institution, Aster DM Healthcare goes beyond delivering quality healthcare to serve in which we operate. We strive to make a difference in the lives of people across regions by introducing meaningful interventions through Aster DM Foundation, Dr. Moopen Family Foundation and Aster MIMS Charitable Trust.

Aster DM Foundation

A charitable branch of Aster, Aster DM Foundation, initiates and undertakes various CSR and charitable activities to uplift the society in which it operates. The initiatives include establishment of Community Dialysis Centres (CDCs), Early Cancer Detection and Screening Programme ECDS, Subsidized or Free Paediatric Cardiac Surgery Programme, Mobile Clinics, Free Health and Safety awareness programmes and regular medical camps, treatment subsidies, Education and Women Empowerment Programmes, Disaster Management Supports, etc.

Highlights 2018-19

- To address the healthcare service gap in Odisha, India, the Company donated an ambulance and provided healthcare services to the tribal community in the hilly station at Jubo Panchayat
- In Dubai, UAE, the Company supported local NGOs including Al Jalila foundation and Al Noor Foundation with their healthcare initiatives. Also, Dr. Moopen has worked as an advisor on medical research activities for 'Al Jalila Foundation'
- Aster reached out to people affected by humanitarian crisis in Africa, Afghanistan, Bangladesh, Nepal, Jordan (Syria), and in Indian regions like Chennai and Kollam
- Through Company's facilities it even provided subsidized and free Paediatric Cardiac Surgery to the children in need
- The Company continued to provide medical care services to people through mobile clinics in UAE and India

Impact created

40
Remote villages in India covered through mobile clinics

60,523
No. of People benefited through early disease detection and Cancer screening centres in Kerala

4,05,888
No. of people benefited through 7 mobile clinics

5,67,566
Free dialysis done through 11 community dialysis centres in Kerala

Aster Volunteers

On occasion of Aster's 30[th] Anniversary in FY 2018, Aster DM healthcare launched Aster Volunteers, a global CSR programme, with an aim to focus on the social determinants of health and strives to eliminate health inequality based on socio-economic status, race and ethnicity. The Company strives to bridge the gap between those who would like to help with those in need, in 9 countries through volunteers from various walks of life.

10,35,791
Total Number of lives touched in 2018-19

8,300+
Volunteers enrolled in 2018-19

Key Initiatives for the year FY 2018-19

Mobile Medical Services

- In order to make primary healthcare accessible to the under privileged communities across the city of Delhi, Aster launched Aster Volunteers Mobile Medical Service by flagging off a mobile medical van. The medical van seeks to target communities within a 10-15 km radius of Alshifa Multi-speciality Hospital providing service to nearly 1 Lakh people who currently do not have access to comprehensive medical facilities. The van is equipped with all facilities to provide diagnostic, laboratory, medical check-ups, consultation, and first aid treatment. The mobile clinic is fully staffed by a doctor, nurse and medical technologist to offer healthcare services.

4,05,888
Patients treated through Mobile Medical service

BLS awareness

- In collaboration with the local government, organizations and institutions across all the countries in which it operate, the Company undertook various campaigns to spread awareness on Basic Life Support (BLS)

1,50,358
people trained to provide BLS

Free surgeries & investigations

- The Company offered free investigations, treatments and surgeries to patients in need as part of its commitment of improving quality of life in the areas of its operations

27,408
Benefited through free surgeries and free investigations

Differently abled support

- Aster provided recruitment and support to the differently abled by providing employment and training opportunities
- Al Amal 2.0's launch in collaboration with Dubai Club and Special Needs Future Development Centre was in line with the UAE government's efforts to empower the People of Determination by urging an integrated community role. A free medical check-up camp was also organized for the differently abled on the site and covered a variety of specialty areas including gynaecology, orthopedics, podiatry, psychology, general medicine, basic life support and CPR training.

108
Differently-abled people recruited

Aster Volunteers Aid

- Aster extended its support to victims affected by natural disasters and humanatarian crisis with essential aid such as food, medical care, nutritional supplements, clothes and other necessities in Somali Land, Jordan, Bangladesh & Kerala
- A 7.7 million Dirhams (₹ 15 Crore) Aster Homes Fund was announced to rebuild Kerala, post the most devastating floods in the history of Kerala. It is being used to build new houses and repair damaged houses of flood affected victims in the state. The 250 Aster Homes project was presented to Shri Pinarayi Vijayan- Honorable Chief Minister of Kerala by Dr. Azad Moopen, Chairman of Aster DM Healthcare as part of this commitment. First cluster homes were handed over to the flood victims in April 2019. When the flood hit Kerala Aster Volunteers were the first responders to provide aid and healthcare support, working tirelessly to help people in need

₹ 15 crore
Aster Homes Fund announced to rebuild Kerala

233,488
No. of people have benefited through the aid programme in Somali Land, Jordan, Bangladesh and Kerala

Medical camps

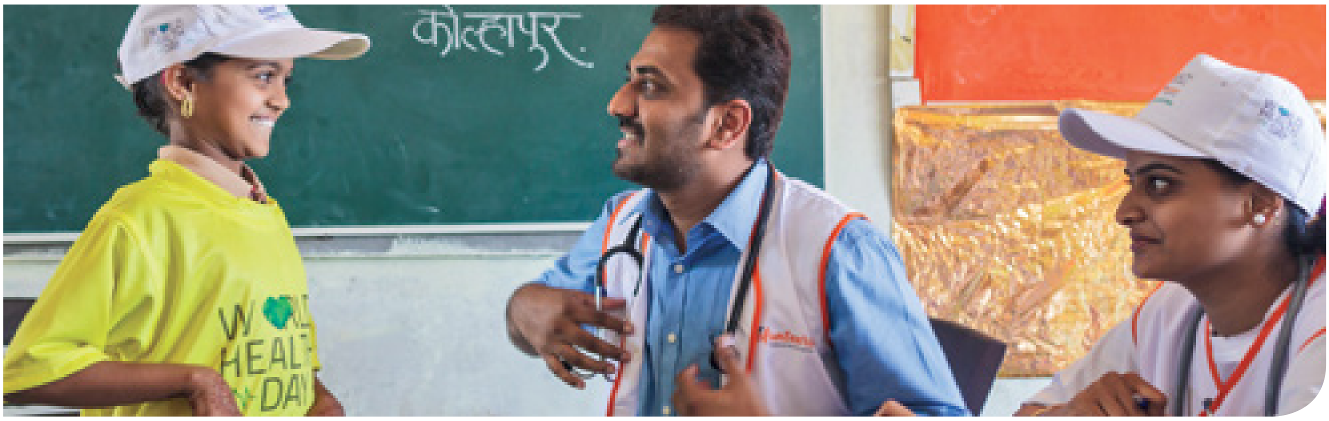
- On the occasion of World Health Day, Aster Volunteers organized a medical camp to provide assistance to over 1,400 low income workers. At the camp, workers were screened by specialists from General Medicine, Orthopaedics, Dental, Ophthalmology, Dermatology, Pulmonology and Gastroenterology. Post screening, individuals diagnosed with specific health conditions were recommended appropriate treatment path. During the camp, Aster optics gave out free spectacles based on patient needs, while Aster pharmacy supplied medicines to the workers
- The Company organized several blood donation camps across multiple locations
- Through the 'Smile initiative' Aster Volunteers and Emirates Red Crescent-Dubai joined hands to bring happiness and health to 100 less fortunate children in UAE. The programme was driven by 30 medical and non-medical volunteers, with an objective to put a smile on the lips of these children and make Eid special for them. The medical screening consisted of check-ups from general practitioners and medical experts across specialties including ear, nose and throat (ENT), dental and pediatrics

10,400
People assisted through blood donation

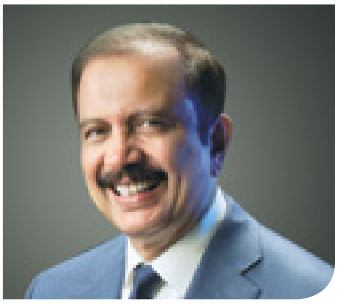
6,147
Benefited through Medical Camp at Jordan

422,694
Underprivileged people treated through 3061 medical camps

300+
Participants took part in interactive wellness sessions and availed of free health checkups provided by Aster Volunteers at Al Amal 2.0



Board of Directors



Dr. Azad Moopen
Chairman & Managing Director

Mr. T. J. Wilson
Non-Executive Director

Ms. Alisha Moopen
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 Kumar
Non-Executive
Independent Director

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

Prof. Biju Varkkey
Non-Executive
Independent Director

Corporate Information

Board of Directors

Dr. Azad Moopen

Mr. T J Wilson

Ms. Alisha Moopen

Mr. Anoop Moopen

Mr. Shamsudheen Bin Mohideen Mammu Haji

Mr. Daniel Robert Mintz

Mr. Suresh 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 and Associates
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.

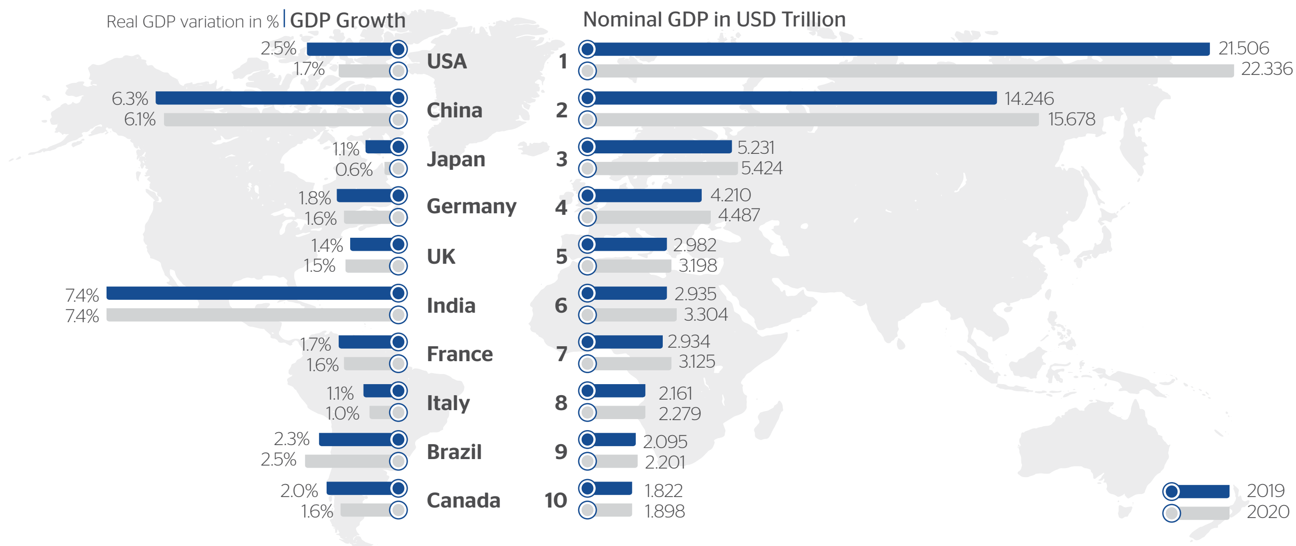
Management Discussion and Analysis

Global Economic Overview

Global economy, in 2018, grew at 3.6%, while the advanced economy and emerging markets and developed economies (EMDEs) projected a growth of 2.2% and 4.5% respectively. There was, however, a temporary downfall in the economy on account of trade tensions between the US and China, loss of momentum in Europe and uncertainty surrounding Brexit. The major boost was received from the growth in USA economy which was able to offset the downside risks facing the other large economies. In addition, various policies adopted by major countries such as Europe, China and USA, responded well and helped in reversal of tightening financial conditions across various countries. While USA paused the interest rate increases, China ramped up its fiscal and monetary stimulus to counter the negative effect of trade tariffs. Furthermore, the outlook for US-China trade tensions has improved as the prospects of a trade agreement take shape.

In 2019 the economy might face the after-shock of the current year risks, but is anticipated to stabilize in the later half of the year projecting a growth of 3.3%. Beyond 2020, the global growth would be sustained at about 3.6% because of the increase in the relative size of economies such as China and India, which are projected to have robust growth. This growth is projected on account of rebound in Argentina and Turkey and improvements in other stressed emerging market and developing economies. However, growth in advanced economies will continue to slow gradually as the impact of US fiscal stimulus fades and growth tends toward the modest potential for the group, given ageing trends and low productivity growth. Thus, across all economies, it is important to take actions that boost potential output, improve inclusiveness, and strengthen resilience.

GDP Forecasts for World's Top Ten Economies



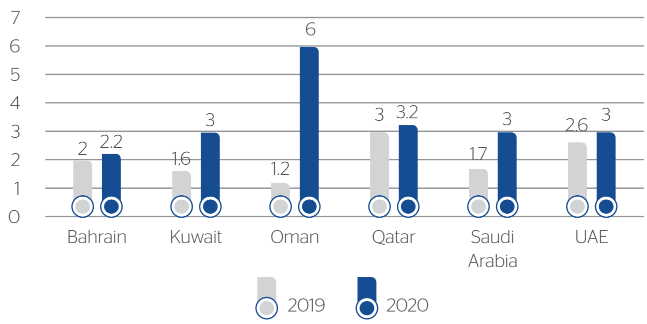
(Source: Focus Economics)

GCC Economic Overview

The economic growth in GCC states is estimated at 2.4% for 2018 on account of increase in oil revenues and fiscal reforms of past years which provided necessary support for GCC countries to boost economic growth through capital expenditure. Although the recovery in oil prices did not last throughout 2018, GCC economies witnessed a considerable increase in oil revenues. The growth of UAE economy is estimated to rise from 0.8% in 2017 to 2.9% in 2018, while that of KSA is estimated to improve from 0.9 per cent in 2017 to 2.2 per cent in 2018. This growth is largely attributed to the implementation of public investment projects, including those consistent with the five-year development plan in Kuwait, infrastructure investment projects ahead of the FIFA 2022 World Cup in Qatar (where the effect of the rift with Saudi Arabia has been contained), and ongoing preparations for Expo 2020 in the UAE. In Bahrain, the expected fiscal consolidation is projected to inhibit non-oil activity, despite rising aluminum production capacity.

The economic conditions are anticipated to improve in GCC with an overall growth of 3% in 2019 as the domestic demand will strengthen with ease in fiscal consolidation. However, a tighter monetary policy, due to pegged exchange rates in the GCC, might impact exchange rates and inflation in the region. Despite these challenges, the economy projects several opportunities in the areas of banking, investment, industry and economic diversification. But with a risk that oil prices may wane, countries will have to be prepared for these challenges to avoid downside risks. On the financial front, GCC countries are yet to systematically explore public wage bill and employment reforms as a strategy to achieve long term fiscal sustainability and to improve service delivery. Business environment and labor market reforms are also required to increase private investment, foster job creation, and ensure that Gulf nationals have the skills required by the private sector. (Source: Gulf Business, World Bank)

GDP Growth Forecast of GCC Countries



(Source: World Bank)

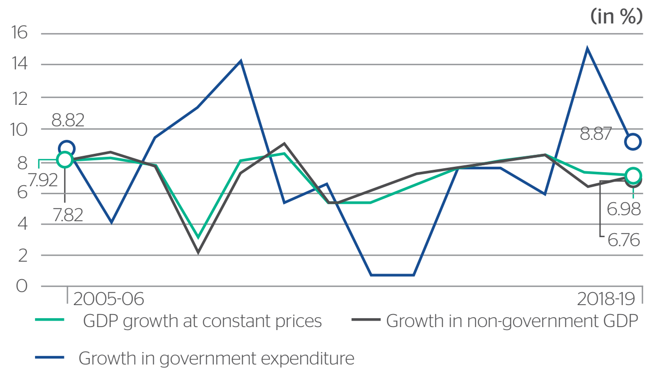
Indian Economic Overview

During the fiscal year 2018-19, India's economy is estimated to have grown at 7.3% on receiving boost from robust private consumption, a more expansionary fiscal stance and benefits from previous reforms such as GST and demonetization. This robust growth is also fairly diversified with over 8% growth in manufacturing and about 9% growth in electricity and other utilities, construction, and public services. Further, this growth upturn was led by recovery of investment instead of debt-financed consumption as in the recent past. Private consumption was a major growth driver for the year demonstrating a growth of 8.3% despite rural consumption remaining sluggish under subdued crop prices, slow growth in rural wages and stress on nonbank lenders. However, core inflation during the year remained elevated at 5.6% reflecting price increase in housing, education and recreation services and health care sector. Fuel inflation also remained strong owing to both higher global oil prices and Indian rupee depreciation.

For 2019-20, India's growth is projected to be at about 7.5%, on the back of the rebound from the shocks of demonetization and the goods and services tax (GST), and improving private consumption and investment climate. The economy is poised to pick up in FY2020, capitalizing on lower oil prices and a slower pace of monetary tightening than previously expected as inflation pressures ease. The domestic demand is estimated to remain a major factor driving the growth of the economy. Further, the manufacturing sector is likely to benefit from lower borrowing costs and increasing demand for the consumer goods, supported by government measures to boost disposable incomes. However, growth could suffer if tax revenue falls short or any disruption affects the ongoing resolution of the twin problems of bank and corporate balance sheets. Despite these challenges, India is anticipated to remain a fastest growing major economy projecting a growth of 7.7% in 2020-21. (Source: IMF, Livemint, ADB)

Propping up growth

Government expenditure for this fiscal is expected to grow at 8.87%, whereas gross domestic product is likely to grow at 6.98%.



Source: Ministry of statistics and programme implementation

Industry Scenario

Global Healthcare Industry

Global healthcare spending is on a continuous growth trajectory and is estimated to reach $10.059 trillion by the year 2022. The annual growth rate in spending during 2013-2017 was about 2.9% which is now projected to increase at an annual rate of 5.4% during 2018-2022. This increase in annual spending is on account of strengthening of dollar against euro and other currencies, the expansion of health care coverage in developing markets, the growing care needs of elderly populations, advances in treatments and health technologies, and escalating health care labour costs.

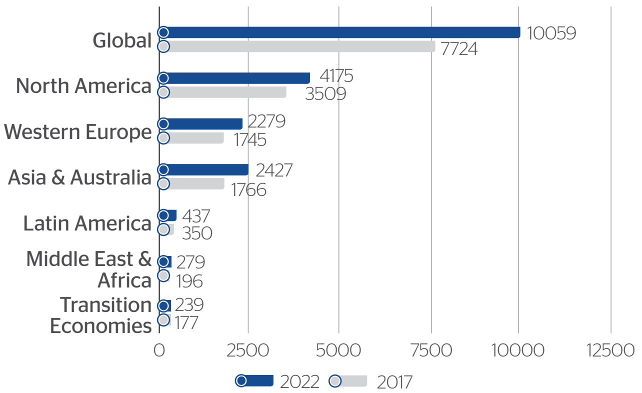
Further, with the improvement in the industry in life expectancy is also increasing. This is reflected in the prediction for 2022 at 74.4 years from 73.5 years in 2018. In the year 2005, the number of aids related deaths were around 2.3 million which fell to 9,40,000 in 2017 due to improved treatments and better awareness. This is because upgradation and development in sanitation, living conditions and easier access to healthcare is helping in the fight against communicable diseases. Also, new vaccines dropped the count and spread of mosquito borne diseases like malaria and dengue during the year.

However, the emergence of personalized medicine, exponential technologies, disruptive competitors, expanded delivery sites and revamped payment models is adding to uncertainty in the global health economy and increasing the urgency for organizations to plan future moves to remain relevant and financially viable. Despite these headwinds, the year ended well for global health care industry. In order to comprehend and properly understand the determinants of health in a society, collaborations with sectors like housing, education, retail, banking etc. needs to be done so that more reliable data is received which will help in improving the present situations.

Outlook

Globally, 2019 will be a year of value-based care for the industry. This initiative will continue to evolve from economic model/cost-effectiveness measures to more health outcomes and treatment focus with the help of data driven risk sharing frameworks and sustainable reimbursement model that benefits both providers and payers. In addition, the trend toward universal health care is likely to continue with more countries expanding or developing their public health care systems to reduce out-of-pocket (OOP) expenses. Further, technology will help increase access to and participation in clinical research. The most preferred way is to integrate technology such as AI and medical devices with smart data that can provide solution to meet each population's cultural and geographic needs. (Source: Deloitte 2019 Global health care outlook - Shaping the future, Forbes report, PWC report- Global top health industry issues: Defining the healthcare of the future)

Golobal Healthcare Spending (USD Billion)



2022: Projected

(Source: The Economic Intelligence Unit, 2018)

GCC Healthcare Industry

Gulf Cooperation Council (GCC), is a regional intergovernmental political and economic union consisting of six Arab states namely, Saudi Arabia, Kuwait, the United Arab Emirates, Qatar, Bahrain, and Oman. The health care sector in GCC countries offers a range of investment opportunities on the back of demographic shifts, high incidence of NCDs, mandatory insurance and technological progressions. With healthcare infrastructure moving towards the private sector, particularly in the UAE and Kingdom of Saudi Arabia (KSA), there has been an increase in number of hospitals and beds in addition to on-going demand for more healthcare services. Despite current economic hardships, regional governments are continuously bearing a sizeable part of the healthcare expenditure, while encouraging private sector participation.

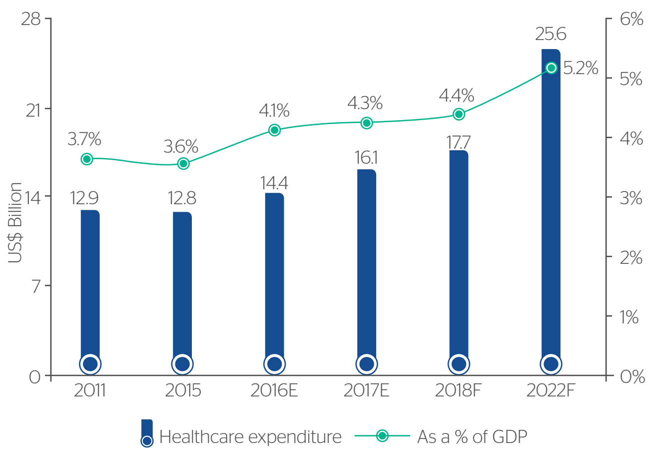
In 2019, GCC countries are anticipated to represent nearly 13% of global revenues for healthcare products with services growing at 12%. This is because the region is observing growing demand for healthcare services, largely backed by increased prevalence of chronic diseases and improved healthcare. Due to a rise in the no. of patients GCC might have to increase its bed capacity by including around 12,358 new beds. GCC countries have the highest prevalence of diabetes and obesity in the world due to consumption of high calorie foods as reported by the International Diabetes Foundation. Most of the deaths here have occurred due to Non Communicable Diseases like cancer, diabetes, cardiovascular diseases.

UAE

UAE population is anticipated to grow at a CAGR of 3% during 2017-2022. Presently, adoption of sedentary lifestyles have led to diseases like diabetes, hypertension and cardiovascular problems. Lengthy treatment of such diseases is boosting the healthcare sector revenue. Globally, UAE is one of the fastest growing medical tourism hubs. By 2020, Dubai aims to increase number of tourist to 50,000 through relaxation in visa procedures and holding promotions. Further, Abu Dhabi is establishing a medical tourism network with a view to attract and serve patients from Russia, China and India. The growth of medical tourism bodes well for the expansion of healthcare sector.

Indicators	Unit	2018E	2023F
GDP Growth at current prices	%	2.9	2.9
GDP per capita	US$	62,415	63,046
Population	Mn	10.4	12.1

Current Healthcare expenditure in UAE



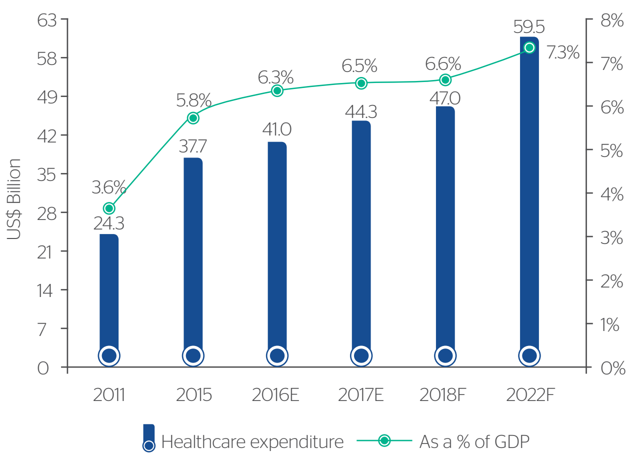
Kingdom of Saudi Arabia (KSA)

The population of Saudi Arabia is anticipated to rise continuously reaching a demographic size of 35.7 million by 2022. The country stands 13th in the world for rising incidences of diabetes and 14th for obesity. This is resulting in occurrence of major diseases which gives rise to spending on routine medical visits, related diagnostics, drugs and inpatient care. As a result, specialized hospitals, polyclinics and labs are set to grow in the country to meet the demand. Currently, there are 25 hospitals and 158 health clinics across the holy cities in the country.

By 2030, The Ministry of Health plans to privatize 295 hospitals and 2,259 healthcare centers by 2030 and upsurge the share of private sector in healthcare spending to 35% by 2020. Such plans are likely to attract private investors and enhance the quality and efficiency of healthcare services. In 2017, the government implemented the last phase of unified health insurance in order to cover nationals and their dependents working in private sector. Expansion of the coverage are further likely to increase utilization of healthcare services.

Indicators	Unit	2018E	2023F
GDP Growth at current prices	%	2.2	2.3
GDP per capita	US$	49,680	50,133
Population	Mn	33.2	36.7

Current Healthcare expenditure in Saudi Arabia



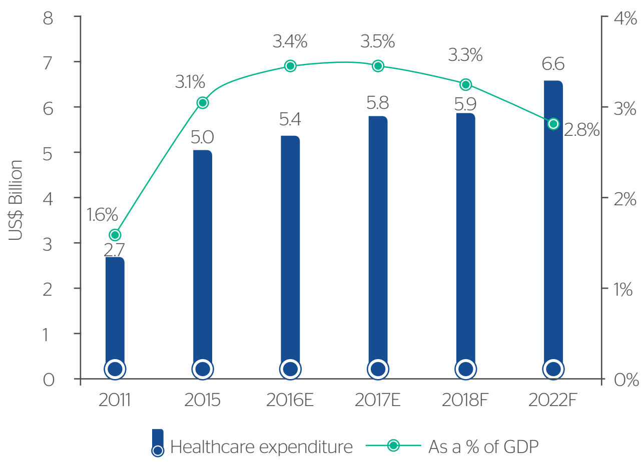
Qatar

In Qatar, the population is grew at an annualized averages rate of 8.3% leading to a significant increase in demand for healthcare services. Although the population growth is expected to slow down in the coming years, the rise in size of population and ageing people will continue to augur demand for care. With a high standard of living and growing number of international food retailers, there has been incidences of high intake of sugary and calorie-rich fast and packaged foods. This rise in incidence of lifestyle ailments has considerably increased the per capita spending on healthcare. Long duration and high cost of treating such diseases are likely to augment healthcare sector spending.

Further, the country is modifying the PPP framework to make it more effective and follow international best practices. On implementation, the law will attract foreign investments in the country and aid in development of sectors, including healthcare. Ashghal, the Public Works Authority, is likely to explore this route to develop healthcare projects. The authority plans to develop 60-70 healthcare centers over the next 10 years.

Indicators	Unit	2018E	2023F
GDP Growth at current prices	%	2.7	2.7
GDP per capita	US$	114,136	127,748
Population	Mn	2.8	2.8

Current Healthcare Expenditure in Qatar

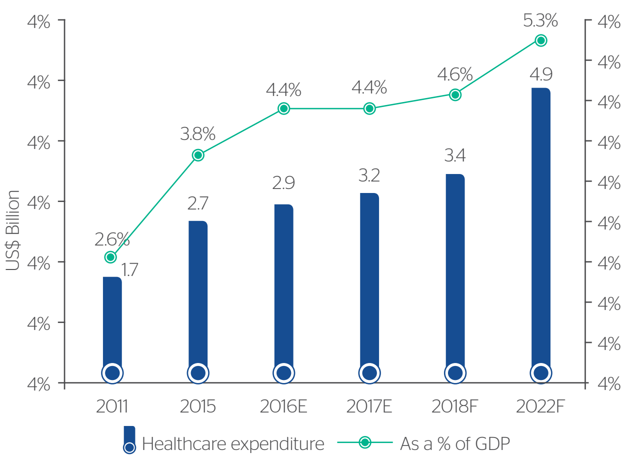


Oman

Over the last 40 years, Oman has invested heavily in the health sector and has successfully created a relatively modern health care system. Health indicators attest to its comprehensive and well-developed standards. Meanwhile, the government's determination to provide all its citizens with free, basic health care, along with treating tenacious diabetes and cardiovascular disease, reflects a major increase in health-related expenditures. The Omani government presently expends more than USD 260 million annually on medicines and supplies, with over 93% of medical supplies, including laboratory, surgical equipment, and pharmaceuticals, needing to be imported from abroad. Oman is now contending with the rise in lifestyle diseases, such as diabetes, obesity, and hypertension. The health care sector is currently focusing on treatment rather than preventative care, as a result of which less priority is being placed upon wellness education and limited focus on rehabilitative care, including physical, occupational, and developmental therapies.

Indicators	Unit	2018E	2023F
GDP Growth at current prices	%	1.9	1.5
GDP per capita	US$	41,326	40,297
Population	Mn	4.3	5.0

Current Healthcare Expenditure in Oman

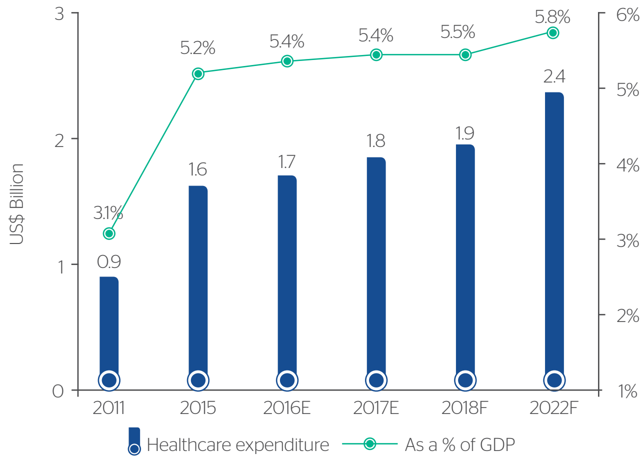


Bahrain

Bahrain's healthcare expenditure in 2018 is estimated to be USD 1.8 billion. This includes subsides of medicine, medical material, overseas treatment (for eligible patients) and construction and maintenance works for the country's main hospitals and medical centers. The healthcare market in Bahrain has been growing at an annual average rate of 12.2%, from an estimated USD 1.1 billion in 2015 to USD 2.0 billion in 2020. The country is considering a proposal to implement compulsory national health insurance scheme. The scheme, if implemented, will encourage expatriates to use private as well as public healthcare facilities in the country and curb outbound medical tourism. In July 2016, Bahrain passed a new law allowing 100% foreign direct investments across various sectors including healthcare. This stimulated development of the sector as new foreign players found opportunities to capitalize on the country's rising demand for care.

Indicators	Unit	2018E	2023F
GDP Growth at current prices	%	3.2	2.6
GDP per capita	US$	45,082	46,306
Population	Mn	1.5	1.6

Current Healthcare Expenditure in Bahrain



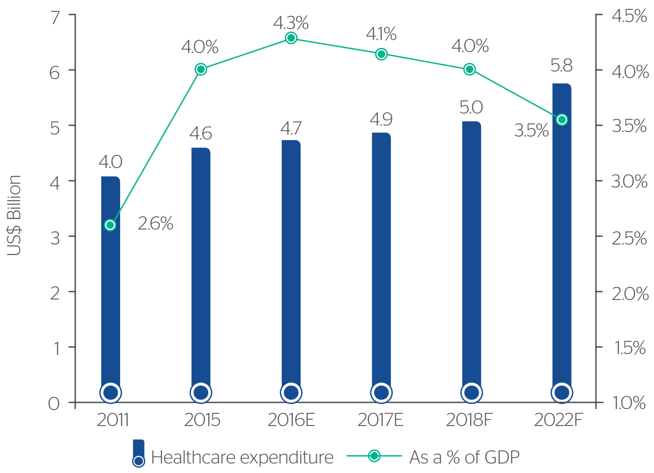
Kuwait

Kuwait stands 11th in the world for incidences of obesity, which increases the chances of suffering from cardiovascular diseases and diabetes. During 2017-2022, the country's population is anticipated to grow at a CAGR of 2.8%. This demographic growth is likely to support demand for healthcare services and the ageing population will spur the need for long term care centers. Kuwait also has one of the highest percentages of obesity in the world i.e. nearly 40% of the population is obese. The high prevalence of obesity can be attributed to lifestyle changes, foremost being the high consumption of fast food. This combined with very high summer temperatures and a lack of outdoor activities is making physical activity a difficult task for a great part of the year.

The Kuwait government has recently begun implementing a number of reforms under Vision 2035 aimed at expanding the country's healthcare infrastructure and placing importance on controlling lifestyle-related diseases. Under this, the Ministry aims to establish 8 hospitals and hospital extensions at a cost of $1bn. There has also been 4.2 billion USD allocated by the Ministry of Public Works to build 9 more hospitals creating new jobs. The new facilities will enable the government to provide more specialized treatment within the country, reduce the national health care bill by limiting the number of people going abroad for medical treatment and screening services. Kuwait is also planning to promote medical tourism in its own country by developing topnotch healthcare facilities. Billion dollar healthcare investments by private players to fortify their infrastructure base to develop a medical tourism healthcare sector for Kuwait will not only generate external revenue by attracting patients from across the globe but will also reduce the foreign visits of Kuwait locals for specialized treatment.

Indicators	Unit	2018E	2023F
GDP Growth at current prices	%	2.3	2.9
GDP per capita	US$	59,501	62,378
Population	Mn	4.5	5.2

Current Healthcare Expenditure in Kuwait



GCC healthcare Industry Trends

- Increase in insurance penetration: The implementation of mandatory insurance is one of the chief drivers attracting private healthcare providers to the sector. The gradual rollout of compulsory health covers across the region is increasing the utilization of medical services at private healthcare facilities. While Dubai, Abu Dhabi and Saudi Arabia have mandatory health schemes in place, Oman, Qatar, Kuwait and Bahrain are in the process of doing so.

- Increase in Deal Flows: With increase in opportunities for the private sector in the GCC healthcare, the industry is witnessing a spurt in mergers and acquisitions. This is because amid growing competition and high operating costs, small and medium-sized clinics with low bed capacity utilization are finding it difficult to maintain profitability.

- Growing focus on Preventive care: With a view to reduce the incidence of lifestyle diseases and associated costs, the regional governments are formulating ways to encourage preventive care. In several other developed countries, early diagnosis and other proactive steps have proved to be successful in cutting down healthcare costs and improving health.

- Investing in Specialized centers: The rapid growth lifestyle diseases in today's environment has stimulated investments in specialized hospitals and clinics. Such centers are being built with a focus on few specializations, state-of-the-art technology, patient-centric care and high-quality standards.

- Technology adoption: Technology is the core factor in upgrading GCC healthcare sector. Technologies such as the digitization of patient records (electronic health records), e-visits, telemedicine, connected medical devices, robotic procedures, health monitoring wearables and health analytics are gaining recognition in the region.

Growth Drivers

Some of the key factors aiding in the healthcare growth in the GCC region are as follows:

- GCC countries have a large number of ageing population who requires more health care services as compare to young population. This senior population drives the growth of the industry.

- The GCC countries are observing a swift transition in its epidemiological profile to non-communicable diseases, a major cause of most of the deaths and disability in the region. Improper diet, high blood pressure and high body mass index are the factors boosting the incidence of heart strokes, diabetes, hypertension and cancer.

- Governments across the region have either made health insurance mandatory or are in the process of doing so. Dubai, Abu Dhabi and Saudi Arabia have mandatory health insurance schemes in place, while Oman, Qatar, Kuwait and Bahrain are discussing on implementation and will soon roll out. This will increase the utilization of medical services at private healthcare facilities.

- The regional governments have framed national healthcare strategies primarily aimed at improving the quality of and access to care. The strategies are aimed at enhancing the effectiveness of the delivery system, encouraging PPP models, developing medical education and digitization.

- Driven by the rising demand for healthcare services, governments and private players have laid down robust plans to develop related infrastructure. This development of massive infrastructure is likely to enhance the scale as well as the quality of healthcare services in the region.

Indian Healthcare Industry

Presently, India is witnessing an exponential growth in the healthcare industry. The industry is growing at a rapid pace on the back of increased investment and expenditure from public as well as private investors. The Indian government has also remained active in its approach towards the development of healthcare sector and is planning to increase public expenditure on healthcare from 1.1% to 2.5% of GDP in the next four years and to 5% in the following 5 years. This shows the progressive movement for the industry in the nation. Further, with the ongoing digital revolution in the country, telemedicine has also evolved in Indian healthcare space. Indian

Government has shown a great interest in the development of telemedicine and started investing in this segment to provide better healthcare facilities in rural India as well.

With a vast array of opportunities available and lenient FDI policies, global players from other nations also started investing in Indian healthcare. Private business sphere is also witnessing huge transformation where India's leading Industries have invested significantly in the field of telemedicine. This trend is estimated to continue as several other players are also coming to the forefront. Government has also allocated a considerable amount of ₹ 61,398.12 crore to the health ministry for 2019-20, up 16.3% from the FY19 budget. Further, a high increase was witnessed in Pradhan Mantri Jan Arogya Yojana (PMJAY) with an allocation of ₹ 6,400 crore as against ₹ 2,400 crore in the previous year.

Outlook

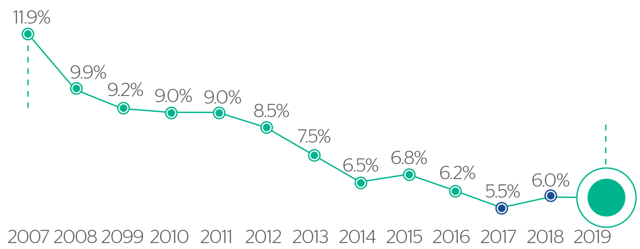
India's healthcare market is likely to witness a threefold jump in value terms to $372 billion by 2022, due to growing incidence of lifestyle diseases and rising demand for affordable healthcare delivery systems. Further, with growth in single specialty hospital and clinics in India there will be a crucial change in the underpenetrated healthcare sector. Another rising trend of 'Budget Hospitals' which has already become popular in the demographics of South India will gain traction in the healthcare sector in FY2020. This is because majority of Indian population belongs to middle and lower economic strata. With the growing demand for good medical facilities at affordable prices, 'Budget Hospitals' will gain popularity in the country. Moving ahead, the country is likely to emerge as the most preferred healthcare destinations among the foreigners. The medical tourism from the Sub-Saharan countries is anticipated to grow by nearly 20%. With competitive medical facilities being available in India compared to western countries, India's medical tourism is expected to grow further in the upcoming year. (Source: Interim Budget 2019-20, Health World, Express Healthcare)

Government Initiatives

- Government of India launched Pradhan Mantri Jan Arogya Yojana (PMJAY) on September 23, 2018, to provide health insurance worth ₹ 5,00,000 (US$ 7,124.54) to over 100 million families every year.
- The Government launched Mission Indradhanush in order to improve coverage of immunisation in the country. It aimed to achieve atleast 90% immunisation coverage by December 2018 including the unvaccinated and partially vaccinated children in rural and urban areas of India.
- Approved the continuation of National Health Mission with a budget of ₹ 31,745 crore under the Union Budget 2019-20.
- In May 2018, the Government of India signed a US$ 200 million deal with the World Bank for 315 districts across India, under National Nutrition Mission (POSHAN Abhiyaan).
- Allocated ₹ 8,00 crore for the up gradation of state government medical colleges (PG seats) at the district hospitals and ₹ 1,361 crore for government medical colleges (UG seats) and government health institutions under the Union Budget 2019-20.
- Allocated to the Ministry of Health and Family Welfare ₹ 61,398.12 crore, being 16.28 % higher than previous year.

  (Source: Budget 2019-20)

Medical cost trend fell for seven years before stabilizing around 6 percent



(Source: PwC Health Research Institute medical cost trends 2007–2019)

Company Overview

About us

One of the leading private healthcare service providers, Aster DM Healthcare Ltd (Aster), operates in multiple GCC (Cooperation Council for the Arab States of the Gulf) states and India based on numbers of hospitals and clinics. The company currently operates in all of the GCC states, comprising of the United Arab Emirates, Oman, Saudi Arabia, Qatar, Kuwait, Jordan and Bahrain. Besides this, Company also has operations in India and the Philippines. Its GCC operations are headquartered in Dubai, United Arab Emirates while Indian operations are headquartered in Kochi, Kerala. The company operates in complete lifecycle of healthcare - including hospitals, clinics and retail pharmacies to serve patients across economic segments in several GCC states through various brands 'Aster', 'Medcare' and 'Access'. Aster has 357 operating facilities including 24 hospitals with a total of 5,441 installed beds, as of March 31, 2019.

Key Strengths

- **Long standing presence across GCC states and India with strong brand equity:** Aster is one of the largest private healthcare service providers operating in multiple GCC states in terms of number of hospitals and clinics. Its long-standing presence in the GCC states has helped it gain an understanding of the respective markets and the regulatory environments and has contributed towards the success of its GCC operations. Further, its understanding of and long-term commitment to the Indian market across diverse segments and its financial strength enables Aster to further establish its brand in India.

- **Well diversified portfolio of service offerings to leverage multiple market opportunities:** Aster has an established presence across multiple geographies and healthcare delivery verticals and serve several economic segments. The company operates in a number of formats providing a wide range of services through its diverse network of 12 hospitals, 106 clinics and 219 retail pharmacies in the GCC states, 12 multi-specialty hospitals and 8 clinics in India as of March 31, 2019.

- **Provision of high quality healthcare service:** Aster constantly strive for a high standard of clinical excellence at all its hospitals, clinics and retail pharmacies. The company follows well defined quality and patient safety protocols in patient handling and care. Its focus on quality is reflected in the quality certifications and accreditations that its facilities have obtained from various local and international accreditation agencies.

- **Ability to attract and retain high quality medical professionals:** Aster has 18,798 employees as of March 31, 2019, including 1,695 full time doctors, 6,268 nurses, and 10,835 other employees (including paramedics pharmacists).

- **Experienced core management team:** Aster's management team is composed of directors and senior officers with an average of approximately 18 years of experience in the healthcare services industry, as well as doctors with both clinical and administrative experience.

Business Review

GCC Hospitals

Aster provides diverse range of services through its 12 hospitals in GCC; 7 in UAE, 3 in Oman, 1 in Qatar and 1 in Saudi Arabia and 913 operational beds as on March 31, 2019. The output patient services provided by the company includes consultations for various issues and preventive health screenings. The operations at GCC hospitals contribute 83% to the total revenue of the company.

Hospitals-GCC	Location	Commencement or Acquisition year	Bed Capacity	Operational Beds	Owned or Leased
Medcare Hospital	Dubai, UAE	2007	64	55	Leased
Al Raffa Hospital	Muscat, Oman	2009	85	74	Leased
Al Raffa Hospital	Sohar, Oman	2010	74	64	Leased
Medcare Orthopaedics and Spine Hospital	Dubai, UAE	2012	33	27	Leased
Aster Hospital Mankhool	Dubai, UAE	2015	126	108	Leased
Medcare Women and Child Hospital	Dubai, UAE	2016	108	91	Leased
Medcare Hospital	Sharjah, UAE	2017	130	113	Leased
Sanad Hospital	Riyadh, KSA	2011	218	218	Owned
Aster Hospital	Doha, Qatar	2017	61	30	Leased
Aster Hospital Qusais	Dubai, UAE	2018	154	99	Leased
Ibri Hospital	Ibri, Oman	2019	31	24	Leased
Cedars Hospital	Dubai, UAE	2019	17	10	Leased

GCC Clinics

Aster possesses 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 85 clinics present in UAE and 2 clinics in Bahrain and employs over 2,900+ employees and over 30 specialisms across all our brands.

GCC Retail Pharmacies

Aster has a huge pharmacy network of more than 200 stores catering to its customers a wide range of products including nutritional supplements, baby care, personal care, medical device, rehabilitation products etc.

Indian Hospitals

Aster has 12 hospitals in India with a capacity of 4,340 beds of which 2,977 are operational beds. These hospitals offer a wide range of care services such as Cardiac, Orthopedic, 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	Owned or Leased
Aster Aadhar Hospital	Kolhapur, Maharashtra	2008	176	151	Owned
MIMS Kozhikode	Kozhikode, Kerala	2013	678	537	Owned
MIMS Kottakkal	Kottakkal, Kerala	2013	229	171	Owned
Aster CMI	Bengaluru, Karnataka	2014	509	289	O&M
Aster Medcity	Kochi, Kerala	2014	670	421	Owned
Prime Hospitals Ameerpet	Hyderabad, Telangana	2014	158	100	Leased
DM WIMS Wayanad	Wayanad, Kerala	2016	880	798	O&M
Dr. Ramesh Guntur	Guntur, Andhra Pradesh	2016	350	175	Leased
Dr. Ramesh Main Centre	Vijaywada, Andhra Pradesh	2016	184	160	Leased
Dr. Ramesh- Labbipet	Vijaywada, Andhra Pradesh	2016	54	50	Leased
Dr. Ramesh Sanghamitra-Ongole	Ongole, Andhra Pradesh	2018	150	90	Owned
MIMS Kannur	Kannur, Kerala	2019	302	35	Owned

Operational Review

Beds: During the year under review, the bed capacity was expanded from 4,762 units in FY18 to 5,441 units in FY19. Of this, the growth in number of bed in India were 4,340 units from 3,887 units while that of GCC was 1,101 from 8,75 units in FY18. The total number of operational beds also increased YOY from 2,777 units to 2,977 units in India and from 7,61 units to 9,13 units in GCC hospitals.

Hospital Patient Visits: The number of inpatients count increased from 2,01,700+ in FY18 to 2,18,100+ in FY19. Further, the growth in number of outpatient counts was observed at ~3.14 million in FY19 from ~2.83 million in FY18.

Financial Analysis

Particulars	FY 2019	FY 2018	YoY growth
Revenue (₹ in crore)	7,963	6,721	18%
EBITDA (₹ in crore)	8,63	6,13	41%
Adjusted PAT (₹ in crore)	3,35	1,39	140%
Key Ratios			
Debt equity Ratio	0.6	0.6	-
Interest coverage Ratio (in times)	3.1	1.7	1.4
EBITDA Margin	10.8%	9.1%	170 bps
PAT Margin	4.2%	4.0%	20 bps
Return on Net worth	9.1%	8.4%	70 bps

**Adjusted PAT excluded exceptional income/expense during the year*

The Company reported a robust topline growth along with a significant increase in revenue and EBITDA. The major factor driving the growth during the year was addition of new specialties, services and increase in beds. The company also acquired 3 new hospitals and opened 2 new hospitals during the year and expanded its clinics network to a huge extent. The improvement in product mix coupled with exclusive tie ups and strong associations with various pharma companies have all resulted in a healthy profitability profile of the company for FY19.

Expansion Plans

Aster plans to expand and strengthen its brand with the help of its geographical presence in India. In the next 5 years, company plans to increase its revenue contribution from India to 25% and GCC to 75%. Presently the company has 24 hospitals in India and Middle East together. A 220-bed hospital has been commissioned at Bengaluru in April 2019. In addition to this, Aster is also planning a 500-bed tertiary care hospital in Chennai which is estimated to be commissioned within the next 2.5 years. As regards GCC states, 3 more hospitals are planned to come up in Dubai, Sharjah and Oman in the next couple of years.

Strategies for road ahead

Strengthening of hub and spoke model in GCC

- To capitalize on the existing primary care clinics network in GCC by adding secondary tertiary care hospitals.
- In FY18, 61 bed Aster Hospital, Doha commenced operations to utilize the untapped Aster clinics network in Doha.
- In FY19, 154 bed Aster Hospital, Qusais, UAE commenced operations to utilize the Aster clinics network in northern Dubai region.

- Planned addition of ~120 beds over next 2 years in UAE to capitalize on Aster and Access brand clinics located farther away from the existing Aster Hospital in Mankhool, Dubai.
- Above strategy will enable expansion of company's quality services in middle and low economic segments category of patients, where there is a supply-demand gap.

A comprehensive human resource strategy utilizing Aster's geographical diversity and catering to future growth

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

Scalable systems implementation tightly integrated with operations/market requirements

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

Strengthening of our medical tourism network

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

Profitability growth & brand positioning using product mix and technology

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

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

- There is significant demand for quality healthcare services in Kingdom of Saudi Arabia (KSA), currently the largest economy in GCC with the highest population; Further, current policy reforms expected to improve the business environment in KSA.
- Having successfully diversified the revenue streams in KSA, ADMHL further plans to strengthen its brand, talent pipeline and management capability.

Specialized, asset-light growth in India

- Focus on key centres of excellence - Orthopedics, Medical Oncology, Cardiac Sciences, Neurosciences, Gastroenterology, Women and Child, Bariatric, Integrated Liver care, Nephrology, Urology, NICU & Dermatology.
- Growth in addition to the current committed projects to follow an asset-light model in metropolitan and tier-I cities with large format hospitals (400 to 500 beds each).
- Expansion into tier-II and tier-III cities in partnership with local hospitals by leveraging IT/telemedicine, instead of building/leasing hospitals.

Cost Optimization

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

Risk Mitigation

Risks and opportunities are inherent to entrepreneurial activity. Aster have put systems and processes in place to identify risks at an early stage and to counteract them by taking appropriate action.

Risks	Impact	Mitigation
Rising Competition	The company operates in an environment which is highly exposed to increased competition from new players as well as existing players who have established their brand name. As a result, the business may face intense pricing pressure from its customers and suppliers.	The company has a robust business model in place which allows it to compete within the current industry structure. With the experience of over 30 years, it has created healthcare eco-system across two geographical regions – GCC and India. Further, its primary clinics act as the initial touch-points in the patient journey, while pharmacies and hospitals continue to provide other healthcare facilities. The holistic business model allows the company to withstand competition from other new entrants as well as existing established players.
Legal Factors	In order to fully operate its business, the company is required to obtain and hold permits, product registrations, licenses and other regulatory approvals from, and to comply with operating and security standards of, numerous governmental bodies. Non-compliance or concerns over non-compliance may affect the operations of the company while also attracting liability claims and lawsuits.	The company constantly strives to minimise and control its legal risk. For this purpose, it takes necessary precautions to identify threats and defend its rights where necessary. Corresponding standards and guidelines are used in order to identify risks at an early stage which are then reviewed and evaluated and corrective actions are taken to mitigate the same.
Talent Risk	Company's growth is highly reliant on its innovative strength. Thus, the expertise and engagement of employees in all sectors in which it operates are crucial to the success of the company. Unavailability of such talent in the company can directly impact its operations, thereby affecting profitability of the company.	Recruiting and retaining specialists and talent is one of the key priorities for the company. In line with this belief, the company has a comprehensive human resource strategy in place which creates a healthy work environment for skill development and growth of doctors and paramedics at all Aster Hospitals. During the year, the company worked with a strength of 19,859 employees consisting of 59% women employees, 2,756 doctors (including 1,061 fee for service doctors).
Technology Risk	Technology is evolving every passing day and it is important for the company to keep itself updated with latest and improved technologies. It helps them carry out smooth operations and also facilitate cost control.	Aster offers a comprehensive range of medical technology to facilitate accurate diagnosis and efficient treatment. Each of the hospital of the company possesses state-of-the-art technology & protocols, which are capable of handling the most complex cases and achieve best clinical outcomes.
Compromise to product quality and patient safety	Product quality and patient safety may be compromised if a facility is found to be in non-compliance and negligence in clinical trials. This may put patients' lives at risk and company's reputation may also be damaged if regulatory compliance is not ensured.	The quality program at Aster DM is structured to develop a culture of improvement that inspires, engages and prompts the company to achieve desired results. In addition, the company has also implemented Patient Safety Friendly Hospital Initiatives, which involves implementation of a set of patient safety standards in hospitals & medical centres.

Directors' Report

Dear Shareholders,

Your Directors have immense pleasure in presenting the Eleventh Annual Report on the business and operations of your Company along with the audited financial statements for the financial year ended March 31, 2019.

1. RESULTS OF OPERATION AND STATE OF AFFAIRS

Financial Results

(₹ in crores except per share data)

Particulars	Standalone		Consolidated	
	2019	**2018**	**2019**	**2018**
Revenue from operations	594.78	530.07	7,962.71	6721.16
Other income	84.15	16.11	34.62	45.44
Total income	678.93	546.18	7,997.33	6766.60
Total expenditure	628.89	633.37	7,585.31	6590.76
Profit/(loss) before exceptional items and tax	50.04	(87.19)	412.02	175.84
Exceptional item	(1.52)	-	(1.52)	129.64
Profit/(loss) before tax	48.52	(87.19)	410.50	305.48
Share of net profit/ (loss) of equity accounted investees	-	-	(0.25)	2.29
Profit/(loss) before tax	48.52	(87.19)	410.25	307.77
Less: Tax expense	0.45	0.00	42.94	26.08
Profit for the year	48.07	(87.19)	367.31	281.69
Other comprehensive income/(loss), net of taxes	0.57	(0.02)	62.41	10.39
Total comprehensive income/ (loss)	48.64	(87.21)	429.72	292.08
Profit attributable to				
Owners of the company	48.07	(87.19)	333.11	268.88
Non-controlling interest	0	0.00	34.20	12.81
Total	**48.07**	**(87.19)**	**367.31**	**281.69**
Total comprehensive income attributable to				
Owners of the company	48.64	(87.21)	389.85	278.50
Non-controlling interest	0	0.00	39.87	13.58
Total	**48.64**	**(87.21)**	**429.72**	**292.08**
Earnings per share				
Basic	0.96	(1.87)	6.63	5.75
Diluted	0.96	(1.87)	6.62	5.74

Financial position

(₹ in crores except per share data)

Particulars	Standalone		Consolidated	
	2019	2018	2019	2018
Cash and cash equivalents	3.49	83.85	227.64	204.17
Trade receivables	35.22	30.53	2,028.70	1,546.39
Other current assets	294.25	183.96	1,360.35	1,118.42
Total current assets	**332.96**	**298.34**	**3,616.69**	**2,868.98**
Property, plant and equipment (including capital work in progress)	821.01	787.34	3,872.01	3,367.23
Goodwill	-	-	839.65	708.34
Other intangible assets	1.79	2.35	126.89	64.44
Other non-current assets	2,221.06	2,205.74	481.17	475.25
Total non-current assets	**3,043.86**	**2,995.43**	**5,319.72**	**4,615.26**
Total Assets	**3,376.82**	**3,293.77**	**8,872.12**	**7,484.24**
Non-current liabilities	198.22	191.97	2,589.00	2,070.71
Current liabilities	198.32	175.82	2,603.29	2,223.50
Total current and non-current liabilities	**396.54**	**367.79**	**5,192.29**	**4,294.21**
Equity	505.23	505.23	505.23	505.23
Other equity	2,475.05	2,420.75	2,708.53	2,326.87
Non-controlling interest	-	-	466.06	357.94
Total equity	**2,980.28**	**2,925.98**	**3,679.82**	**3,190.03**
Total equity and liabilities	**3,376.82**	**3,293.77**	**8,872.12**	**7,484.24**

Performance Overview

During the year under review the Company reported, on a consolidated basis, a total income from operations of ₹ 7,963 crores as compared to ₹ 6,721 crores registering a year on year growth of 18.48%. Of the total revenues from operations for fiscal 2019, our hospital segment accounted for ₹ 3,950 crores, our clinic segment accounted for ₹ 1,978 crores and our retail pharmacy segment accounted for ₹ 2,021 crores. Our operations in India, which primarily consist of hospitals, accounted for ₹ 1,314 crores of our total revenues from operations for the year ended March 31, 2019.

Our strategies for the financial year 2020 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.

3. DIVIDEND

The Company continues to look at growth prospects through new investment opportunities. Considering the changes in the healthcare landscape in India it presents the Company with more challenges in terms of growth and it is imperative that the Company looks at available options for organic as well as in-organic growth. The key objective of the Company is to achieve a consistent sustainable growth over the next few years and consolidate the Company's position.

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.

In terms of Regulation 43A of the 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 said policy is hosted on the website of the Company at www.asterdmhealthcare.com/investors The detailed Policy is annexed to this report as **Annexure 10**.

4. SHARE CAPITAL

The share capital of the Company as on March 31, 2019 was ₹ 505.23 Crores consisting of 50,52,27,345 equity shares of ₹ 10 each. During the year under review, 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 the report.

As on March 31, 2019, except Dr. Azad Moopen who holds 17,50,720 equity shares, Mr. T J Wilson who holds 27,37,210 equity shares, Mr. Shamsudheen Bin Mohideen Mammu Haji who holds 57,17,829 equity shares, Mr. Anoop Moopen who holds 10,00,300 equity shares and Ms. Alisha Moopen who holds 1,16,990, 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 subsidiaries and 49 stepdown subsidiaries and 4 associate companies. As on March 31, 2019 the Company has 8 direct subsidiaries, 63 step-down subsidiaries and 5 associate companies. Your Company has no joint ventures as on March 31, 2019. 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. Sanghamitra Hospitals Private Limited
b. Ramesh Fertility Centre LLP
c. Noor Al Shefa Clinic LLC
d. Zahrath Al Shefa Medical Center LLC
e. Zahrath Al Shefa Pharmacy LLC
f. Samary Pharmacy LLC
g. Metro Meds Pharmacy L.L.C
h. Metro Medical Center L.L.C
i. Oman Al Khair Hospital L.L.C
j. Radiant Healthcare L.L.C
k. Alfa Investments Limited
l. Active Holdings Limited
m. E-Care International Medical Billing Services Co. LLC
n. Al Mutamaizah Medcare Healthcare Investment Co. L.L.C

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 appended as **Annexure 1** to the 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 available on the Company's website at 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 and Risk Management 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 and Risk Management 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 herewith as **Annexure 2** and forms part of the 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 this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a going concern basis;

e) they have laid down internal financial controls to be followed by the Company, which are adequate and are operating effectively;

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Reappointment of Directors

In accordance with Articles of Association, Mr. Daniel Robert Mintz, Director shall retire by rotation at the ensuing Annual General Meeting. The Director being eligible offers himself for re-appointment.

Change in Directors

During the year under the review the Board underwent the following changes.

SL No	Name of the Director	Date	Nature of Change
1	Mr. Rajagopal Sukumar	August 14, 2018	Resignation
2	Prof. Biju Varkkey	November 12, 2018	Appointment
3	Mr. Harsh Charandas Mariwala	February 13, 2019	Resignation
4	Dr. Layla Mohamad Hassan Ali Almarzooqi	March 28, 2019	Appointment

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:

(i) Dr. Azad Moopen - Managing Director

(ii) Mr. Sreenath Reddy - Chief Financial Officer

(iii) Mr. Rajesh A - Company Secretary and Compliance Officer (till May 31, 2018)

(iv) Ms. Puja Aggarwal - Company Secretary and Compliance Officer (w.e.f August 14, 2018)

Dr. Azad Moopen was appointed as our Chairman and Managing Director, pursuant to a board resolution dated November 19, 2014 with effect from December 1, 2014 for a period of five years. Dr. Azad Moopen is a non-resident Indian and in accordance with the provisions of the Companies Act, 2013, the Shareholders of the Company had approved the appointment of the Managing Director vide special resolution passed at the extraordinary general meeting held on February 18, 2015 and approval of the Central Government was obtained for the appointment vide letter reference no. C36259455/2014-CL-VII dated February 27, 2015. It is proposed to re-appoint Dr. Azad Moopen as the Managing Director of the Company for a period of five years starting on December 1, 2019, i.e. after completion of his current term.

Mr. Rajesh A had resigned from the post of Company Secretary and Compliance officer with effect from May 31, 2018 and Ms. Puja Aggarwal was appointed as the Company Secretary and Compliance Officer with effect from August 14, 2018.

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

The Board of Directors have carried out an annual evaluation of its own performance, Board Committees, and individual Directors including the Chairman of the Board as per the provisions of the Companies Act, 2013 and the corporate governance requirements as prescribed by the Listing Regulations.

The evaluation of all the Directors, Committees, Chairman of the Board and the Board as a whole was conducted based on the criteria and framework adopted by the Board. The evaluation parameters and the process has been explained in the Corporate Governance Report.

To ensure independence and transparency, an independent firm, M/s Damodaran and Associates LLP ("MDA"), had been engaged to conduct the evaluation process for FY 2018-19.

At a separate meeting of the Independent Directors which was held on May 27, 2019, the performance of the Board and Non-independent Directors, the performance of the Chairman, assessment of the quality, quantity and timeliness of flow of information between the Company's Management and the Board were discussed. Thereafter, the outcome of the Board evaluation for FY 2018-19 was discussed at the Nomination and Remuneration Committee and the Board at their meetings held on 27 and 28 of May 2019 respectively.

13. DECLARATION BY INDEPENDENT DIRECTORS

The Company has received declarations from all the Independent Directors confirming that they meet the criteria of independence as prescribed under the provisions of Section 149 (7) of the Companies Act, 2013 read with the schedules and rules issued thereunder.

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. The Remuneration Policy applicable to Non-Executive Directors is also disclosed on the website of the Company www.asterdmhealthcare.com/investors

15. BOARD MEETINGS AND ANNUAL GENERAL MEETING

The Board of Directors met 4 times during the financial year viz May 21, 2018; August 14, 2018; November 12, 2018 and February 13, 2019. 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 meetings of the Committees of the Board is included in the report on Corporate Governance. The following resolutions were passed as Circular resolutions and duly noted in the meeting of Board of Directors:

SL No	Resolution	Date of passing	Date of noting by Board
1	Taking note of the Cost Audit Report for FY 2017-18	September 29, 2018	November 12, 2018
2	Authorization to Dr. Harish Pillai to do all activities in relation to the Aster Medical Journal	March 26, 2019	May 28, 2019
3	Approving the revised Code for Prevention of Insider Trading in the Securities of Aster DM Healthcare Limited ('Insider Trading Policy')	March 26, 2019	May 28, 2019
4	Approval for appointing Additional (Independent) Director	March 28, 2019	May 28, 2019

The annual general meeting for the FY 2017-18 was held on August 16, 2018 at the registered office of the Company.

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(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is provided in **Annexure 3** 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 ESOP Scheme "DM Healthcare Employee Stock Option Scheme 2013" in accordance with SEBI (Share Based Employee Benefits) Regulations, 2014 ("SBEB Regulations") and the Scheme is implemented through DM Healthcare Employees Welfare Trust.

During the year, 7,00,610 shares were transferred from the ESOP Trust to the eligible employees under the Company's prevailing ESOP Scheme. As at March 31, 2019, the ESOP Trust held 30,03,952 (0.59%) equity shares of the Company. The ESOP Scheme has been amended with effect from February 12, 2019 and the plan is in compliance with SBEB Regulations. Disclosures as required under SEBI (SBEB) Regulations, 2014 read with SEBI Circular CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 have been provided separately in **Annexure 4** to the Directors' Report. The Company has received a certificate from the Statutory Auditor that the scheme has been implemented in accordance with SEBI Share Based Employee Benefits (SBEB) Regulations and the resolutions passed by the shareholders. The certificate would be placed at the AGM 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 the 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, in effectiveness and efficiency of operations, reliability of financial reporting and compliance with applicable laws and regulations.

As part of the Corporate Governance Report, CEO/ 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 an external consultant. The Audit and Risk Management Committee of the Board oversees the internal audit function. The 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 and Risk Management 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 has established a vigil mechanism for Directors and employees to report concerns and grievances in a responsible manner. Further details of the same are given in the Corporate Governance Report.

21. RISK MANAGEMENT POLICY

The Audit and Risk Management Committee monitors the risk management plan of the Company and ensures its effectiveness. It also reviews the risk management report issued by the Auditors. The major risks identified by the businesses and functions are systematically addressed through mitigating actions on a continual basis. The Risk Management Policy of the Company is available on the website at www.asterdmhealthcare.com/investors

22. CORPORATE SOCIAL RESPONSIBILITY

The Company has been taking initiatives under Corporate Social Responsibility ("CSR") for society at large. Over the years, the Company has been pursuing CSR voluntarily as a part of its corporate philosophy, which goes much beyond mere philanthropic gestures and integrates the interest, welfare and aspirations of the community with those of the Company itself to create an environment of partnership for inclusive development.

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. Details on Corporate Social Responsibility activities undertaken during the year is given as a part of the Annual report.

23. AUDITORS

i. Statutory Auditors

At the Annual General Meeting held on September 12, 2014, M/s B S R and Associates., Chartered Accountants, [Firm Registration No: 128901W] were appointed as the Statutory Auditor of the Company to hold office till the conclusion of 11th Annual General Meeting. They being eligible, are proposed for reappointment from the conclusion of the 11th AGM upto the conclusion of the 12th AGM.

ii. Secretarial Auditor

Mr. Sunil Sankar, Practising Company Secretary, [ACS No: 20171, CP No: 10613] was appointed to conduct the Secretarial Audit of the Company for the financial year 2018-19, as required under Section 204 of the Companies Act, 2013 and Rules thereunder.

iii. Cost Auditor

Your Directors had approved the appointment of M/s BBS & Associates Cost Accountants, Kochi [Firm Registration No: 00273] as the Cost Auditor of your Company to conduct the audit of cost records for the financial year 2018–19.

24. AUDIT REPORT

i. Statutory Audit Report

Audit report on the financial statements of the Company for the financial year 2018-19 is being circulated to the shareholders along with the financial statements. There are no qualifications or adverse remarks made by the Statutory Auditors in their Report for the financial year ended March 31, 2019.

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

ii. Secretarial Audit Report

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

The Secretarial Audit Report for FY 2018-19 forms part of the Annual Report as **Annexure 5** to the Board's Report.

25. MATERIAL CHANGES AND COMMITTEMENTS AFFECTING FINANCIAL POSITION

There are no material changes affecting the financial position of the Company between the end of the financial year reported and the date of this report.

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 6** to the Directors' Report.

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 HARRASSMENT 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. All employees (permanent, contractual, temporary, trainees) are covered under this policy. Below is the report on the same containing details of number of cases filed, their disposal, nature or action taken and the number of cases pending.

No. of cases reported	No. of cases disposed	Nature of action taken	No. of cases pending
2	2	Employee counselled	Nil

30. CONSERVATION OF ENEGY, TECHNOLOGY ABSORBTION, FOREX EARINGS 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 detailed in **Annexure 7**.

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 this 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 in **Annexure 8**.

33. BUSINESS RESPONSIBILITY REPORT

As per the Regulation 34 (2) (f) of the SEBI Listing Regulations, a Business Responsibility Report is attached and is a part of this report in **Annexure 9**

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, Telengana and Maharashtra for the guidance and support received from them including officials thereat from time to time.

For and on behalf of the Board of Directors

Dr. Azad Moopen
Chairman & Managing Director
DIN: 00159403

Place: Dubai
Date: May 28, 2019

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.

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 2018-19.

For and on behalf of the Board of Directors

Dr. Azad Moopen
Chairman & Managing Director
DIN: 00159403

Place: Dubai
Date: May 28, 2019

ANNEXURE 1

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

(amount in ₹ Crores)

Sl no	Name of Subsidiary/ Step down subsidiary Company (GI)	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*
Direct Subsidiries															
1	Affinity Holdings Private Limited	Mauritius	USD	69.32	0.01	1,637.48	1,951.32	313.83	1,935.88	65.05	64.76	62.93	-	100%	100%
2	Ambady Infrastructure Private Limited	India	INR	1.00	15.01	55.45	91.81	21.35	-	-	(0.04)	(0.04)		100%	100%
3	Aster DM Healthcare (Trivandrum) Private Limited	India	INR	1.00	8.01	(14.96)	92.36	99.31	-	0.01	(0.33)	(0.33)	-	100%	100%
4	DM Med City Hospitals India Private Limited	India	INR	1.00	0.01	67.88	116.28	48.39	-	3.69	(0.40)	0.27	-	100%	100%
5	Dr. Ramesh Cardiac and Multispeciality Hospitals Private Limited	India	INR	1.00	10.78	108.58	198.40	79.04	35.43	208.84	6.92	6.72	-	51%	51%
6	Malabar Institute of Medical Sciences Limited	India	INR	1.00	99.91	326.80	735.76	309.05	9.29	347.97	13.91	6.05	-	73%	73%
7	Prerana Hospital Limited	India	INR	1.00	4.14	23.43	85.27	57.70	0.00	71.73	4.98	4.98		85%	85%
8	Sri Sainatha Multispeciality Hospitals Private Limited	India	INR	1.00	7.02	29.57	58.60	22.01	-	57.05	2.21	2.21	-	58%	58%
Step-down Subsidiries															
1	Active Holdings Limited	UAE	AED	18.87	0.35	(0.04)	13.32	13.01	11.32	-	(0.04)	(0.04)	-	0%	99%
2	Al Rafa Holdings Limited	UAE	AED	18.87	0.35	(0.72)	0.39	0.77	-	-	(0.14)	(0.14)	-	100%	0%
3	Al Rafa Investments Limited	UAE	AED	18.87	0.35	(1.34)	0.77	1.77	0.35	-	(0.17)	(0.17)	-	100%	0%
4	Al Rafa Medical Centre LLC	UAE	AED	18.87	0.57	(19.09)	16.76	35.28	-	16.98	(1.93)	(1.93)	-	51%	40%
5	Al Raffah Hospital LLC	Oman	AED	18.87	5.43	66.76	282.64	210.45	-	399.42	36.98	31.65	-	100%	70%
6	Al Raffah Medical Centre LLC	Oman	AED	18.87	2.72	(7.28)	10.41	14.97	-	11.68	0.71	0.71	-	100%	70%
7	Al Raffah Pharmacies Group LLC	Oman	AED	18.87	-	0.08	1.92	1.84	-	2.22	0.04	0.04	-	100%	70%
8	Al Shafar Pharmacy LLC, AUH **	UAE	AED	18.87	0.57	(1.56)	0.01	1.00	-	-	(0.08)	(0.08)	-	51%	49%
9	Alfa Drug Store LLC	UAE	AED	18.87	0.57	84.95	117.88	32.37	-	116.96	46.45	46.45	-	100%	49%
10	Alfa Investments Limited #	UAE	AED	18.87	0.35	(0.04)	13.66	13.35	0.34	-	(0.04)	(0.04)	-	0%	0%
11	Asma Pharmacy LLC	UAE	AED	18.87	0.57	1.18	6.32	4.57	-	6.82	0.05	0.05	-	50%	0%
12	Aster Al Shafar Pharmacies Group LLC	UAE	AED	18.87	5.66	7.65	49.54	36.23	-	84.46	1.97	1.97	-	51%	49%
13	Aster Day Surgery Centre LLC (formerly known as Aster IVF and Women Clinic LLC)	UAE	AED	18.87	0.57	(12.92)	41.75	54.10	-	-	(1.97)	(1.97)	-	82%	49%

(amount in ₹ Crores)

Sl no	Name of Subsidiary/ Step down subsidiary Company (GI)	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*
14	Aster DCC Pharmacy LLC	UAE	AED	18.87	0.57	(3.43)	16.44	19.31	-	8.35	(1.14)	(1.14)	-	70%	70%
15	Aster DM Healthcare FZC	UAE	AED	18.87	1,932.64	12.93	5,215.40	3,269.84	487.52	555.92	(135.15)	(131.97)	-	100%	100%
16	Aster DM Healthcare INC	Philippines	AED	18.87	7.55	(26.41)	22.43	41.29	-	5.26	(8.37)	(8.37)	-	90%	90%
17	Aster DM Healthcare SPC	Bahrain	AED	18.87	0.94	(46.33)	18.93	64.32	-	37.06	(6.08)	(6.08)	-	100%	100%
18	Aster Grace Nursing and Physiotherapy LLC	UAE	AED	18.87	0.57	1.01	7.05	5.47	-	10.93	1.03	1.03	-	60%	29%
19	Aster Kuwait Pharmaceuticals and Medical Equipment Company W.L.L (formerly known as Aster Kuwait Pharmaceuticals and Medical Equipment Company W.L.L)	Kuwait	AED	18.87	14.72	(41.30)	12.10	38.68	-	33.05	(7.69)	(7.69)	-	54%	2%
20	Aster Medical Centre LLC**	UAE	AED	18.87	0.57	(25.83)	2.07	27.34	-	-	(7.11)	(7.11)	-	90%	39%
21	Aster Opticals LLC	UAE	AED	18.87	0.57	(11.54)	29.24	40.22	-	9.98	(6.01)	(6.01)	-	60%	49%
22	Aster Pharmacies Group LLC	UAE	AED	18.87	0.57	450.10	894.69	444.02	-	1,513.89	139.65	139.65	-	100%	49%
23	Aster Pharmacy LLC, AUH	UAE	AED	18.87	0.57	0.57	4.75	3.61	-	12.27	(0.20)	(0.20)	-	100%	49%
24	Aster Primary Care LLC (formerly known as Dr. Moopen's Medical Clinic LLC)	UAE	AED	18.87	0.57	(1.16)	4.62	5.21	-	5.69	0.11	0.11	-	71%	40%
25	Aster Ramesh Duhita LLP	India	INR	1.00	0.51	(0.18)	0.54	0.21	-	0.42	(0.27)	0.27	-	50%	50%
26	Dar Al Shifa Medical Centre LLC	UAE	AED	18.87	0.57	(0.63)	9.81	9.87	-	9.50	(1.43)	(1.43)	-	51%	40%
27	DM Healthcare LLC	UAE	AED	18.87	5.66	288.20	646.81	352.95	0.96	1,054.62	184.67	184.67	-	100%	49%
28	DM Pharmacies LLC	UAE	AED	18.87	0.57	13.60	38.62	24.45	-	115.65	1.14	1.14	-	100%	49%
29	Dr. Moopens Aster Hospital WLL	Qatar	AED	18.87	0.38	(80.39)	246.77	326.79	-	74.14	(13.71)	(13.71)	-	99%	49%
30	Dr. Moopens Healthcare Management Services LLC	UAE	AED	18.87	0.57	(51.84)	59.57	110.84	-	63.01	(44.79)	(44.79)	-	100%	49%
31	Dr. Moopen's Healthcare Management Services WLL	Qatar	AED	18.87	3.21	189.06	359.16	166.89	0.57	231.20	26.68	26.68	-	99%	49%
32	E-Care International Medical Billing Services Co. LLC	UAE	AED	18.87	9.43	(3.98)	40.01	34.55	-	4.63	0.67	0.67	-	80%	51%
33	Eurohealth Systems FZ LLC	UAE	AED	18.87	0.19	12.13	17.22	4.90	-	12.33	4.11	4.11	-	100%	95%
34	Harley Street Dental LLC	UAE	AED	18.87	0.28	(3.29)	6.95	9.96	-	7.07	0.09	0.09	-	30%	74%
35	Harley Street LLC	UAE	AED	18.87	0.28	(0.10)	5.23	5.05	-	-	(0.00)	(0.00)	-	60%	9%
36	Harley Street Medical Centre LLC	UAE	AED	18.87	0.28	28.10	97.38	68.99	-	116.98	6.02	6.02	-	60%	9%
37	Harley street Pharmacy LLC	UAE	AED	18.87	0.28	(1.33)	6.96	8.01	-	10.36	0.76	0.76	-	60%	9%
38	Med Shop Drugs Store LLC	UAE	AED	18.87	0.57	79.88	807.13	726.68	-	255.63	17.06	17.06	-	100%	49%
39	Medcare Hospital LLC	UAE	AED	18.87	9.43	880.48	1,342.26	452.34	-	1,642.61	181.76	174.01	-	80%	30%
40	Medshop Garden Pharmacy LLC	UAE	AED	18.87	0.57	15.70	24.29	8.02	-	41.17	5.35	5.35	-	100%	49%

(amount in ₹ Crores)

Sl no	Name of Subsidiary/ Step down subsidiary Company (GI)	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*
41	Metro Medical Center L.L.C	UAE	AED	18.87	0.57	2.29	9.27	6.41	-	8.42	0.84	0.84	-	66%	66%
42	Metro Meds Pharmacy L.L.C	UAE	AED	18.87	0.57	1.79	8.46	6.10	-	5.19	1.79	1.79	-	66%	66%
43	Modern Dar Al Shifa Pharmacy LLC	UAE	AED	18.87	0.57	5.40	11.44	5.47	-	34.86	0.17	0.17	-	51%	40%
44	New Aster Pharmacy DMCC	UAE	AED	18.87	0.38	4.80	7.75	2.58	-	14.11	1.44	1.44	-	100%	100%
45	Noor Al Shefa Clinic LLC	UAE	AED	18.87	0.57	5.95	16.09	9.58	-	20.61	4.02	4.02	-	70%	70%
46	Oman Al Khair Hospital L.L.C	OMAN	AED	18.87	9.06	3.57	18.69	6.06	-	7.27	0.22	0.13	-	60%	59%
47	Orange Pharmacies LLC	Jordan	AED	18.87	0.29	(22.77)	22.78	45.25	-	50.38	(3.31)	(3.32)	-	51%	0%
48	Radiant Healthcare L.L.C	UAE	AED	18.87	0.47	31.44	34.85	2.94	-	1.38	(1.51)	(1.51)	-	76%	76%
49	Rafa Pharmacy LLC	UAE	AED	18.87	0.57	(2.23)	3.42	5.09	-	8.08	(0.32)	(0.32)	-	100%	49%
50	Ramesh Fertility Centre LLP	India	INR	1.00	0.80	(0.16)	0.54	(0.10)	-	0.18	(0.16)	(0.16)		50%	50%
51	Samary Pharmacy LLC	UAE	AED	18.87	0.57	6.33	10.26	3.37	-	10.59	2.83	2.83	-	70%	70%
52	Sanad Al Rahma for Medical Care LLC	Kingdom of Saudi Arabia	AED	18.87	46.21	455.62	625.06	123.23	-	401.71	(8.49)	(35.38)	-	97%	97%
53	Sanghamitra Hospitals Private Limited	India	INR	1.00	6.27	4.20	22.92	12.45	-	38.28	3.53	2.63	-	51%	51%
54	Shindagha Pharmacy LLC	UAE	AED	18.87	0.57	(0.35)	5.84	5.62	-	8.66	(1.83)	(1.83)	-	90%	49%
55	Symphony Healthcare Management Services LLC	UAE	AED	18.87	0.57	(23.04)	149.75	172.22	-	178.65	(14.18)	(14.18)	-	100%	0%
56	Union Pharmacy LLC	UAE	AED	18.87	0.57	6.75	37.88	30.56	-	3.17	(0.87)	(0.87)	-	75%	37%
57	Welcare Polyclinic W.L.L	Qatar	AED	18.87	0.38	(3.13)	7.16	9.92	-	16.21	0.50	0.50	-	50%	45%
58	Zabeel Pharmacy LLC	UAE	AED	18.87	0.57	(0.87)	2.50	2.81	-	0.67	(0.36)	(0.36)	-	51%	49%
59	Zahrath Al Shefa Medical Center LLC	UAE	AED	18.87	0.57	(0.47)	3.91	3.81	-	4.05	0.29	0.29	-	70%	70%
60	Zahrath Al Shefa Pharmacy LLC	UAE	AED	18.87	0.57	1.45	3.31	1.29	-	3.95	1.02	1.02	-	70%	70%
61	Aster Hospital Sonapur L.L.C	UAE	AED	18.87	0.57	-	0.57	-	-	-	-	-	-	90%	90%
62	Ibn Alhaitham Pharmacy LLC **	UAE	AED	18.87	-	-	-	-	-	-	-	-	-	100%	49%
63	Maryam Pharmacy LLC **	UAE	AED	18.87	-	-	-	-	-	-	-	-	-	100%	0%

Name of the subsidiries which are yet to commence operations- NIL

Name of the subsidiries whichave been liquidated or sold during the year- NIL

* 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 susbstantially 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.

Part-B Associates or Joint Ventures

(amount in ₹ Crores)

	Name of the Associate or Joint Venture	AAQ Healthcare Investments LLC	Aries Holdings FZC	Al Mutamaizah Medcare Healthcare Investment Co. LLC	EMED Human Resources (India) Private Limited	MIMS Infrastructure and Properties Private Limited
1	Latest Audited Balance Sheet Date	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019	March 31, 2019
2	Date on which the associate was associated or acquired	March 27, 2016	July 10, 2013	May 6, 2018	May 8, 2010	6 July 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	5000 shares of ₹ 10 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	0.18	2.13	7.41	0.01	9.29
	Extent of holding - Percentage of beneficail holding	33%	25%	49%	33%	35%
	Percentage of legal holding	33%	25%	49%	33%	35%
4	Description of how there is a significant influence	(Due to percentage of Share capital)				
5	Reason why the associate/joint venture is not consoildated	(Consolidated as per Ind-AS 28)				
6	Networth attributable to shareholding as per the latest audited balance sheet	0.25	1.65	1.94	0.07	8.52
7	Profit /(loss) for the year					
	*i. considered in consolidation**	5.96	0.40	(6.79)	0.06	0.12
	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- NIL

ANNEXURE 2

FORM NO 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 or transactions not at arm's length basis: NIL

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

(amount in ₹ Crores)

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 (Trivandrum) Private Limited, wholly-owned subsidiary	Expenses incurred on behalf of subsidiaries/ associates	On going	Reimbursement of expenses. Value of transactions for FY 2018-19 is ₹ 0.12 crore.	May 21, 2018	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 FY2018-19 is ₹ 0.37 crore.	May 21, 2018	Nil
2	DM Med City Hospitals India Private Limited, wholly-owned subsidiary	Expenses incurred on behalf of subsidiaries / associates	On going	Reimbursement of expenses. Value of transactions for FY 2018-19 is ₹2.05 crore.	May 21, 2018, November 12, 2018 and February 13, 2019	Nil
		Guarantee commission expense	On going	Guarantee commission paid to the subsidiary for guarantee extended on behalf of the loans availed by the Company. Value of transaction for FY 2018-19 ₹0.09 crore.	May 21, 2018 and November 12, 2018	Nil
		Lease rental for land	On going	Lease rental paid for land. Value of transactions for FY 2018-19 is ₹ 1.00 crore.	May 21, 2018	Nil
3	Sri Sainatha Multi-Specialty Hospital Private Limited, subsidiary in which the Company holds 58% stake	Expenses incurred on behalf of subsidiaries/ associates	On going	Reimbursement of expenses. Value of transactions for FY 2018-19 is ₹0.12 crore.	May 21, 2018	Nil

(amount in ₹ Crores)

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
4	Prerana Hospital Limited, subsidiary in which the Company holds 85% stake	Expenses incurred on behalf of subsidiaries/ associates	On going	Reimbursement of expenses. Value of transactions for FY 2018-19 is ₹0.10 crore.	May 21, 2018	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 2018-19 is ₹0.02 crore.	May 28, 2019	Nil
		Income from consultancy services	On going	Income from consultancy services. Value of transactions for FY 2018-19 is ₹ 1.69 crore.	November 12, 2018	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 FY2018-19 is ₹ 0.25 crore.	November 12, 2018	Nil
5	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	Expenses incurred on behalf of subsidiary. Value of transaction for FY 2018-19 is ₹0.08 crore.	May 21, 2018 and February 13, 2019	Nil
		Intangible assets transferred	On going	Intangible assets transferred. Value of transaction for FY 2018-19 is ₹ 0.01 crore.	May 21, 2018	Nil
		Collection by subsidiaries on behalf of company	On going	Collection by subsidiary on behalf of the Company. Value of transaction for FY 2018-19 for FY 2018-19 is ₹ 0.01 crore.	May 28, 2019	Nil
6	Malabar Institute of Medical Sciences Limited, subsidiary in which the Company holds 73% stake	Expenses incurred on behalf of subsidiaries/ associates	On going	Expenses incurred on behalf of subsidiary. Value of transaction for FY 2018019 is ₹0.63 crore.	May 21, 2018 and November 12, 2018	Nil
		Expenses incurred by subsidiaries/ associates on behalf of company	On going	Reimbursement of expenses. Value of transaction for FY 2018-19 is ₹0.14 crore.	November 12, 2018	Nil
		Sale of asset	On going	Sale of asset. Value of the transaction for FY 2018-19 is ₹0.25 crore.	May 28, 2019	Nil
		Intangible assets transferred	On going	Intangible assets transferred. Value of the transaction for FY 2018-19 is ₹ 0.11 crore.	May 28, 2019	Nil
		Security deposit	On going	Security deposit paid on behalf of the subsidiary. Value of the transaction for FY 2018-19 is ₹0.03 crore.	November 12, 2018	
7	EMED Human Resources (India) Private Limited, an associate in which the Company holds 33% stake	Expenses incurred on behalf of subsidiaries / associates	On going	Reimbursement of expenses. Value of the transaction for FY 2018-19 is ₹ 0.27 crore.	May 21, 2018 and May 28, 2019	Nil
		Interest on loan to related parties	On going	Interest on loan to received from the associate. Value of the transaction for FY 2018-19 is ₹ 0.03 crore.	May 21, 2018	Nil
		Other expenses relating to staff recruitment service cost	On going	Expenses relating to staff recruitment service cost. Value of the transaction for FY 2018-19 is ₹ 0.12 crore.	May 21, 2018	Nil

(amount in ₹ Crores)

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
8	DM Education & Research Foundation, Dr. Azad Moopen (Chairman and Managing Director), Ms. Alisha Moopen (Non-executive Director), Mrs. Naseera Azad Moopen (relative of Dr. Azad), Ms. Zeba Moopen (relative of Dr. Azad) are Trustees in this trust	Collection by subsidiaries on behalf of company	On going	Collection by trust on behalf of Company. Value of the transaction for FY 2018-19 is ₹3.60 crores.	November 12, 2018 and May 28, 2019	Nil
		Income from consultancy services	On going	Income from consultancy services. Value of the transaction for FY 2018-19 is ₹1.81 crores.	May 21, 2018 and May 28, 2019	Nil
		Lease rental for land	On going	Lease rental paid for land. Value of transactions for FY 2018-19 is ₹0.74 crore.	May 21, 2018	Nil
		Other expenses	On going	Other expenses. Value of transactions for FY 2018-19 is ₹ 4.76 crores.	May 28, 2019	Nil
9	Wayanad Infrastructure Private Limited, Dr. Azad Moopen (Chairman and Managing Director), Mr. T J Wilson (Non- executive Director), Ms. Alisha Moopen (Non- executive Director), Mr. Anoop Moopen (Non- executive Director), Mr. Shamsudheen Bin Mohideen Mammu Haji (Non -executive Director), Mrs. Naseera Azad Moopen (relative of Dr. Azad), Ms. Zeba Moopen (relative of Dr. Azad), Ms. Ziham Moopen(relative of Dr. Azad) are Directors in this company	Other expenses	On going	Other expenses. Value of transactions for FY 2018-19 is ₹ 0.02 crore.	May 28, 2019	Nil
10	Dr. Moopens Healthcare Management Services LLC, wholly-owned step down subsidiary in UAE	Expenses incurred on behalf of subsidiaries/ associates	On going	Reimbursement of expenses. Value of transactions for FY 2018-19 is ₹ 0.63 crore.	May 21, 2018 and May 28, 2019	Nil
		Expenses incurred by subsidiaries/ associates on behalf of company	On going	Expenses incurred by subsidiary on behalf of the Company. Value of transactions for FY 2018-19 is ₹0.30 crore.	May 21, 2018	Nil
		Collection by subsidiaries on behalf of company	On going	Collection by subsidiary on behalf of the Company. Value of transactions for FY 2018-19 is ₹0.78 crore.	February 13, 2019	Nil
11	Al Raffah Hospital LLC, wholly owned step down subsidiary in Oman	Expenses incurred on behalf of subsidiaries/ associates	On going	Expenses incurred on behalf of subsidiary. Value of transactions for FY 2018-19 is ₹0.11 crore.	May 21, 2018 and May 28, 2019	Nil
12	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 transactions for FY 2018-19 is ₹0.04 crore.	May 28,2019	Nil
13	Aster Oman al khair hospital	Expenses incurred on behalf of subsidiaries/ associates	On going	Reimbursement of expenses. Value of transactions for FY 2018-19 is ₹0.01 crore.	May 28,2019	Nil

ANNEXURE 3

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 each Director to the median remuneration of the employees of the Company for the financial year:

(amount in ₹ Crores)

Name of Director/ Key Managerial Personnel and Designation	Remuneration During FY 2018-19	Percentage increase in remuneration	Ratio to median remuneration
Mr. Harsh Charandas Mariwala *Independent Director*	0.06	NIL^	2.39
Mr. Suresh Kumar *Independent Director*	0.12	NIL^	4.78
Mr. Daniel James Snyder *Independent Director*	0.06	NIL^	2.39
Mr. Maniedath Madhavan Nambiar *Independent Director*	0.11	NIL^	4.38
Mr. Ravi Prasad *Independent Director*	0.10	NIL^	3.98
Mr. Rajagopal Sukumar *Independent Director*	0.02	NIL^	0.79
Prof. Biju Varkkey *Independent Director*	0.01	NIL^	0.39
Dr. Layla Mohamad Hassan Ali Almarzooqi *Independent Director*	NA	NIL^	NA
Mr. T J Wilson *Non- executive Director*	NIL^^	NA	NA
Ms. Alisha Moopen *Non- executive Director*	NIL^^	NA	NA
Mr. Anoop Moopen *Non- executive Director*	NIL	NA	NA
Mr. Shamsudheen Bin Mohideen Mammu Haji *Non- executive Director*	NIL	NA	NA
Mr. Daniel Robert Mintz *Non- executive Director*	NIL	NA	NA
Dr. Azad Moopen *Chairman and Managing Director*	0.60##	NIL	23.91
Mr. Sreenath Reddy# *Chief Financial Officer*	1.38	10%	NA
Mr. Rajesh A* *Company Secretary and Compliance Officer*	0.08	NA	NA
Ms. Puja Aggarwal** *Company Secretary and Compliance Officer*	0.13	NA	NA

^There is no increase in the remuneration paid to independent Directors (₹ 1,00,000 only). 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.

^^ The following directors are not drawing remuneration from Aster DM Healthcare Limited but are drawing remuneration from the overseas subsidiary.

Dr. Azad Moopen also receives remuneration from DM Healthcare Management Services LLC.

#Mr. Sreenath Reddy has received remuneration from Aster DM Healthcare Limited only till November 30, 2018, after which he has been drawing remuneration from DM Healthcare Management Services LLC.

** Mr. Rajesh A has resigned with effect from May 31, 2018 and hence his remuneration has been disclosed only upto the date of resignation.*

***Ms. Puja Aggarwal has joined on July 23, 2018 and her remuneration has been disclosed only from the date of joining.*

b. The percentage increase in the median remuneration of employees in the financial year: 15.79%

c. The number of permanent employees on the rolls of Company: 2,411

d. Average percentile increase 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: On an average, employees received an annual increase of 19.06% based on individual performance against the managerial remuneration of 10%.

e. Affirmation that the remuneration is as per the remuneration policy of the Company.

The Company affirms that the remuneration is as per the remuneration policy adopted by the Company.

ANNEXURE 4

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

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 Options	Loyalty Options
Budgeted performance above 85% for each vesting as per the terms of the grant with a minimum vesting period of 1 year from date of grant	6 years & 9 years from date of joining of the employee with a minimum vesting period of 1 year from date of grant

(d) Exercise price or pricing formula – The exercise price shall be in the range of From ₹ 10 to a maximum of 25% discount on fair market value (average of opening & closing price of share on the latest trading day in NSE prior to Nomination & Remuneration Committee meeting on which grant is made)

(e) Maximum term of options granted - 14 years

(f) Source of shares – Secondary

(g) Variation in terms of options – No variation

B. Accounting Of ESOP

(a) Method used to account for ESOP's – Fair value method is used for accounting for the ESOP's

(b) The impact on the profits and EPS of the Company- Refer note 42 of the financial statements.

C. Option movement during the year

Particulars	Milestone	Incentive	Performance	Loyalty	Total
Number of options outstanding at the beginning of the period	5,96,163	5,47,686	6,66,029	6,81,300	24,91,178
Number of options granted during the year	-	-	2,98,600	1,40,300	4,38,900
Number of options forfeited / lapsed during the year	1,30,212	1,62,125	1,02,400	1,69,000	5,63,737
Number of options vested during the year	15,751	11,500	-	96,930	1,24,181
Number of options exercised during the year	3,50,479	2,18,731	-	1,31,400	7,00,610
Number of shares arising as a result of exercise of options	3,50,479	2,18,731	-	1,31,400	7,00,610
Money realized by exercise of options (₹), if scheme is implemented directly by the company	1,30,03,230	1,09,36,550	-	7,04,000	2,46,43,780
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	Refer note 42 of the financial statements				
Number of options exercisable at the end of the year					
Weighted-average exercise prices of options outstanding at the end of year					
Weighted-average fair values of options granted					

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 ₹)
Mr. Sreenath Reddy	Group Chief Financial Officer	Loyalty	26,600	10
Mr. Rajesh A	Company Secretary & Compliance officer	Loyalty	12,000	10
Mr. Kartik Thakrar	Financial Controller, GCC	Loyalty	12,000	10
Mr. T J Wilson	Director, Head- Governance	Loyalty	8,100	10
Dr. Harish Pillai	CEO- India Operations	Loyalty	5,800	10
Dr. Malathi A	Group Chief Quality Officer & Group Chief Medical Officer	Loyalty	2,700	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 ₹)
Mr. Jobilal Vavachan	CEO- Aster Primary Care	Performance	40,000	116
		Loyalty	18,500	10
Mr. Sreenath Reddy	Group Chief Financial Officer	Performance	-	-
		Loyalty	26,600	10
Mr. Veneeth Purushotaman	Group Chief Information Officer	Performance	32,000	116
		Loyalty	8,000	10
Mr. Kalappa KB	Country Head HR - Aster Hospitals & Clinics, India	Performance	20,000	116
		Loyalty	5,000	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

(i) General information on the scheme

S. 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

(ii) 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	37,04,562
Acquired during the year	NIL
Sold during the year	NIL
Transferred to the employees during the year	7,00,610
Held at the end of the year	30,03,952

ANNEXURE 5

SECRETARIAL AUDIT REPORT

For the financial year ended March 31, 2019

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

To
The Members,
Aster DM Healthcare Limited
CIN L85110KL2008PLC021703
IX/1475L, Aster Medcity, Kuttisahib Road
Near Kothad Bridge, South Chittoor P.O, Cheranalloor
Kochi 682 027, Kerala.

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our own opinion, the company has, during the audit period covering the financial year ended on March 31, 2019 complied with the statutory provisions listed hereunder and also that the company has proper Board – processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the company for the financial year ended on March 31, 2019, according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder.

(iv) Foreign Exchange Management Act, 1999 and the Rules and Regulation made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'): -

a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **[Not Applicable as the Company has not issued and listed any debt securities during the financial year under review];**

f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **[Not Applicable as the Company is not registered as Registrar to Issue and Share Transfer Agent during the financial year under review];**

g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **[Not applicable as the Company has not delisted I proposed to delist its equity shares from any Stock Exchange during the financial year under review];**

h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998 **[Not applicable as the Company has not bought back / proposed to buy-back any of its securities during the financial year under review].**

(vi) The Management has identified and confirmed the following laws as specifically applicable to the Company: Refer **Annexure- A**

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

(i) Secretarial standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) ;

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

Nil

I further report that

A. the Board of Directors of the company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors.

B. The changes in the composition of Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

C. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance.

D. A system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

E. All decisions of Board and Committees were carried with requisite majority.

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

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

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

Sr#	Particulars of Corporate Actions	EGM / AGM	Date of Meeting
	Nil		

CS SUNIL SANKAR & Associates

Place: Ernakulam
Date: May 17, 2019

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

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

To
The Members,
Aster DM Healthcare Limited
CIN L85110KL2008PLC021703
IX/475L, Aster Medcity, Kuttisahib Road,
Near Kothad Bridge, South Chittoor P.O, Cheranalloor,
Kochi - 682 027, Kerala.

Our Secretarial Audit Report for the financial year March 31, 2019 is to be read along with this letter.

1. Management's Responsibility

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

2. Auditor's Responsibility

2.1 Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.

2.2 We believe that audit evidence and information obtained from the Company's management is adequate and appropriate for us to provide a basis for our opinion.

2.3 Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

3. Disclaimer

3.1 The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

3.2 We have not verified the correctness and appropriateness of financial records and books of account of the Company.

CS SUNIL SANKAR & Associates
ACS No. :: 20171
C P NO. :: 10613

Place: Ernakulam
Date: May 17, 2019

ANNEXURE 6

FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN

As on financial year ended March 31, 2019

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

I. REGISTRATION & OTHER DETAILS

1.	CIN	L85110KL2008PLC021703
2.	Registration Date	January 18, 2018
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: +91 022 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	87.61

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Subsidiaries, step-down subsidiaries and associates of the parent company

Sl. No.	Entity	Country of Incorporation	Beneficial	Legal *
Direct subsidiaries				
1	Affinity Holdings Private Limited	Mauritius	100%	100%
2	Ambady Infrastructure Private Limited	India	100%	100%
3	Aster DM Healthcare (Trivandrum) Private Limited	India	100%	100%
4	DM Med City Hospitals India Private Limited	India	100%	100%
5	Dr. Ramesh Cardiac and Multispeciality Hospitals Private Limited	India	51%	51%
6	Malabar Institute of Medical Sciences Limited	India	73%	73%
7	Prerana Hospital Limited	India	85%	85%
8	Sri Sainatha Multispeciality Hospitals Private Limited	India	58%	58%
Step-down subsidiaries				
1	Active Holdings Limited	UAE	0%	99%
2	Al Rafa Holdings Limited	UAE	100%	0%
3	Al Rafa Investments Limited	UAE	100%	0%
4	Al Rafa Medical Centre LLC	UAE	51%	40%
5	Al Raffah Hospital LLC	Oman	100%	70%
6	Al Raffah Medical Centre LLC	Oman	100%	70%
7	Al Raffah Pharmacies Group LLC	Oman	100%	70%
8	Al Shafar Pharmacy LLC, AUH **	UAE	51%	49%
9	Alfa Drug Store LLC	UAE	100%	49%
10	Alfa Investments Limited #	UAE	0%	0%
11	Asma Pharmacy LLC	UAE	50%	0%
12	Aster Al Shafar Pharmacies Group LLC	UAE	51%	49%
13	Aster Day Surgery Centre LLC (formerly known as Aster IVF and Women Clinic LLC)	UAE	82%	49%

Sl. No.	Entity	Country of Incorporation	Beneficial	Legal *
14	Aster DCC Pharmacy LLC	UAE	70%	70%
15	Aster DM Healthcare FZC	UAE	100%	100%
16	Aster DM Healthcare INC	Philippines	90%	90%
17	Aster DM Healthcare SPC	Bahrain	100%	100%
18	Aster Grace Nursing and Physiotherapy LLC	UAE	60%	29%
19	Aster Kuwait Pharmaceuticals and Medical Equipment Company W.L.L (formerly known as Aster Kuwait Pharmaceuticals and Medical Equipment Company W.L.L)	Kuwait	54%	2%
20	Aster Medical Centre LLC**	UAE	90%	39%
21	Aster Opticals LLC	UAE	60%	49%
22	Aster Pharmacies Group LLC	UAE	100%	49%
23	Aster Pharmacy LLC, AUH	UAE	100%	49%
24	Aster Primary Care LLC (formerly known as Dr. Moopen's Medical Clinic LLC)	UAE	71%	40%
25	Aster Ramesh Duhita LLP	India	50%	50%
26	Dar Al Shifa Medical Centre LLC	UAE	51%	40%
27	DM Healthcare LLC	UAE	100%	49%
28	DM Pharmacies LLC	UAE	100%	49%
29	Dr. Moopens Aster Hospital WLL	Qatar	99%	49%
30	Dr. Moopens Healthcare Management Services LLC	UAE	100%	49%
31	Dr. Moopen's Healthcare Management Services WLL	Qatar	99%	49%
32	E-Care International Medical Billing Services Co. LLC	UAE	80%	51%
33	Eurohealth Systems FZ LLC	UAE	100%	95%
34	Harley Street Dental LLC	UAE	30%	74%
35	Harley Street LLC	UAE	60%	9%
36	Harley Street Medical Centre LLC	UAE	60%	9%
37	Harley street Pharmacy LLC	UAE	60%	9%
38	Med Shop Drugs Store LLC	UAE	100%	49%
39	Medcare Hospital LLC	UAE	80%	30%
40	Medshop Garden Pharmacy LLC	UAE	100%	49%
41	Metro Medical Center L.L.C	UAE	66%	66%
42	Metro Meds Pharmacy L.L.C	UAE	66%	66%
43	Modern Dar Al Shifa Pharmacy LLC	UAE	51%	40%
44	New Aster Pharmacy DMCC	UAE	100%	100%
45	Noor Al Shefa Clinic LLC	UAE	70%	70%
46	Oman Al Khair Hospital L.L.C	OMAN	60%	59%
47	Orange Pharmacies LLC	Jordan	51%	0%
48	Radiant Healthcare L.L.C	UAE	76%	76%
49	Rafa Pharmacy LLC	UAE	100%	49%
50	Ramesh Fertility Centre LLP	India	50%	50%
51	Samary Pharmacy LLC	UAE	70%	70%
52	Sanad Al Rahma for Medical Care LLC	Kingdom of Saudi Arabia	97%	97%
53	Sanghamitra Hospitals Private Limited	India	51%	51%
54	Shindagha Pharmacy LLC	UAE	90%	49%
55	Symphony Healthcare Management Services LLC	UAE	100%	0%
56	Union Pharmacy LLC	UAE	75%	37%
57	Welcare Polyclinic W.L.L	Qatar	50%	45%
58	Zabeel Pharmacy LLC	UAE	51%	49%
59	Zahrath Al Shefa Medical Center LLC	UAE	70%	70%
60	Zahrath Al Shefa Pharmacy LLC	UAE	70%	70%
61	Aster Hospital Sonapur L.L.C	UAE	90%	90%
62	Ibn Alhaitham Pharmacy LLC **	UAE	100%	49%
63	Maryam Pharmacy LLC **	UAE	100%	0%

Sl. No.	Entity	Country of Incorporation	Beneficial	Legal *
Associates				
1	AAQ Healthcare Investments LLC	UAE	33%	33%
2	Al Mutamaizah Medcare Healthcare Investment Co. LLC	UAE	49%	49%
3	Aries Holdings FZC	UAE	25%	25%
4	EMED Human Resources (India) Private Limited	India	33%	33%
5	MIMS Infrastructure and Properties Private Limited	India	35%	35%

** 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 susbstantially 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.

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

a. Category-wise Shareholding

Sr No	Category of Shareholders	Shareholding at the beginning of the year (as on April 1, 2018)				Shareholding at the end of the year (as on March 31, 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	**Shareholding of Promoter and Promoter Group**									
[1]	**Indian**									
(a)	Individual / HUF	-	-	-		-	-	-		
(b)	Central Govt	-	-	-		-	-	-		
(c)	State Govt(s)	-	-	-		-	-	-		
(d)	Bodies Corp.	-	-	-		-	-	-		
(e)	Banks/ FI	-	-	-		-	-	-		
(f)	Any Other	-	-	-		-	-	-		
	Sub Total (A)(1)	**-**	**-**	**-**		**-**	**-**	**-**		
[2]	Foreign									
(a)	NRI -Individuals	5,54,920	0	5,54,920	0.11%	22,94,510	0	22,94,510	0.45%	0.34%
(b)	Other-Individuals	-	-	-		-	-	-		
(c)	Bodies Corp.	18,87,06,090	0	18,87,06,090	37.35%	18,87,06,090	0	18,87,06,090	37.35%	0.00%
(d)	Bank/ FI	-	-	-		-	-	-		
(e)	Any Other	-	-	-		-	-	-		
	Sub Total (A)(2)	**18,92,61,010**	**-**	**18,92,61,010**	**37.46%**	**19,10,00,600**	**-**	**19,10,00,600**	**37.80%**	**0.34%**
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	**18,92,61,010**	**-**	**18,92,61,010**	**37.46%**	**19,10,00,600**	**-**	**19,10,00,600**	**37.80%**	**0.34%**
(B)	**Public Shareholding**									
[1]	**Institutions**									
(a)	Mutual Funds	92,19,639	-	92,19,639	1.82%	69,34,749	-	69,34,749	1.37%	-0.45%
(b)	Banks/FI	-	-	-		18,094	-	18,094	0.00%	0.00%
(c)	Central Govt	-	-	-		-	-	-		
(d)	State Govt(s)	-	-	-		-	-	-		
(e)	Venture Capital Funds	-	-	-		-	-	-		
(f)	Insurance Companies	-	-	-		-	-	-		
(g)	FIIs	-	-	-		-	-	-		
(h)	Foreign Venture Capital Funds	1,49,46,222	-	1,49,46,222	2.96%	1,34,63,462	-	1,34,63,462	2.66%	-0.30%
(i)	Others (Specify)									
	Alternate Investment Funds	47,89,044	-	47,89,044	0.95%	46,19,344	-	46,19,344	0.91%	-0.04%
	Foreign portfolio investors	1,96,00,955	-	1,96,00,955	3.88%	2,41,82,759	-	2,41,82,759	4.79%	0.91%
	Sub Total (B)(1)	**4,85,55,860**	**-**	**4,85,55,860**	**9.61%**	**4,92,18,408**	**-**	**4,92,18,408**	**9.74%**	**0.13%**
[2]	**Non-Institutions**									
(a)	Bodies Corp.									
(i)	Indian	4,72,50,449	-	4,72,50,449	9.35%	4,67,19,897	-	4,67,19,897	9.25%	-0.10%
(ii)	Overseas	16,48,77,871	-	16,48,77,871	32.63%	16,48,12,871	1	16,48,12,872	32.62%	-0.01%

Sr No	Category of Shareholders	Shareholding at the beginning of the year (as on April 1, 2018)				Shareholding at the end of the year (as on March 31, 2019)				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(b)	Individuals									
(i)	Individual shareholders holding nominal share capital upto ₹ 1 lakh.	1,30,32,385	46,878	1,30,79,263	2.58%	1,07,90,123	19,862	1,08,09,985	2.14%	0.45%
(ii)	Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	17,13,575	3,04,91,831	3,22,05,406	6.37%	32,47,308	76,23,652	1,08,70,960	2.15%	-4.22%
(c)	Others (Specify)									
(i)	NBFCs registered with RBI	-	-	-		1,338		1,338	0.00%	0.00%
(ii)	Employee Trusts	37,04,562	-	37,04,562	0.73%	30,03,952	-	30,03,952	0.59%	-0.14%
(iii)	Trust	1,25,000	-	1,25,000	0.02%	-	-	-		-0.02%
(iv)	HUF	6,03,363	-	6,03,363	0.12%	4,10,328	-	4,10,328	0.08%	-0.04%
(e)	Non-Resident Indian	52,49,660	-	52,49,660	1.04%	2,69,48,679	1,34,27,01	2,82,91,380	5.60%	4.56%
(f)	Clearing Members	3,14,901	-	3,14,901	0.06%	87,625	-	87,625	0.02%	-0.04%
	Sub Total (B)(2)	**23,68,71,766**	**3,05,38,709**	**26,74,10,475**	**52.93%**	**25,60,22,121**	**89,86,216**	**26,50,08,337**	**52.45%**	**-0.48%**
	Total Public Shareholding(B)=(B)(1)+(B)(2)	**28,54,27,626**	**3,05,38,709**	**31,59,66,335**	**62.54%**	**30,52,40,529**	**89,86,216**	**31,42,26,745**	**62.19%**	**-0.35%**
(C)	**Shares held by Custodian for GDRs/ ADRs**	-	-	-		-	-	-		
	Grand Total (A+B+C)	**47,46,88,636**	**3,05,38,709**	**50,52,27,345**	**100%**	**49,62,41,129**	**89,86,216**	**50,52,27,345**	**99.99%**	

b. Shareholding of Promoter and Promoter Group

Sr No	Shareholder's Name	Shareholding at the beginning of the year (as on April 1, 2018)			Shareholding at the end of the year (as on March 31, 2019)			% 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%	18,87,06,090	37.35%	0.00%	0.00%
2	Azad Moopen Mandayapurath	5,25,720	0.10%	0.00%	17,50,720	0.35%	0.00%	0.25%
3	Ziham Moopen	29,200	0.01%	0.00%	1,73,200	0.03%	0.00%	0.03%
4	Naseera Azad	-			1,44,000	0.03%	0.00%	0.03%
5	Alisha Moopen	-			1,16,990	0.02%	0.00%	0.02%
6	Zeba Azad Moopen	-			1,09,600	0.02%	0.00%	0.02%
	Total	**18,92,61,010**	**37.46%**	**0.00%**	**19,04,56,810**	**37.70%**	**0.00%**	**0.24%**

c. Change in Promoters Shareholding

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year (as on April 1, 2018)		Increase/ decrease in Shareholding	Cumulative Shareholding at the end of the year (as on March 31, 2019)	
		No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the Company
1	**Union Investments Private Limited**					
	At the beginning of the year	18,87,06,090	37.35%		18,87,06,090	37.35%
	Increase/Decrease in shareholding during the year			-	18,87,06,090	37.35%
	At the end of the year				18,87,06,090	37.35%
2	**Azad Moopen Mandayapurath**					
	At the beginning of the year	525,720	0.10%		525,720	0.10%

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year (as on April 1, 2018)		Increase/ decrease in Shareholding	Cumulative Shareholding at the end of the year (as on March 31, 2019)	
		No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the Company
	Increase/Decrease in shareholding during the year					
	December 7, 2018- Purchase			85,571	6,11,291	0.12%
	December 14, 2018-Purchase			1,49,591	7,60,882	0.15%
	December 21, 2018-Purchase			2,13,251	9,74,133	0.19%
	December 28, 2018-Purchase			2,24,217	11,98,350	0.24%
	December 31, 2018-Purchase			1,19,167	13,17,517	0.26%
	January 4, 2019-Purchase			69,399	13,86,916	0.27%
	January 11, 2019-Purchase			1,10,804	14,97,720	0.30%
	January 18, 2019-Purchase			90,000	15,87,720	0.31%
	January 25, 2019-Purchase			1,03,254	16,90,974	0.33%
	February 01, 2019-Purchase			59,746	17,50,720	0.35%
	At the end of the year				17,50,720	0.35%
3	**Ziham Moopen**					
	At the beginning of the year	29,200	0.01%			
	Increase/Decrease in shareholding during the year					
	April 6, 2018-Purchase			1,44,000	1,73,200	0.03%
	At the end of the year				1,73,200	0.03%
4	**Naseera Azad**					
	At the beginning of the year	-	-		-	-
	Increase/Decrease in shareholding during the year					
	April 6, 2018-Purchase			1,44,000	1,44,000	0.03%
	At the end of the year				1,44,000	0.03%
5	**Alisha Moopen**					
	At the beginning of the year	-	-		-	-
	Increase/Decrease in shareholding during the year					
	April 27, 2018-Purchase			29,083	29,083	0.01%
	May 4, 2018-Purchase			58,164	87,247	0.02%
	May 11, 2018-Purchase			29,743	116,990	0.02%
	At the end of the year				116,990	0.02%
6	**Zeba Azad Moopen**					
	At the beginning of the year	-	-		-	-
	Increase/Decrease in shareholding during the year					
	June 8, 2018-Purchase			177	177	0.00%
	June 15, 2018-Purchase			109,423	1,09,600	0.02%
	At the end of the year				1,09,600	0.02%

d. Top ten shareholders

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year (as on April 1, 2018)		Increase/ decrease in Shareholding	Cumulative Shareholding at the end of the year (as on March 31, 2019)	
		No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the Company
1	**Olympus Capital Asia Investments Limited**					
	At the beginning of the year	11,77,94,613	23.32%		11,77,94,613	23.32%
	Increase/Decrease in shareholding during the year					
	June 8, 2018- Sale			(759,364)	11,70,35,249	23.16%
	August 24, 2018- Sale			(1,50,000)	11,68,85,249	23.14%
	September 21, 2018- Sale			(5,73,396)	11,63,11,853	23.02%
	At the end of the year				11,63,11,853	23.02%

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year (as on April 1, 2018)		Increase/ decrease in Shareholding	Cumulative Shareholding at the end of the year (as on March 31, 2019)	
		No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the Company
2	**Rimco (Mauritius) Limited**					
	At the beginning of the year	5,10,86,711	10.11%		5,10,86,711	10.11%
	Increase/Decrease in shareholding during the year			-	5,10,86,711	10.11%
	At the end of the year				5,10,86,711	10.11%
3	**True North Fund III-A**					
	At the beginning of the year	-	-		-	-
	Increase/Decrease in shareholding during the year					
	March 29, 2019 Purchase			4,16,02,849	4,16,02,849	8.23%
	At the end of the year				4,16,02,849	8.23%
4	**Rashid Aslam Bin Mohideen**					
	At the beginning of the year	1,12,25,214	2.22%		1,12,25,214	2.22%
	Increase/Decrease in shareholding during the year			-	1,12,25,214	2.22%
	At the end of the year				1,12,25,214	2.22%
5	**Indium IV Mauritius Holdings Limited**				10942770	2.1659
	At the beginning of the year	1,09,42,770	2.17%		1,09,42,770	2.17%
	Increase/Decrease in shareholding during the year					
	March 29, 2019- Sale			(65,000)	1,08,77,770	2.15%
	At the end of the year				1,08,77,770	2.15%
6	**Shamsudheen Bin Mohideen Mammu Haji**					
	At the beginning of the year	57,17,829	1.13%		57,17,829	1.13%
	Increase/Decrease in shareholding during the year			-	57,17,829	1.13%
	At the end of the year				57,17,829	1.13%
7	**SBI Magnum Taxgain Scheme**					
	At the beginning of the year	56,14,493	1.11%		56,14,493	1.11%
	Increase/Decrease in shareholding during the year					
	August 24, 2018- Sale			(45,302)	55,69,191	1.10%
	August 31, 2018- Sale			(5,815)	55,63,376	1.10%
	September 07, 2018- Sale			(19,884)	55,43,492	1.10%
	At the end of the year				55,43,492	1.10%
8	**Karst Peak Asia Master Fund**					
	At the beginning of the year	39,56,926	0.78%		39,56,926	0.78%
	Increase/Decrease in shareholding during the year					
	April 13, 2018- Sale			4,71,000	44,27,926	0.88%
	June 08, 2018- Sale			1,01,000	45,28,926	0.90%
	June 15, 2018- Sale			1,60,000	46,88,926	0.93%
	At the end of the year				46,88,926	0.93%
9	**True North Fund V LLP**					
	At the beginning of the year	46,19,344	0.91%		46,19,344	0.91%
	Increase/Decrease in shareholding during the year			-	46,19,344	0.91%
	At the end of the year				46,19,344	0.91%
10	**Olympus ACF Pte. Ltd.**					
	At the beginning of the year	46,19,297	0.91%		46,19,297	0.91%
	Increase/Decrease in shareholding during the year			-	46,19,297	0.91%
	At the end of the year				46,19,297	0.91%

e. Shareholding Pattern of Directors and KMP

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year (as on April 1, 2018)		Increase/ decrease in Shareholding	Cumulative Shareholding at the end of the year (as on March 31, 2019)	
		No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the Company
1	**Azad Moopen Mandayapurath**					
	At the beginning of the year	525,720	0.10%		525,720	0.10%
	Increase/Decrease in shareholding during the year					
	December 7, 2018- Purchase			85,571	6,11,291	0.12%
	December 14, 2018-Purchase			1,49,591	7,60,882	0.15%
	December 21, 2018-Purchase			2,13,251	9,74,133	0.19%
	December 28, 2018-Purchase			2,24,217	11,98,350	0.24%
	December 31, 2018-Purchase			1,19,167	13,17,517	0.26%
	January 4, 2019-Purchase			69,399	13,86,916	0.27%
	January 11, 2019-Purchase			1,10,804	14,97,720	0.30%
	January 18, 2019-Purchase			90,000	15,87,720	0.31%
	January 25, 2019-Purchase			1,03,254	16,90,974	0.33%
	February 01, 2019-Purchase			59,746	17,50,720	0.35%
	At the end of the year				17,50,720	0.35%
2	**T J Wilson**					
	At the beginning of the year	27,37,210	0.54%		27,37,210	0.54%
	Increase/Decrease in shareholding during the year			-	27,37,210	0.54%
	At the end of the year				27,37,210	0.54%
3	**Alisha Moopen**					
	At the beginning of the year	-	-		-	-
	Increase/Decrease in shareholding during the year					
	April 27, 2018-Purchase			29,083	29,083	0.01%
	May 4, 2018-Purchase			58,164	87,247	0.02%
	May 11, 2018-Purchase			29,743	116,990	0.02%
	At the end of the year				116,990	0.02%
4	**Anoop Moopen**	482398	0.10		482398	0.10
	April 6, 2018 - Purchase			21,494	5,03,892	0.10
	April 13, 2018 - Purchase			6,340	5,10,232	0.10
	April 20, 2018- Purchase			22,417	5,32,649	0.11
	April 27, 2018- Purchase			22,678	5,55,327	0.11
	May 4, 2018- Purchase			18,860	5,74,187	0.11
	May 11, 2018- Purchase			24,804	5,98,991	0.12
	June 1, 2018- Purchase			20,000	6,18,991	0.12
	June 8, 2018- Purchase			99,051	7,18,042	0.14
	June 15, 2018- Purchase			57,270	7,75,312	0.15
	June 22, 2018- Purchase			14,838	7,90,150	0.16
	June 30, 2018- Purchase			14,315	8,04,465	0.16
	July 6, 2018- Purchase			39,735	8,44,200	0.17
	July 13, 2018- Purchase			30,800	8,75,000	0.17
	September 21, 2018- Purchase			55,900	9,30,900	0.18
	September 29, 2018- Purchase			60,184	9,91,084	0.20
	October 5, 2018- Purchase			9,216	10,00,300	0.20
	At the end of the year				10,00,300	0.20
5	**Shamsudheen Bin Mohideen Mammu Haji**					
	At the beginning of the year	57,17,829	1.13%		57,17,829	1.13%
	Increase/Decrease in shareholding during the year			-	57,17,829	1.13%
	At the end of the year				57,17,829	1.13%

Sr No	Name & Type of Transaction	Shareholding at the beginning of the year (as on April 1, 2018)		Increase/ decrease in Shareholding	Cumulative Shareholding at the end of the year (as on March 31, 2019)	
		No. of Shares	% of total Shares of the company		No. of Shares	% of total Shares of the Company
6	**Sreenath Reddy**	5,850	0.00		5,850	0.00
	June 1, 2018- Purchase			62,183	68,033	0.01
	September 21, 2018- Purchase			60,430	1,28,463	0.03
	At the end of the year				1,28,463	0.03
7	**Rajesh A**					
	At the beginning of the year	-	-	-	-	-
	Increase/Decrease in shareholding during the year	-	-	-	-	-
	At the end of the year	-	-	-	-	-
8	**Puja Aggarwal**					
	At the beginning of the year	-	-	-	-	-
	Increase/Decrease in shareholding during the year	-	-	-	-	-
	At the end of the year	-	-	-	-	-

V. INDEBTEDNESS

(₹ in Crores)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	75.11	34.77		109.88
ii) Interest due but not paid				-
iii) Interest accrued but not due	0.07			0.07
Total (i+ii+iii)	**75.18**	**34.77**	**-**	**109.95**
Change in Indebtedness during the financial year				
* Addition	10.69	50.07		60.76
* Reduction	19.33	26.68		46.01
Net Change	(8.64)	23.39	-	14.75
Indebtedness at the end of the financial year				
i) Principal Amount	66.54	58.16		124.70
ii) Interest due but not paid				-
iii) Interest accrued but not due	-			-
Total (i+ii+iii)	**66.54**	**58.16**	**-**	**124.70**

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

a. Remuneration to Managing Director, Whole-time Directors and/or Manager

(₹ in Crores)

Sl No.	Particulars of Remuneration	Azad Moopen Mandayapurath Managing Director	Total Amount
1	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.60	0.60
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961		
2	Stock Option	-	-
3	Sweat Equity	-	-
4	Commission - as % of profit - others, specify	-	-
5	Others, please specify	-	-
	Total (A)	**0.60**	**0.60**
Ceiling as per the Act			**0.60**

b. Remuneration to other Directors

(₹ in Crores)

Particulars of Remuneration	Name of Directors								Total Amount
Independent Directors	**Daniel James Snyder**	**Harsh Charandas Mariwala***	**Rajagopal Sukumar ***	**Ravi Prasad**	**Maniedath Madhavan Nambiar**	**Suresh Kumar**	**Prof Biju Varkkey****	**Layla Mohamad Hassan Ali Al marzooqi****	
Fee for attending Board, Committee meetings#	0.06	0.06	0.02	0.10	0.11	0.12	0.01	-	0.48
Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (1)	**0.06**	**0.06**	**0.02**	**0.10**	**0.11**	**0.12**	**0.01**	**-**	**0.48**
Other Non-Executive Directors	**T J Wilson**	**Alisha Moopen**	**Annop Moopen**	**Shamsudheen Bin Mohideen Mammu Haji**					
Fee for attending board committee meetings	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Commission	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Others, please specify	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Total (2)	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**	**Nil**
Total (B)=(1+2)									**0.48**
Total Managerial Remuneration (A+B)									**1.08**
Overall Ceiling as per the Act	₹. 0.60 Crores (does not include the sitting fees paid to directors) Sitting fees of ₹ 0.01 Crores per meeting per director								

**Resigned during the Financial year*

***Appointed during the Financial Year*

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

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

(₹ in Crores)

Sl.	Particulars of Remuneration	Key Managerial Personnel			
		Company Secretary		CFO	Total
		Mr. Rajesh A*	Ms. Puja Aggarwal**	Mr. Sreenath Reddy	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	0.08	0.13	1.38	1.59
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-	-	-	-
2	Stock Option***	-	-	0.77	0.77
3	Sweat Equity	-	-	-	-
4	Commission	-	-	-	-
	- as % of profit	-	-	-	-
	others, specify...	-	-	-	-
5	Others, please specify	-	-	-	-
	Total	**0.08**	**0.13**	**2.15**	**2.36**

**Resigned with effect from May 31, 2018*
***Appointed with effect from July 23, 2018*

**** Perquisites value of stock incentives on account of exercise of 1,22,613 stock option during the FY 2018-19.*

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)
A. COMPANY					
Penalty	Nil	NA	Nil	NA	NA
Punishment	Nil	NA	Nil	NA	NA
Compounding	Nil	NA	Nil	NA	NA
B. DIRECTORS					
Penalty	Nil	NA	Nil	NA	NA
Punishment	Nil	NA	Nil	NA	NA
Compounding	Nil	NA	Nil	NA	NA
C. OTHER OFFICERS IN DEFAULT					
Penalty	Nil	NA	Nil	NA	NA
Punishment	Nil	NA	Nil	NA	NA
Compounding	Nil	NA	Nil	NA	NA

ANNEXURE 7

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 source of energy. Some of the initiatives taken by the Company are as under:

Maintaining power factor: At Aster Medcity, Kochi, and Aster CMI Hospital, Bengaluru, electrical installation power factor is maintained above 0.99 month on month. This is achieved by having automatic power factor controller connected to the panel.

Operation of AHUs: Air Handing Units (AHUs) are fitted with VFDs (Variable Frequency Device) to regulate the blower speed to save energy. Also, the operation theater 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.

Use of solar energy: Steps have been taken by the Company for utilizing alternate energy sources, i.e. solar power. Negotiations are in progress with various solar power plant vendors to purchase solar power from off-site solar power plant for the entire power requirement of Aster Medcity. The proposed power purchase proposal will bring down the power consumption approximately by 25 % annually. Parallelly, an open access power purchase through energy exchange by bidding process has also been initiated, this will approximately save 10% energy consumption. In the Bengaluru hospital solar power is implemented from April 2018 which has considerably reduced consumption and has resulted in savings of approximately ₹ 7 Lakhs per month.

At Aster Medcity, Kochi, solar streetlights are installed in the premises which reduces the electricity consumption considerably.

B. Technology Absorption

The Company has tried to introduce medical equipment with the latest technology to reduce complexity and cost, transform and integrate digitally to reduce human errors and improve productivity. Some of the efforts in this area as explained below:

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

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

Digital ICU-Aster Medcity at Kochi has installed a completely digital and paperless ICUs with Philips - Intellispace Critical care and Anesthesia. Apart from digital ICU the facility also has digital OT, CTVS, CICU and CATHLAB

OR1 Infusion- Aster Medcity at Kochi is using OR1 Fusion in many operation theatres. It is the first complete digital integration system in Asia Pacific provided by Karl Storz. KARL STORZ OR1 FUSION is combination of various disparate applications into a sole source solution providing exceptional image management with documentation and safety. The first fully digital IP based platform available with robust feature sets and an enhanced graphical user interface for all current as well as future clinical needs. The KARL STORZ OR1 FUSION platform is based on 5 unique core technologies. Each core represents a unique capacity or functionality

Surgical Robot- Aster Medcity at Kochi is Kerala's first facility to have DaVinci Surgical Robot, ECMO, Flat Panel Biplane Hybrid Cath Lab, and True Beam Machine for Teletherapy (Radiation Oncology) under one roof.

a. Imported technology (imported during last 3 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
Da Vinci IS 3000 Series Single console system	2014	Yes	NA
Karl Storz OR1 Fusion and Laproscopy system	2014	Yes	NA
100 W Holmium laser	2014	Yes	NA
PHILIPS FD 10 cathlab	2014	Yes	NA
MIZHUHO OT Table	2014	Yes	NA

b. Expenditure incurred on R&D - Nil

FOREIGN EXCHANGE EARNINGS AND OUTGO

(in ₹)

	2018-19	2017-18
Earnings	1,39,51,91,398	26,58,25,688
Expenditure	22,92,03,670	9,38,85,757
Net foreign exchange earnings (NFE)	1,16,59,87,728	17,19,39,931
NFE/ earnings (%)	84%	64.68%

ANNEXURE 8

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 & 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 practises 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 atleast 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 of all laws applicable to the Company, 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, 2019, the Board of Directors has 12 Members viz. 11 Non-Executive Director, including 6 Independent Directors and 1 Managing Director. The profiles of Directors are available on the website of the Company at http://www.asterdmhealthcare.com/investors/. Dr. Azad Moopen is related to Ms. Alisha Moopen (daughter) and Mr. Anoop Moopen (son-in-law). 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 FY 2018-2019 out of four meetings held	Attendance at the 10th AGM held on August 16, 2018
Dr. Azad Moopen	00159403	Chairman and Managing Director	Promoter Executive	4	Yes
Ms. Alisha Moopen	02432525	Director	Promoter, Non-Executive	4	No
Mr. T J Wilson	02135108	Director	Non-Executive	4	Yes
Mr. Anoop Moopen	02301362	Director	Non-Executive	4	Yes
Mr. Daniel Robert Mintz	00960928	Director	Non-Executive	2	No
Mr. Shamsudheen Bin Mohideen Mammu Haji	02007279	Director	Non-Executive	4	No
Mr. Daniel James Snyder	02298099	Director	Independent, Non-Executive	4	No
Mr. Maniedath Madhavan Nambiar	01122411	Director	Independent, Non-Executive	4	No
Mr. Ravi Prasad	07022310	Director	Independent, Non-Executive	4	Yes
Mr. Harsh Charandas Mariwala#	00210342	Director	Independent, Non-Executive	4	No
Mr. Rajagopal Sukumar#	07049894	Director	Independent, Non-Executive	1	NA
Mr. Suresh Kumar	00494479	Director	Independent, Non-Executive	4	No
Prof. Biju Varkkey##	01298281	Director	Independent, Non-Executive	1	NA
Dr. Layla Mohamed Hassan Ali Al marzooqi##	08401425	Director	Independent, Non-Executive	NA	NA

 # Mr. Rajagopal Sukumar and Mr. Harsh Charandas Mariwala resigned with effect from August 14, 2018 and February 13, 2019 respectively

##Prof. Biju Varkkey and Dr. Layla Mohamed Hassan Ali Almarzooqi have been appointed with effect from November 12, 2018 and March 28, 2019 respectively.

c. 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 public limited companies as on March 31, 2019 are given herein below. Other Directorships do not include directorships of private limited companies, foreign companies and companies under Section 8 of the Act. For the purpose of determination of limit of the Board Committees, chairpersonship and membership of the Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26(1)(b) of SEBI Listing Regulations.

Name of the Director	Number of directorships in listed companies*	Number of committee positions held in listed companies*		Name of the other listed companies	Category of directorship
	Director	Chairman	Member		
Dr. Azad Moopen	Nil	Nil	Nil		
Ms. Alisha Moopen	Nil	Nil	Nil		
Mr. T J Wilson	Nil	Nil	Nil		
Mr. Anoop Moopen	Nil	Nil	Nil		
Mr. Daniel Robert Mintz	Nil	Nil	Nil		
Mr. Shamsudheen Bin Mohideen Mammu Haji	Nil	Nil	Nil		

Name of the Director	Number of directorships in listed companies*	Number of committee positions held in listed companies*		Name of the other listed companies	Category of directorship
	Director	Chairman	Member		
Mr. Daniel James Snyder	Nil	Nil	Nil		
Mr. Maniedath Madhavan Nambiar	1	1	2	Loyal Textile Mills Limited	Non-Executive Independent Director
Mr. Ravi Prasad	Nil	Nil	Nil		
Mr. Suresh Kumar	1	2	2	ICICI Lombard General Insurance Company Limited	Non-Executive Independent Director
Prof. Biju Varkkey	2	2	2	Husys Consulting Limited Bank of Baroda (nominee for the Government of India)	Non-Executive Independent Director
Dr. Layla Mohamed Hassan Ali Almarzooqi	Nil	Nil	Nil		Non-Executive Independent Director

excluding Aster DM Healthcare Limited

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

Four Board Meetings were held during the year and the gap between two meetings did not exceed one hundred and twenty days. The dates on which the said meetings were held are as follows:

Sl No	Date of meeting	Number of days from previous meeting	Requirement of quorum met
(a)	May 21, 2018	102	Yes
(b)	August 14, 2018	85	Yes
(c)	November 12, 2018	90	Yes
(d)	February 13, 2019	93	Yes

e. **Details of equity shares of the Company held by the Directors as on March 31, 2019 are given below:**

Name	Category	Number of equity shares
Dr. Azad Moopen	Promoter, Executive	17,50,720
Ms. Alisha Moopen	Promoter, Non-Executive	1,16,990
Mr. T J Wilson	Non-Executive	27,37,210
Mr. Anoop Moopen	Non-Executive	10,00,300
Mr. Shamsudheen Bin Mohideen Mammu Haji	Non-Executive	57,17,829
TOTAL		**1,13,23,049**

f. **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 http://www.asterdmhealthcare.com/investors.htm

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

A diverse Board enables efficient functioning through differences in perspective and skill, and also fosters differentiated thought processes at the back of varied industrial and management expertise, gender, knowledge and geographical background. Your Board has vast experience in areas of Healthcare, Management, Human Resources, Legal, Finance etc.

h. Declaration by Independent Directors

Your Company has received necessary declaration from each Independent Director under Section 149(7) of the Companies Act, 2013, that he/she meets the criteria of independence laid down in Section 149(6) of the Act and Regulation 25 of the Listing Regulations.

i. Reason for resignation of the Independent Directors

Mr. Rajgopal Sukumar (DIN: 07049894) resigned from the Board of Directors with effect from August 14, 2018 and Mr. Harsh Charandas Mariwala (DIN: 00210342) resigned from the Board of Directors with effect from February 13, 2019 due to other professional engagements.

j. Board member evaluation

One of the key functions of the Board is to monitor and review the Board evaluation framework. The Nomination and Remuneration Committee lays down the evaluation criteria for the performance of the Chairman, the Board, Board Committees and Executive / Non-executive / Independent Directors.

Some of the performance indicators, based on which the Independent Directors were evaluated include:

- The ability to contribute to and monitor our corporate governance practises.
- The ability to contribute by introducing international best practices to address business challenges and risks.
- Active participation in long-term strategic planning.
- Commitment to the fulfilment of a Director's obligations and fiduciary responsibilities; these include participation in Board and Committee meetings.

In order to comply with the above statutory requirements and to facilitate the Board evaluation exercise, your Company had appointed an independent firm, M/s Damodaran and Associates LLP ("MDA"), to conduct the evaluation process for FY 2018-19.

k. Meeting of independent directors

During the year 2018-19, a meeting of the Independent Directors was held on November 12, 2018. The independent Directors also met on May 27, 2019 to discuss the Board evaluation results.

3. Committees of the Board

Board has constituted four committees comprising of the statutory committees as required under the Listing Regulations and Companies Act, 2013. Details of various committees, its terms of reference, composition and details of meetings held during FY 2018-19 are as follows:

a. Audit and Risk Management Committee

The Audit and Risk Management Committee has been constituted in terms of Section 177 of the Companies Act, 2013, read with Regulation 18 of the Listing Regulations. The terms of reference of Audit and Risk Management Committee are broadly as follows:

The Audit and Risk Management Committee provides direction to the audit function and monitors the quality of internal and statutory audit, with an objective of moving towards a regime of unqualified financial statements. The Committee functions as per the provisions of the Listing Regulations and the provisions of Companies Act, 2013. The responsibilities of the Committee include review of the quarterly and annual financial statements before submission to Board, review and approval of related party transactions, review of compliance of internal control system, overseeing the financial reporting process to ensure transparency, sufficiency, fairness and credibility of financial statements etc. The Committee also reviews the functioning of whistle blower mechanism, adequacy and effectiveness of internal audit function, risk management and control systems, review of management discussion and analysis of financial condition and results of operation.

The composition of the Audit and Risk Management Committee is as under:

Sl No	Date of meeting	Category	Designation
1.	Mr. Maniedath Madhavan Nambiar	Independent Non-executive	Chairman
2.	Mr. Ravi Prasad	Independent Non-executive	Member
3.	Mr. Suresh Kumar	Independent Non-executive	Member
4.	Mr. T. J. Wilson	Non-Executive	Member

The Committee met six times during the Financial Year 2018-19. The said meetings were held on May 20, 2018; August 14, 2018; September 29, 2018; November 12, 2018, January 22, 2019 and February 12, 2019. 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 Companies Act, 2013, 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 Companies Act, 2013, read with Regulation 19 and Part D of Schedule II of the Listing Regulations. The terms of reference of the Nomination and Remuneration Committee are broadly as follows:

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

The composition of the Nomination and Remuneration Committee is as under:

Sl No	Name of the Director	Category	Designation
1.	Prof. Biju Varkkey	Independent Non-Executive	Chairman
2.	Mr. Daniel James Snyder	Independent Non-Executive	Member
3.	Mr. Daniel Robert Mintz	Non-Executive	Member
4.	Ms. Alisha Moopen	Promoter, Non-Executive	Member

The Committee met two times during the Financial Year 2018-19. The said meetings were held on May 21, 2018 and February 12, 2019. The necessary quorum was present for all the meetings.

c. Corporate Social Responsibility Committee

The Committee was constituted under the provisions of Section 135 of the Companies Act, 2013, and the rules and guidelines framed thereunder. The scope and functions of the Committee is framed as per the said provisions. The terms of reference of the Corporate Social Responsibility Committee is broadly as under:

Formation of a corporate social responsibility policy of the Company; identification of corporate social responsibility activities and approving the budget for carrying out those activities; 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 is as under

Sl No	Name of the Director	Category	Designation
1.	Dr. Azad Moopen	Promoter Executive	Chairman
2.	Prof. Biju Varkkey	Independent Non-Executive	Member
3.	Mr. Maniedath Madhavan Nambiar	Independent Non-Executive	Member
4.	Mr. Daniel Robert Mintz	Non-Executive	Member

The CSR committee met once during the Financial year on November 12, 2018.

d. Stakeholders' Relationship Committee

The Stakeholders' Relationship Committee has been constituted in terms of Section 178 of the Companies Act, 2013, read with Regulation 20 of the Listing Regulations.The scope and function of the Committee is in accordance with Section 178 of the Companies Act, 2013 and the Listing Regulations. The terms of reference of the Stake Holders Relationship Committee are broadly as follows:

Effectively resolving the grievances of the security holders of the Company including complaints related to transfer of shares, non-receipt of annual reports, non-receipt of declared dividends, resolving investors' complaints pertaining to share transfers, issue of duplicate share certificates, transmission of shares and other shareholder related queries, complaints, etc.

The composition of the Stakeholders' Relationship Committee is as under

Sl No	Name of the Director	Category	Designation
1.	Mr. Suresh Kumar	Independent Non-Executive	Chairman
2.	Mr. Anoop Moopen	Non-Executive	Member
3.	Mr. T. J. Wilson	Non-Executive	Member

The stakeholder's relationship committee met four times during the financial year, the dates of meetings are May 21, 2018, August 14, 2018, November 12, 2018 and February 12, 2019.

Stakeholders relationship other details

a. Name, designation and address of Compliance Officer

Puja Aggarwal
Company Secretary and Compliance Officer
Aster DM Healthcare Limited
Corporate HQ (India),
1785, 19th Main Road,
Sector -1, HSR Layout, Agara Extn,
Bengaluru – 560102
Tel.: +91-484-6699228
Fax: +91-484-6699862
Email: investors@asterdmhealthcare.com

b. Details of investor complaints received and redressed during the year 2018-19 are as follows

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

4. Attendance Details of Board and Committee Meetings Attended

Sl No	Name of Director	Attendance				
		No. of Board Meetings attended	Audit and Risk Management Committee	Nomination and Remuneration Committee	Stakeholders Relationship Committee	CSR Committee
Total Meetings in the Financial Year		**4**	**6**	**2**	**4**	**1**
1	Dr. Azad Moopen	4	NA	NA	NA	1
2	Ms. Alisha Moopen	4	NA	2	NA	NA
3	Mr. T J Wilson	4	6	NA	4	NA
4	Mr. Anoop Moopen	4	NA	NA	4	NA
5	Mr. Daniel Robert Mintz	2	NA	2	NA	1
6	Mr. Shamsudheen Bin Mohideen Mammu Haji	4	NA	NA	NA	NA
7	Mr. Daniel James Snyder	4	NA	2	NA	NA
8	Mr. Maniedath Madhavan Nambiar	4	6	NA	NA	1
9	Mr. Ravi Prasad	4	6	NA	NA	NA
10	Mr. Harsh Charandas Mariwala*	4	NA	2	NA	0
11	Mr. Rajagopal Sukumar*	1	NA	NA	1	NA
12	Mr. Suresh Kumar	4	6	NA	2	NA
13	Prof. Biju Varkkey**	1	NA	NA	NA	NA
14	Dr. Layla Mohamed Hassan Ali Almarzooqi**	0	NA	NA	NA	NA
Quorum		The necessary quorum was present throughout the above meetings.				

**Mr. Rajagopal Sukumar and Mr. Harsh Charandas Mariwala resigned with effect from August 14, 2018 and February 13, 2019 respectively.*

***Prof. Biju Varkkey and Dr. Layla Mohamed Hassan Ali Almarzooqi have been appointed with effect from November 12, 2018 and March 28, 2019 respectively.*

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.

The remuneration paid to Executive/ Non-Executive Directors includes only fixed pay. During the financial year under review your Company paid sitting fees of ₹ 1,00,000 per sitting to each Independent Director for attending the meetings of Board/ Committees of the Board. 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 Companies Act, 2013 and which was agreed by the Shareholders through a resolution passed in the Annual General Meeting of the Company held on September 20, 2017.

b. Details of the remuneration paid to the Directors for the year ended March 31, 2019:

(amount in ₹ Crores)

Name	Category	Sitting fee/ Managerial Remuneration
Executive Director		
Dr. Azad Moopen	Chairman and Managing Director	0.60**
Independent, Non-Executive		
Mr. Daniel James Snyder	Independent, Non-Executive	0.06
Mr. Maniedath Madhavan Nambiar	Independent, Non-Executive	0.11
Mr. Ravi Prasad	Independent, Non-Executive	0.10
Mr. Harsh Charandas Mariwala	Independent, Non-Executive	0.06
Mr. Rajagopal Sukumar	Independent, Non-Executive	0.02
Mr. Suresh Kumar	Independent, Non-Executive	0.12
Prof. Biju Varkkey	Independent, Non-Executive	0.01
Dr. Layla Mohamed Hassan Ali Almarzooqi	Independent, Non-Executive	Nil

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

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

3. *Dr. Azad Moopen also receives remuneration from DM Healthcare Management Services LLC*

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
2015-16	September 30, 2016	09:30 AM -10:30 AM	Registered office at Aster Medcity, Kochi, Kerala, 682027
2016-17	September 20, 2017	11:00 AM -12:30 PM	
2018-19	August 16, 2018	10:00 AM-11:30 AM	

b. Extra Ordinary General Meeting ("EGM")

No Extra Ordinary General Meeting of the Company was called and convened during the Financial Year 2018-19

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

Financial Year	Date	Special Resolution passed
2015-16	September 30, 2016	Nil
2016-17	September 20, 2017	Nil
2017-18	August 16, 2018	Nil

d. Details of special resolution passed through postal ballot.

The Company had sought the approval of the shareholders by way of a Special Resolution through notice of postal ballot dated November 12, 2018 for the following resolutions:

(i) To ratify "Aster DM Healthcare Limited Employees Stock Option Plan 2013".

(ii) To ratify the grant of Employee Stock Options to the employees / Directors of Subsidiary Companies and Holding Company, (if any) of the Company under 'Aster DM Healthcare Limited Employees Stock Option Plan 2013'.

The above-mentioned resolutions were duly passed and the results of which were announced on December 22, 2018. Mr. M Damodaran (Membership No. 5837, CP No: 5081) of M/s M Damodaran & Associates, 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 are given as **Annexure 8A** to the Corporate Governance Report.

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, 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

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

8. General shareholder information

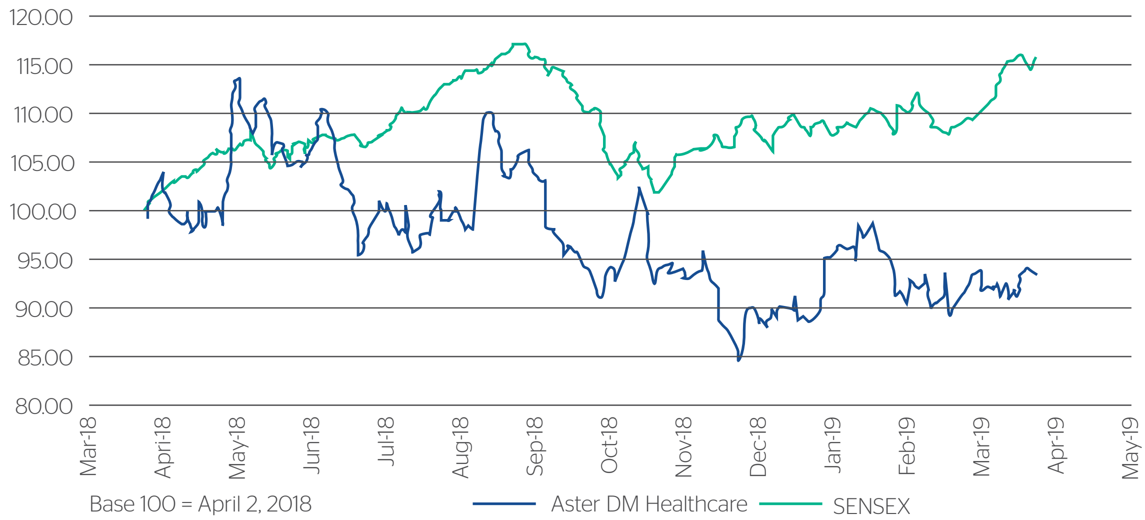
a.	**Annual General Meeting of the Company for the FY 2018-19**	
	Date	August 8, 2019
	Time	10.00 am
	Venue	Registered Office of the Company at IX/475L, Aster Medcity, Kuttisahib Road, Near Kothad Bridge, South Chittoor P.O, Cheranalloor, Kochi, Kerala – 682027
b.	Financial Calendar	
	Year Ending	March 31, 2019
	Divided payment	Not applicable
	Date of Book Closure / Record Date	August 1, 2019 (Record Date)* *Record date for the purpose of determining shareholders entitled to cast their vote
c.	Listing on Stock Exchanges	National Stock Exchange of India Limited ("NSE") Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (East), Mumbai 400 051 Stock Code: ASTERDM BSE Limited ("BSE") 25th floor, P. J. Towers, Dalal Street Mumbai 400 001 Scrip Code: 540975 Applicable listing fees for the Financial Year have been paid.
d.	CIN	L85110KL2008PLC021703
e.	ISIN	INE914M01019

f. Market Price Data:

High, Low (based on daily closing prices) and number of equity shares traded during each month in the year 2018-19 on BSE and NSE:

Month	BSE			NSE		
	High Price	Low Price	No. of Shares	High Price	Low Price	No. of Shares
Apr-18	178.00	161.00	11,28,919	178	162.2	22,37,053
May-18	194.00	165.00	10,08,152	193.8	165.3	48,88,888
Jun-18	188.80	152.15	2,81,302	188.8	151.2	26,16,002
Jul-18	174.00	152.15	1,17,122	174.5	158.45	8,52,504
Aug-18	188.00	161.15	3,95,240	188	161.45	21,86,645
Sep-18	181.75	145.70	9,09,507	181.5	145.05	13,15,833
Oct-18	175.00	148.10	1,08,976	170	149	10,29,026
Nov-18	163.40	141.05	47,429	162.4	140.45	8,66,000
Dec-18	155.90	144.00	7,03,177	156.5	144.65	48,39,538
Jan-19	169.00	151.15	83,056	168	150.6	17,33,091
Feb-19	160.00	148.10	47,094	160.45	149	11,43,789
Mar-19	161.30	150.55	1,01,603	161.2	152.15	9,86,503

g. Performance of the share price of the Company in comparison to the Indices : S&P BSE SENSEX:



h. Registrars and Transfer Agents:

Name and address	Link Intime India Pvt Ltd C 101, 1st Floor 247 Park Lal Bahadur Shastri Marg, Vikhroli West, Mumbai 400083 - Maharashtra
Telephone	+91 022 49186200
Fax	+91 022 49186195
E-mail	adhl.ipo@linkintime.co.in
Website	https://www.linkintime.co.in/

I Places for acceptance of documents

Places for acceptance of documents	Documents will be accepted at Link Intime India Pvt Ltd C 101, 1st Floor 247 Park Lal Bahadur Shastri Marg, Vikhroli West, Mum.bai 400083 - Maharashtra
Time	During office hours

j. Credit rating of the Company

Type of Facility/ Programme	DATE	Amount (₹ Crores)	ICRA Rating
Bank loan facility (long term)	August 17, 2018	20	BBB+ (POSITIVE)
Bank loan facility (short term)	August 17, 2018	118	BBB+ (POSITIVE)
Bank loan facility (non-funded)	August 17, 2018	30	A2+

k. Share transfer system

Trading in equity shares of the Company through recognized stock exchanges is permitted only in dematerialized form. Shares sent for transfer in physical form are registered and returned within a period of 30 days from the date of receipt of documents, provided the documents are complete and valid in all respects. Pursuant to amended Regulation 40 of SEBI (Listing obligation and Disclosure Requirement) Regulations , 2015, with effect from April 1, 2019, requests for effecting transfer of Securities Shall not be processed unless the Securities are held in the dematerialised form with a Depository.

l. Shareholding as on March 31, 2019

Distribution of shareholdings as on March 31, 2019

Shares Range	Number of Shareholders	Percentage to total shareholders	Holding	Percentage to capital (%)
1 - 500	87,061	95.60%	78,06,939	1.55%
501 - 1000	2,766	3.04%	19,13,276	0.38%
1001 - 2000	675	0.74%	9,43,221	0.19%
2001 - 3000	183	0.20%	4,57,835	0.09%
3001 - 4000	80	0.09%	2,79,310	0.06%
4001- 5000	41	0.05%	1,86,879	0.04%
5001 - 10000	105	0.12%	7,36,448	0.15%
10000- above	153	0.17%	49,29,03,437	97.56%
Grand Total	91,064	100.00%	50,52,27,345	100.00%

Category of Equity Shareholders as on March 31, 2019

Sl No	Category	Number of shares	% of holding
1	Alternate Investment Funds	46,19,344	0.91%
2	Clearing Members	87,625	0.02%
3	Directors	1,12,06,059	2.22%
4	Employee Welfare Trust / ESOP's	30,03,952	0.59%
5	Financial Institutions	12,457	0.00%
6	Foreign Company	16,48,12,872	32.62%
7	Foreign Portfolio Investors (Corporate)	2,41,82,759	4.79%
8	Foreign Promoter Company	18,87,06,090	37.35%
9	Foreign Venture Capital	1,34,63,462	2.66%
10	Hindu Undivided Family	4,10,328	0.08%
11	Mutual Funds	69,34,749	1.37%
12	Nbfcs Registered with RBI	1,338	0.00%
13	Non Nationalised Banks	5,637	0.00%
14	Non Resident (Non Repatriable)	24,34,871	0.48%
15	Non Resident Indians	1,64,01,170	3.25%
16	Other Bodies Corporate	4,67,19,897	9.25%
17	Public	2,16,80,945	4.29%
18	Relatives of Director [NRI]	5,43,790	0.11%
Total		**50,52,27,345**	**100.00%**

m. 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 on well as on the website of the Company

n. Dematerialization of Shares & Liquidity

As on March 31, 2019 ₹ 8,98,62,160 Paid-up Equity Share Capital is held in physical form and ₹ 4,96,24,11,290 Paid-up Equity Share Capital is held in dematerialized form with National Securities Depository Limited and Central Depository Services (India) Limited.

O. Outstanding Global Depository Receipts or American Depository Receipts or warrants or any convertible instruments, conversion date and likely impact on equity

The Company had not issued any ADRs/GDRs, Warrants or any Convertible Instruments during the year under review.

p. Commodity price risk or foreign exchange risk and hedging activities - Refer Note No 35 of the financial Statements

9. Other Disclosures

S No	Particulars	Regulations	Details	Web link to details/ policy
(a)	Related party transactions	Regulation 23 of the Listing Regulations and as defined under the Act	All material transactions entered into with related parties during the financial year were in the ordinary course of business and approved by the Audit and Risk Management Committee. The policy for related party transactions, which has been approved by the Board, is uploaded on the website of the Company. 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 Companies Act, 2013.	http://www.asterdmhealthcare.com/investors/
(b)	Details of non-compliance by the Company, penalty, strictures imposed on the Company by the stock exchange, or Securities and Exchange Board of India ('SEBI') or any statutory authority on any matter related to capital markets	Schedule V (c) 10(b) to the Listing Regulations	There was no incidence of non-compliance during previous three years under the said norms.	
(c)	Whistle blower policy and vigil mechanism	Regulation 22 of the Listing Regulations	The Company has adopted a Whistle Blower Policy and has established necessary vigil mechanism for Directors and employees to report concerns about unethical behaviour. No person has been denied access to the Chairman of the Audit and Risk Management Committee. The said policy has been made available on the website of the Company.	http://www.asterdmhealthcare.com/investors/
(d)	Policy on determination of materiality for disclosures	Regulation 23 of the Listing Regulations	The Company has adopted a Policy on Determination of Materiality for Disclosures.	http://www.asterdmhealthcare.com/investors/

S No	Particulars	Regulations	Details	Web link to details/ policy
(e)	Policy on archival and preservation of documents	Regulation 9 of the Listing Regulations	The Company has adopted a Policy on Archival and Preservation of Documents	http://www.asterdmhealthcare.com/investors/
(f)	Dividend distribution policy	Regulation 43A of the Listing Regulations	Company has adopted a Dividend Distribution Policy.	http://www.asterdmhealthcare.com/investors/
(g)	Recommendation of any committee of the board not accepted by the Board	Schedule V (C) 10 (j) to the Listing Regulations	The Board had accepted all the recommendations made by its Committee during the financial year.	
(h)	Reconciliation of share capital audit		A qualified practicing Company Secretary carried out a share capital audit to reconcile the total admitted equity share capital with the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL") and the total issued and listed equity share capital. The audit report confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL.	
(i)	Details of utilization of funds raised through preferential allotment or qualified institutions placement	Regulation 32 (7A) and Schedule V (C) 10 (j) to the Listing Regulations	The Company had not raised any funds through the preferential allotment or Qualified Institutions Placement during the financial year.	
(j)	Subsidiary companies	Regulation 24 of the Listing Regulations	The Audit and Risk Management Committee reviews the consolidated financial statements of the Company and the investments made by its unlisted subsidiary companies. The minutes of the Board meetings along with a report on significant developments of the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company. The Company does not have any material non-listed Indian subsidiary company.	
(k)	Disclosure in relation to the Sexual Harassment of Women at workplace (Prevention, Prohibition and Redressal) Act, 2013	Schedule V (C) 10 (l) to the Listing Regulations	Number of complaints filed during the financial year- 2 Number of complaints disposed during the financial year- 2 Number of complaints pending at the end of the FY: Nil	

S No	Particulars	Regulations	Details	Web link to details/ policy
(l)	Certificate from Practicing Company Secretary	Schedule V (C) 10 (i) to the Listing Regulations	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 8B**.	
(m)	Total fees to statutory auditor	Schedule V (C) 10 (k) to the Listing Regulations	The total fees for all services paid by the listed entity 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 ₹ 1,66,36,962	
(n)	Compliance with non-mandatory requirements	Schedule II Part E of the Listing Regulations	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. • Internal Auditors report directly to the Audit and Risk Management Committee.	

10. 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 put on the Company's website at www.asterdmhealthare.com. The Code has been circulated to Directors and Senior management personnel and its compliance is affirmed by them annually. A declaration signed by the Chief Executive Officer to this effect is published in this report.

11. CEO/CFO Certification

Dr, Azad Moopen, Chairman and Managing Director and Mr. Sreenath Reddy, Chief Financial Officer (CFO) of the Company have furnished to the Board, the requisite Compliance Certificate under Regulation 17(8) of the Listing Regulations for the financial year ended March 31, 2019 and it forms a part of this report as **Annexure 8C**

12. Certificate on Corporate Governance

A certificate from Mr. Sunil Sankar, Practicing Company Secretary on Corporate Governance forms part of this report as **Annexure 8D**

For **Aster DM Healthcare Limited**

Dr. Azad Moopen
Chairman
DIN 00159403

ANNEXURE 8A

Aster DM Healthcare Limited	
Date of the Postal Ballot	Notice dated November 12, 2018 (Voting start date- November 21, 2018 and voting end date- December 20, 2018)
Total no of shareholders as on the record date	96420
No. of shareholders present in the meeting either in person or through proxy	
Promoters and Promoter Group	Not applicable
Public	Not applicable

Resolution No:	1
Resolution required: (Special)	To ratify "Aster DM Healthcare Limited Employees Stock option plan 2013"
Whether promoter/ promoter group are interested in the agenda/ resolution?	No

Category	Mode of voting	No. of shares held [1]	No. of votes polled [2]	% of votes polled on outstanding shares [3]={[2]/[1]}*100	No. of votes - in favour [4]	No. of votes -against [5]	% of votes in favour on votes polled [6]={[4]/[2]}*100	% of votes against on votes polled [7]={[5]/[2]}*100	No. of votes invalid [8]
Promoter and Promoter Group	E-Voting	18,92,31,810	18,92,31,810	100	18,92,31,810	0	100	0	0
	Poll		0	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0	0
	Total		**18,92,31,810**	**100**	**18,92,31,810**	**0**	**100**	**0**	**0**
Public Institutions	E-Voting		2,80,65,322	57.9232	2,07,08,340	73,56,982	73.7862	26.2138	0
	Poll		0	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0	0
	Total		**2,80,65,322**	**57.9232**	**2,07,08,340**	**73,56,982**	**73.7862**	**26.2138**	**0**
Public Non Institutions	E-Voting		5,38,92,240	20.1434	5,38,85,312	6,928	99.9871	0.0129	0
	Poll		3169	0.0012	2,853	316	90.0284	9.9716	563
	Postal Ballot		0	0	0	0	0	0	0
	Total		**5,38,95,409**	**20.1446**	**5,38,88,165**	**7,244**	**99.9866**	**0.0134**	**0**
Total			**27,11,92,541**	**53.6773**	**26,38,28,315**	**73,64,226**	**97.2845**	**2.7155**	**0**

Resolution No:	2
Resolution required: (Special)	To ratify the grant of Employees Stock Options to the employees / Directors of subsidiary companies / holding company, if any, under Aster DM Healthcare Limited Employees Stock Option Plan 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	No. of votes invalid
		[1]	[2]	[3]={[2]/[1]}*100	[4]	[5]	[6]={[4]/[2]}*100	[7]={[5]/[2]}*100	[8]
Promoter and Promoter Group	E-Voting	18,92,31,810	18,92,31,810	100	18,92,31,810	0	100	0	0
	Poll		0	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0	0
	Total		**18,92,31,810**	**100**	**18,92,31,810**	**0**	**100**	**0**	**0**
Public Institutions	E-Voting	4,84,52,646	2,80,65,322	57.9232	2,07,08,340	73,56,982	73.7862	26.2138	0
	Poll		0	0	0	0	0	0	0
	Postal Ballot		0	0	0	0	0	0	0
	Total		**2,80,65,322**	**57.9232**	**2,07,08,340**	**73,56,982**	**73.7862**	**26.2138**	**0**
Public Non Institutions	E-Voting	26,75,42,889	5,38,92,956	20.1437	5,38,82,560	10,396	99.9807	0.0193	0
	Poll		3,174	0.0012	2,858	316	90.0441	9.9559	563
	Postal Ballot		0	0	0	0	0	0	0
	Total		**5,38,96,130**	**20.1449**	**5,38,85,418**	**10,712**	**99.9801**	**0.0199**	**0**
Total		**50,52,27,345**	**27,11,93,262**	**53.6775**	**26,38,25,568**	**73,67,694**	**97.2832**	**2.7168**	**0**

ANNEXURE 8B

CERTIFICATE

(pursuant to Securities And Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR) Clause 10 (i) Part-C Schedule-V)

In pursuance of Clause 10 (i) of Part- C of Schedule V of LODR in respect of Aster DM Healthcare Limited (CIN: L85110KL2008PLC021703) Aster Medcity, Kuttisahib Road Near Kothad Bridge, South Chittoor P O, Kochi 682 027, Kerala, I hereby certify as follows:-

On the basis of written representations and declarations received from the Directors, as on March 31, 2019, which is proposed to be taken on record by the Board of Directors of the Company in the ensuing Board Meeting schedule to be held on May 28, 2019 , 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 SEBI /Ministry of Corporate Affairs or any such statutory authority.

Sunil Sankar
Practicing Company Secretary
ACS- No :: 20171
CP No :: 10613

May 23, 2019
Ernakulam

ANNEXURE 8C

CEO AND 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,

We, Dr. Azad Moopen, Chairman and Managing Director and Mr. Sreenath Reddy, Group Chief Financial Officer, certify to the Board that:

a. We have reviewed Financial Statements and Cash Flow Statements for the year ended March 31, 2019 and that to the best of our knowledge and belief:

    i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

    ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing Accounting Standards, applicable laws and regulations.

b. There are, to the best of our 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. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit and Risk Management Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d. We 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 we 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.

Dr. Azad Moopen
Chairman and Managing Director
DIN: 00159403

Mr. Sreenath Reddy
Group Chief Financial Officer
PAN:AFFPR3902Q

Place: Dubai
Date: May 28, 2019

ANNEXURE 8D

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To
The Members of
Aster DM Healthcare Limited
IX/475L, Aster Medcity, Kuttisahib Road,
Near Kothad Bridge, South Chittoor P.O, Cheranalloor,
Kochi - 682 027, Kerala.

A. I , Sunil Sankar, Company Secretary in Practice have examined the compliance of conditions of Corporate Governance by Aster DM Healthcare Limited (CIN: L85110KL2008PLC021703) ("the Company"), for the year ended March 31, 2019 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, 2019.

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.

Sunil Sankar
Practicing Company Secretary
ACS- No :: 20171
CP No :: 10613

May 23, 2019
Ernakulam

ANNEXURE 9

BUSINESS RESPONSIBILITY REPORT

Introduction

Aster DM Healthcare Limited (the Company) has adopted a stakeholder centric Sustainability Framework, aligned to the principles of Business Responsibility as prescribed under the National Voluntary Guidelines on Social, Environmental and Economic Responsibilities of Business (NVG-SEE) released by Ministry of Corporate Affairs, Government of India, to thrust upon its sustainability agenda. 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	www.asterdmhealthcare.com
5. Email id	cs@asterdmhealthcare.com
6. Financial year reported	April 1, 2018 to March 31, 2019
7. Sector(s) that the Company is engaged in (industrial activity code-wise)	Name and description of main products/ services: Healthcare activities NIC Code – 86100
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. Number of International Locations b. Number of National Locations	a) The Company through its subsidiaries operates in 24 hospitals, 114 clinics, 219 pharmacies in various locations in the Middle East and Philippines. b) The Company operates 12 hospitals and 8 clinics in India. The details are available at the below link: http://www.asterdmhealthcare.com/global-network
10. Markets served by the Company - Local / State / National / International	International Presence: The Company through its subsidiaries operates in Seven GCC states and Philippines National Presence The Company and its Group has its hospitals in Kochi, Calicut, Kotakkal, Wayanad, Bengaluru, Hyderabad, Vijayawada and Kolhapur.

Section B: Financial Details of the Company

1. Paid up capital	₹ 505,22,73,450 Face value of share is ₹ 10 each
2. Total turnover	₹ 594.78
3. Total profit after taxes	₹ 48.07
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 INR ₹ 2.52 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 Annexure 1 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 68 operating subsidiaries. The details are provided in Annexure 1 to the Directors Report.
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?	√	X	√	√	√	√	X	√	√
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?	√	√	√	√	X	√	X	√	√
Has the company carried out independent audit/ evaluation of the working of this policy by an internal or external agency ?	√	X	√	√	X	X	X	√	√

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

Business Responsibility Policy: 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

Business Responsibility Policy: 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

Business Responsibility Policy: 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

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

Business Responsibility Policy: 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

Business Responsibility Policy: 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

Business Responsibility Policy: 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

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

Business Responsibility Policy: 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: (Tick up to 2 options)

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

3. Governance related to BR

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 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.asterdmheathcare.com/investors)

Section E: Principle-wise Performance

Principle 1

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

This policy extends to the Company and all its subsidiaries.

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

   The details with regard to the Stakeholders complaints are as under:

Complaints	Pending as on March 31, 2018	Received during FY 2018-19	Redressed during FY 2018-19	Pending as on March 31, 2019
Investor Complaints	0	0	0	0
Customer Complaints	8	0	0	8
Vendor Complaints	1	0	0	1
Government/ local authority complaints	0	1	1	0

Principle 2

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

   The 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.

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

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

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

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

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

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

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

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

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

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

   Yes, the Company recycles water and reduces the consumption of energy. Please refer to the **Annexure 7** of the Directors' report which provides details of Energy Conservation initiatives of the Company. Few examples to these initiatives by the Company are as below:

   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: 3009

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis: 598

3. Please indicate the Number of permanent women employees: 2034

4. Please indicate the Number of permanent employees with disabilities: 6

5. Do you have an employee association that is recognized by management: No

6. What percentage of your permanent employees is members of this recognized employee association: Not Applicable

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

Sl. 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	2	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:	56.76%	33.57%
Permanent Women Employees	59.93%	36.53%
Casual/Temporary/Contractual Employees	64.72%	21.74%
Employees with Disabilities	0.00%	33.33%

Note: The aforementioned details are provided on a standalone basis

Principle 4

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

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

   i. Government and regulatory authorities
   ii. Employees
   iii. Customers
   iv. Local community
   v. Investors and shareholders
   vi. Suppliers

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

   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.

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

   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

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

   The 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.

2. 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 FY 2018-19.

Principle 6

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

   The Company strives to protect environment by adopting various eco-friendly measures. The subsidiaries are encouraged to adopt in sustainability initiatives of the Company.

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

   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.

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

   Yes

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

   Since the Company is in the business of providing healthcare services and is not engaged in any manufacturing process, the compliance with Clean Development Mechanism is not applicable. Hence, no projects relating to the same has been undertaken by the Company.

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

   The Company has undertaken initiatives on clean technology, energy, efficiency, renewable energy etc., the details of which are made available in the **Annexure 7** to the Directors' report

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

   Yes.

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

   NIL

Principle 7

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

   The Company is a member of the following associations

   a) Association of Healthcare Providers – India (AHPI)

   b) Healthcare Federation of India (NATHEALTH)

   c) Federation of Indian Chambers of Commerce & Industry (FICCI)

   d) Confederation of Indian Industry (CII)

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

   (i) 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.
   - The Company has also collaborated with the Kerala State Healthcare Skill Council to build talent pipelines

   (ii) 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 upcoming seventh edition, in addition to the Ambulatory & Primary Care Standards.

- The Company has been actively involved in multiple forums with various Government agencies in public debate regarding the introduction of both, Clinical Establishments Act across various States as well as the roll out the Minimum Wages for Healthcare workers in some States in India.
- 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.

(iii) Information Technology in Healthcare

- The Company has been an active participant in improving the quality assurance while formulating and sharing inputs with industry bodies for increasing the use of information technology in healthcare.

(iv) Public Health Policy

- The Company is a part of various trade bodies for sharing inputs on the draft National Health Policy.
- Multiple meetings were held with stakeholder to share insights on the practical roll-out of the National Health Protection Scheme.

Principle 8

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

   The Company has a well-defined CSR policy which is line with the Companies Act, 2013. The key philosophy of all the 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, Dr. Moopens Family Foundation, Aster MIMS Charitable Foundation etc. to support the under privileged and the affected.

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

   No, the Company has not done an impact analysis to assess the impact of the initiatives.

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

   The Company had spent ₹ 2.52 crores on a standalone basis on various CSR activities

Principle 9

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

   100% of customer complaints are pending as on the close of this financial year.

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 couldn't be resolved and requires a special attention is escalated to the higher management.

ANNEXURE 10

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 43 A – 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:
    - o Expected cash requirements of the Company towards working capital, capital expenditure in in business etc.;
    - o Investments required towards execution of the Company's strategy;
    - o Funds required for any mergers &acquisitions that the Board of Directors may approve; and
    - o Expenditure in research and development that Company may undertake;
    - o 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.

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 2019, 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 2019, 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.

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	Our audit response
Impairment assessment on investments in subsidiaries (Refer to note 6 Investments in subsidiaries) As at 31 March 2019, the carrying amount of the Company's investments in subsidiaries amounted to ₹ 2095.48 crore representing 62.05% 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. Investments with carrying amounts higher than the Company's cost of investment in these subsidiaries may be impaired. Accordingly, the Company performed an impairment assessment on the cash generating units ("CGU") relating to those subsidiaries. This involves 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 was complex and highly judgemental. Estimation of the VIU involves estimating the future cash inflows and outflows 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 based on assumptions affected by future market and economic conditions in different geographical areas.	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, 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; (c) We involved our internal valuation experts in assessing the reasonableness of the discount rate used and whether the rate used reflects the current market assumptions of the time value of money and the risks specific to the asset is the return the investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive from the subsidiary; and (d) We performed sensitivity analysis on key assumptions that will significantly affect the recoverable amounts of the investments in subsidiaries.

Independent Auditors' Report (Contd..)

Other Information

The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the standalone financial statements and our auditors' report thereon.

Our opinion on the standalone financial statements does not cover the other information and we will 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, 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.

Management's 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/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) 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 policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone 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, 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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 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 made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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

Independent Auditors' Report (Contd..)

Auditor's Responsibilities for the Audit of the Standalone Financial Statements (Contd..)

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.

(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 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2019 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 2019 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.

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 standalone 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 2019.

(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.

for **B S R and Associates**
Chartered Accountants
Firm registration number: 128901W

Rushank Muthreja
Partner
Membership number: 211386

Bengaluru
28 May 2019

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 2019. We report that:

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified in a phased manner over a period of two years. In accordance with this programme, certain fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.

(c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.

(ii) The inventory has been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of such verification is reasonable.

(iii) The Company has granted unsecured loans to four parties covered in the register maintained under section 189 of the Companies Act, 2013 ("the Act")

(a) In our opinion, the rate of interest and other terms and conditions on which the loans had been granted to the parties listed in the register maintained under Section 189 of the Act were not, prima facie, prejudicial to the interest of the Company.

(b) The terms of the loan arrangements do not stipulate any repayment terms of principle / interest and are repayable on demand. As the repayment has not been demanded as at the year end, paragraph 3(iii)(b) of the Order is not applicable.

(c) Since the terms of the agreements do not stipulate repayment terms of principle / interest and as no demand has been made, there are no overdue amounts for more than 90 days. Accordingly, paragraph 3(iii)(c) of the Order is not applicable.

(iv) In our opinion and according to the information and explanations given to us, based on the legal opinion obtained by the management the Company has complied with the provisions of 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, sales tax, value added tax, service tax, goods and services tax, customs duty, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the Company did not have any dues on account of excise duty.

According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, goods and services tax, customs duty, sales tax, service tax, value added tax, cess and other material statutory dues were in arrears as at 31 March 2019 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us, there are no dues of service tax, customs duty, sales tax and cess which have not been deposited with the appropriate authorities on account of any dispute. However, according to information and explanations given to us, the following dues of income tax and value added tax have not been deposited by the Company on account of disputes:

Name of the statute	Nature of dues	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	30,645,080	FY 2013-14	Commissioner of Income Tax, Appeals
		28,581,158	5,716,232	FY 2014-15	

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	12,803,286	2,116,246	FY 2014-15	Deputy Commissioner (Appeals), Ernakulam
		461,012	64,478	FY 2014-15	
		12,558,210	2,041,986	FY 2015-16	
		308,010	8,933	FY 2016-17	
Central Sales Tax Act	Central sales tax	217,302	217,302	FY 2012-13	
		469,372	65,195	FY 2012-13	

(viii) In our opinion and according to the information and explanations give to us, the Company does not have defaults existing as at the balance sheet date in repayment of borrowings to banks. The Company did not have any borrowings during the year by way of debentures, loans from financial institutions or loan from the Government.

(ix) In our opinion and according to the information and explanations given to us, money raised by way of initial public offer and the term loans have been applied by the Company during the year for the purposes for which they were raised, other than temporary deployment pending application of proceeds.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

(xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Thus, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the 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.

for **B S R and Associates**
Chartered Accountants
Firm registration number: 128901W

Rushank Muthreja
Partner
Membership number: 211386

Bengaluru
28 May 2019

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 (1) 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 2019 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 2019 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;

Annexure - B to the Independent Auditors' Report (Contd..)

(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.

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.

for **B S R and Associates**
Chartered Accountants
Firm registration number: 128901W

Rushank Muthreja
Partner
Membership number: 211386

Bengaluru
28 May 2019

Standalone Balance Sheet as at 31 March 2019

(All amounts in Indian rupee crores)

	Note	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	4	751.47	769.98
Capital work-in-progress	4	69.54	17.36
Intangible assets	5	1.79	2.35
Financial assets			
Investments	6	2,095.48	2,085.86
Loans	13	42.38	38.73
Other financial assets	7	1.77	0.94
Deferred tax assets		0.74	0.74
Income tax assets (net)	29	37.25	26.49
Other non-current assets	8	43.44	52.98
Total non-current assets		**3,043.86**	**2,995.43**
Current assets			
Inventories	9	15.44	16.94
Financial assets			
Trade receivables	10	35.22	30.53
Cash and cash equivalents	11	3.49	83.85
Other bank balances	12	96.32	79.51
Loans	13	113.33	66.84
Other financial assets	7	34.62	7.07
Other current assets	8	34.54	13.60
Total current assets		**332.96**	**298.34**
Total assets		**3,376.82**	**3,293.77**
Equity and liabilities			
Equity			
Equity share capital	14	505.23	505.23
Other equity		2,475.05	2,420.75
Equity attributable to owners of company		**2,980.28**	**2,925.98**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	18.51	26.62
Derivatives	35	83.60	86.30
Provisions	17	3.44	5.86
Deferred tax liabilities (net)	29	16.35	15.90
Other non-current liabilities	18	76.32	57.29
Total non-current liabilities		**198.22**	**191.97**
Current liabilities			
Financial liabilities			
Borrowings	15	105.22	83.26
Trade payables	19		
- Total outstanding dues of micro and small enterprises		-	-
- Total outstanding dues of creditors other than micro and small enterprises		25.64	23.20
Other financial liabilities	16	53.62	53.27
Provisions	17	2.29	1.00
Other current liabilities	18	11.55	15.09
Total current liabilities		**198.32**	**175.82**
Total equity and liabilities		**3,376.82**	**3,293.77**
Significant accounting policies	3		

The accompanying notes form an integral part of the standalone balance sheet

As per our report of even date attached

for **B S R and Associates**
Chartered Accountants
Firm registration number: 128901W

Rushank Muthreja
Partner
Membership No.: 211386

Bengaluru
28 May 2019

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
28 May 2019

T J Wilson
Director
DIN 02135108

Dubai
28 May 2019

Sreenath Reddy
Chief Financial Officer

Dubai
28 May 2019

Puja Aggarwal
Company Secretary
Membership no. : ACS49310

Bengaluru
28 May 2019

Standalone Statement of Profit and Loss for the year ended 31 March 2019

All amounts in Indian rupee crores)

	Note	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	20	594.78	530.07
Other income	21	84.15	16.11
Total income		**678.93**	**546.18**
Expenses			
Purchases of medicines and consumables	22	145.55	144.08
Change in inventories	23	1.49	3.75
Employee benefits expense	24	112.28	106.08
Finance costs	25	10.86	53.95
Depreciation and amortisation expense	26	64.38	59.08
Other expenses	27	294.33	266.43
Total expenses		**628.89**	**633.37**
Profit/(loss) before exceptional item and tax		**50.04**	**(87.19)**
Exceptional item	28	(1.52)	-
Profit/(loss) before tax		**48.52**	**(87.19)**
Tax expense			
Current tax	29	-	-
Deferred tax	29	0.45	-
Profit/(loss) for the year		**48.07**	**(87.19)**
Other comprehensive income			
Items that will not be reclassified subsequently to profit or loss			
Remeasurement of net defined benefit liability/ (asset), net of tax		0.57	(0.02)
Total comprehensive income/(loss) for the year		**48.64**	**(87.21)**
Profit/(loss) per share (equity share of face value of ₹ 10 each)			
Basic	31	0.96	(1.87)
Diluted		0.96	(1.87)
Significant accounting policies	3		

The accompanying notes form an integral part of the standalone statement of profit and loss

As per our report of even date attached

for **B S R and Associates**
Chartered Accountants
Firm registration number: 128901W

Rushank Muthreja
Partner
Membership No.: 211386

Bengaluru
28 May 2019

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
28 May 2019

T J Wilson
Director
DIN 02135108

Dubai
28 May 2019

Sreenath Reddy
Chief Financial Officer

Dubai
28 May 2019

Puja Aggarwal
Company Secretary
Membership no. : ACS49310

Bengaluru
28 May 2019

Statement of Changes in Equity for the year ended 31 March 2019

A Equity share capital

₹ in crores

	Note	Equity shares	Amount
Balance as at 1 April 2017		40.32	403.22
Changes in equity share capital during 2017-18	14	10.20	102.01
As at 31 March 2018		**50.52**	**505.23**
Changes in equity share capital during 2018-19	14	-	-
As at 31 March 2019		**50.52**	**505.23**

B Other equity

₹ in crores

Particulars	Compulsory convertible preference shares	Other components of equity	Reserves and surplus					Items of other Comprehensive Income	Total other equity attributable to equity holders of the Company
			Securities premium	Treasury shares	General reserve	Share options outstanding account	Retained earnings	Remeasurement of net defined benefit liability/(asset), net of tax	
Balance as at 1 April 2017	**63.86**	**374.38**	**1,681.98**	**(23.67)**	**7.04**	**13.67**	**(192.41)**	**-**	**1,924.85**
Total comprehensive income for the year ended 31 March 2018									
Loss for the year	-	-	-	-	-	-	(87.19)	-	(87.19)
Other comprehensive income, net of tax	-	-	-	-	-	-	-	(0.02)	(0.02)
Total comprehensive income	**-**	**-**	**-**	**-**	**-**	**-**	**(87.19)**	**(0.02)**	**(87.21)**
Transferred to Retained earnings	-	-	-	-	-	-	(0.02)	0.02	-
Transactions with owners, recorded directly in equity									
Contributions by and distributions to owners									
Shares issued for cash (refer to note 42)	-	-	686.84	-	-	-	-	-	686.84
Share based payment expense	-	-	-	-	-	4.34	-	-	4.34
Change in reserve of Employee Stock Option Plan (ESOP) Trust	-	-	-	0.20	-	-	-	-	0.20
Share issue expenses	-	-	(44.29)	-	-	-	-	-	(44.29)
Share options exercised	-	-	0.21	-	-	(0.34)	-	-	(0.13)
Conversion of CCPS to equity	(63.86)	-	0.01	-	-	-	-	-	(63.85)
Total contributions by and distributions to owners	**(63.86)**	**-**	**642.77**	**0.20**	**-**	**4.00**	**(0.02)**	**0.02**	**583.11**
Balance as at 31 March 2018	**-**	**374.38**	**2,324.75**	**(23.47)**	**7.04**	**17.67**	**(279.62)**	**-**	**2,420.75**
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									
Profit for the year	-	-	-	-	-	-	48.07	-	48.07
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									

Statement of Changes in Equity (Contd..) for the year ended 31 March 2019

B Other equity (Contd..)

₹ in crores

Particulars	Compulsory convertible preference shares	Other components of equity	Reserves and surplus					Items of other Comprehensive Income	Total other equity attributable to equity holders of the Company
			Securities premium	Treasury shares	General reserve	Share options outstanding account	Retained earnings	Remeasurement of net defined benefit liability/ (asset), net of tax	
Share based payment expense	-	-	-	-	-	3.19	-	-	3.19
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

The description of the nature and purpose of each reserve within equity is as follows:

Securities premium is used to record the premium received on issue of shares. It is utilised in accordance with the provisions of the Companies Act, 2013.

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.

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 these securities premium.

The accompanying notes form are an integral part of the standalone financial statements.
As per our report of even date attached
for **B S R and Associates**
Chartered Accountants
Firm registration number: 128901W

Rushank Muthreja
Partner
Membership No.: 211386

Bengaluru
28 May 2019

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
28 May 2019

Sreenath Reddy
Chief Financial Officer

Dubai
28 May 2019

T J Wilson
Director
DIN 02135108

Dubai
28 May 2019

Puja Aggarwal
Company Secretary
Membership no. : ACS49310

Bengaluru
28 May 2019

Cash Flow Statement for the year ended 31 March 2019

(All amounts in Indian rupee crores)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from operating activities		
Profit/(loss) before exceptional item and tax	**50.04**	**(87.19)**
Adjustments for		
Depreciation and amortisation	64.38	59.08
Finance costs	10.86	53.95
(Gain)/loss on fair valuation of put option	(2.70)	0.17
Dividend on non-current investments	(64.94)	(3.21)
Interest income under the effective interest method	(2.13)	(2.34)
Interest income	(8.36)	(1.85)
Allowances for credit losses on financial assets	0.30	0.69
Unrealised foreign exchange loss	(0.19)	(0.01)
Equity settled share based payments	2.93	2.68
Gain on sale of property, plant and equipment (net)	(0.02)	(0.19)
(Gain)/loss on sale of investment (net)	(2.90)	1.82
Operating profit before working capital changes	**47.27**	**23.60**
Increase in trade receivables	(10.06)	(6.77)
Decrease in inventories	1.50	3.75
Increase in other financial assets and other assets	(85.87)	(23.19)
(Decrease)/increase in trade payables, provisions and other liabilities	(10.44)	11.74
Cash used in operations	**(57.60)**	**9.13**
Taxes paid, net of refund received	(10.76)	(12.10)
Net cash used in operating activities (A)	**(68.36)**	**(2.97)**
Cash flows from investing activities		
Proceeds from sale of investments in subsidiaries	44.59	57.82
Investments in a subsidiary	(44.79)	-
Interest received	7.53	1.72
Dividend received	64.24	3.21
Acquisition of intangible assets	(1.16)	(1.14)
Acquisition of property, plant and equipment	(89.18)	(79.99)
Proceeds from sale of property, plant and equipment	0.20	0.19
Net cash generated used in investing activities (B)	**(18.57)**	**(18.19)**

Cash Flow Statement (Contd..) for the year ended 31 March 2019

(All amounts in Indian rupee crores)

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from financing activities		
Proceeds from issue of equity share capital	2.46	725.08
Share issue expenses paid during the year	-	(32.81)
Interest paid (including borrowing cost capitalised)	(10.93)	(66.23)
Long term secured loans repaid	(9.55)	(564.66)
Long term secured loans availed	2.41	42.93
Short term secured loans (repaid)/availed, net	22.18	(9.26)
Net cash generated from financing activities (C)	**6.57**	**95.05**
Net (decrease)/increase in cash and cash equivalents (A+B+C)	**(80.36)**	**73.89**
Effect of exchange rate differences on translation of foreign currency cash and cash equivalents	*	*
Cash and cash equivalents at the beginning of the year	83.85	9.96
Cash and cash equivalents at the end of the year	**3.49**	**83.85**

(Refer to note 11 - Cash and cash equivalents)

* Amount is below the rounding off norms adopted by the Company.

The accompanying notes form an integral part of the standalone cashflow statement
As per our report of even date attached

for **B S R and Associates**
Chartered Accountants
Firm registration number: 128901W

Rushank Muthreja
Partner
Membership No.: 211386

Bengaluru
28 May 2019

for and on behalf of the Board of Directors of
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Company Secretary
Membership no. : ACS49310

Bengaluru
28 May 2019

Notes to the financial statements

1. Company overview

Aster DM Healthcare Limited ("the Company") primarily carries on the business of rendering healthcare and allied services in India. The Company was converted into a public limited company with effect from 1 January 2015 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, Kuwait, Jordan, Philippines and India.

2. Basis of preparation

A. Statement of compliance

These standalone financial statements have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as per the Companies (Indian Accounting Standards) Rules, 2015, as amended, and the relevant amended rules prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder.

The standalone financial statements were authorised for issue by the Company's Board of Directors on 28 May 2019.

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 (₹), 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	Present value of defined benefit obligations

D. Use of estimates and judgements

In preparing these financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Judgements

Information about judgements made in applying accounting policies that have the most significant effects on the amounts recognised in the financial statements is included in the notes:

- Note 37- lease classification

Assumptions and estimation uncertainties *

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ended 31 March 2019 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.

* includes impairment of investments

E. Measurement of fair values

A number of the Company's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. Significant valuation issues are reported to the Company's audit committee.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

Notes to the financial statements (Contd..)

2. Basis of preparation (Contd..)

- 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 e fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 39: share-based payment arrangements.
- Note 35: financial instruments.

F. Recent Accounting Pronouncements

i. Standards issued but not effective on Balance sheet date:

Ind AS 116 Leases

The Company is required to adopt Ind AS 116, Leases from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, Leases.

Lessees are required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Company is required to apply Ind AS 116 for accounting periods commencing on or after 1 April 2019 and intends to use the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Company plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

Based on the information currently available, the Company estimates that the effect of adoption of Ind AS 116 will be material to the financial statements.

ii. Other Amendments

The MCA has notified below amendments which are effective 1 April 2019:

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Based on a preliminary assessment, the Company does not expect these amendments to have any significant impact on its standalone financial statements.

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

Notes to the financial statements (Contd..)

3. Significant accounting policies (Contd..)

and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

The cost of a self-constructed item of property, plant and equipment comprises the cost of materials and direct labor, any other costs directly attributable to bringing the item to working condition for its intended use, and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under other non-current assets. The cost of property, plant and equipment not ready for its intended use at each balance sheet date are disclosed as capital work-in-progress.

iii. 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.

iv. Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the profit or loss. Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is lower. The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Class of assets	Revised useful life
Buildings	60
Plant and equipment	15
Medical equipment*	10-13
Motor vehicles *	5
Computer equipment	3
Servers and networks	6
Furniture and fixtures *	5-10
Electrical equipment	10

* For the above mentioned classes of assets, based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.

Change in estimated useful life: With effect from 1 April 2017, based on the technical evaluation, the Company has revised the estimated useful lives of certain categories of property, plant and equipment. The change in accounting estimate is applied prospectively in accordance with Ind AS 8, 'Accounting policies, changes in accounting estimates and errors' and has an impact on the depreciation expense. The financial impact due to the change in the estimate is disclosed in Note 4. Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate.

3.2 Intangible assets

Intangibles assets are stated at cost less accumulated amortization and impairment. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use and is included in depreciation and amortisation in profit or loss.

The estimated useful lives are as follows:

Class of assets	Years
Software	3
Trademarks	3

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

3.3 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises purchase price, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. The Company uses the weighted average method to determine the cost of inventory consisting of medicines and medical consumables.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable values is made on an item-by-item basis.

Notes to the financial statements (Contd..)

3. Significant accounting policies (Contd..)

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.

For impairment testing, assets that do not generate independent cash inflows are grouped together into cash-generating units (CGUs). Each CGU represents the smallest group of assets that generates cash inflows that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of a CGU (or an individual asset) is the higher of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the CGU (or the asset).

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its estimated recoverable amount. Impairment losses are recognised in profit or loss.

In respect of assets for which impairment loss has been recognised in prior periods, the Company reviews at each reporting date whether there is any indication that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. Such a reversal is made only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

3.5 Employee benefits

Short-term employee benefits

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and ex-gratia. Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid e.g., under short-term cash bonus, if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the amount of obligation can be estimated reliably.

Post-employment benefits

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Notes to the financial statements (Contd..)

3. Significant accounting policies (Contd..)

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in other comprehensive income (OCI). The Company determines the net interest expense on the net defined benefit liability for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability, taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Other long term employee benefits

The Company's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Remeasurement gains or losses are recognised in other comprehensive income in the period in which they arise.

Share- based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3.6 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A contract is considered to be onerous when the expected economic benefits to be derived by the Company from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Company recognises any impairment loss on the assets associated with that contract.

3.7 Revenue

Revenue from 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. It replaced Ind AS 18 Revenue, Ind AS 11 Construction Contracts. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services. The Company has adopted Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e. 01 April 2018) being included in retained earnings. Accordingly, the information presented for the year ended 31 March 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18, Revenue.

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.

Notes to the financial statements (Contd..)

3. Significant accounting policies (Contd..)

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 in 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

3.8 Foreign currency transactions

Transactions in foreign currencies are translated into the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss.

3.9 Leases

i. Determining whether an arrangement contains a lease

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values.

ii. Assets held under leases

Assets held under leases that do not transfer to the Company substantially all the risks and rewards of ownership (i.e. operating leases) are not recognised in the Balance Sheet.

iii. Lease payments

Payments made under operating leases are generally recognised in profit or loss on a straight- line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease.

3.10 Recognition of dividend income, interest income or interest expense

Dividend income is recognised in profit or loss on the date on which the right to receive payment is established.

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

Notes to the financial statements (Contd..)

3. Significant accounting policies (Contd..)

3.11 Income tax

Income tax comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to an item recognised directly in equity or in other comprehensive income.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the profit or loss. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Current tax assets and current tax liabilities are offset only if there is a legally enforceable right to set off the recognised amounts, and it is intended to realise the asset and settle the liability on a net basis or simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses and tax credits.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Company recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

3.12 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Other borrowing costs are recognised as an expense in the period in which they are incurred.

3.13 Financial instruments

i. Recognition and initial measurement

Trade receivables and debt securities issued are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Company becomes a party to the contractual provisions of the instrument.

A financial asset or financial liability is initially measured at fair value plus, for an item not at fair value through profit and loss (FVTPL), transaction costs that are directly attributable to its acquisition or issue.

ii. Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at either at amortised cost, FVTPL or fair value in other comprehensive income (FVOCI).

Financial assets are not reclassified subsequent to their initial recognition, except if and in the period the Company changes its business model for managing financial assets.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and

Notes to the financial statements (Contd..)

3. Significant accounting policies (Contd..)

- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Company may irrevocably elect to present subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Company makes an assessment of the objective of the business model in which a financial asset is held at investment level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for each of such investments and the operation of those policies in practice.
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Company's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Company considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Company considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and
- terms that limit the Company's claim to cash flows from specified assets (e.g. non recourse features).

Financial assets: Subsequent measurement and gains and losses

Financial assets at FVTPL	These assets are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.
Financial assets at amortised cost	These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.
Equity investments at FVOCI	These assets are subsequently measured at fair value. Dividends are recognised as income in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. Other net gains and losses are recognised in OCI and are not reclassified to profit or loss.

Notes to the financial statements (Contd..)

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 profit or loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

iii. Derecognition

Financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Company neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial asset.

If the Company enters into transactions whereby it transfers assets recognised on its balance sheet, but retains either all or substantially all of the risks and rewards of the transferred assets, the transferred assets are not derecognised.

Financial liabilities

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

The Company also derecognises a financial liability when its terms are modified and the cash flows under the modified terms are substantially different. In this case, a new financial liability based on the modified terms is recognised at fair value. The difference between the carrying amount of the financial liability extinguished and the new financial liability with modified terms is recognised in profit or loss.

iv. Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Company currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

v. Derivative financial instruments

The Company holds derivative financial instruments to hedge its foreign currency and interest rate risk exposures. Derivatives are initially measured at fair value. Subsequent to initial recognition, derivatives are measured at fair value, and changes therein are recognised in profit or loss.

3.14 Earnings / (loss) per share

The basic earnings / (loss) per share ('EPS') is computed by dividing the net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

3.15 Cash-flow statement

Cash flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Company are segregated.

3.16 Government Grants

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. Where the Company receives non-monetary grants, the asset and the grant are accounted at fair value and recognised in the statement of profit and loss over the expected useful life of the asset.

Notes to the financial statements (Contd..)

4 Property, plant and equipment and capital work-in-progress

(All amounts in Indian rupee crores)

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)
Gross carrying value													
Balance at 1 April 2017	107.93	181.05	83.98	46.97	28.24	52.91	8.96	322.16	7.91	4.23	844.34	62.96	907.30
Additions/(transfers)	0.22	74.52	0.52	4.70	2.89	6.27	1.18	24.94	0.65	0.03	115.92	(45.60)	70.32
Disposals	-	-	-	-	-	-	-	-	-	0.93	0.93	-	0.93
Balance at 31 March 2018	**108.15**	**255.57**	**84.50**	**51.67**	**31.13**	**59.18**	**10.14**	**347.10**	**8.56**	**3.33**	**959.33**	**17.36**	**976.69**
Balance at 1 April 2018	108.15	255.57	84.50	51.67	31.13	59.18	10.14	347.10	8.56	3.33	959.33	17.36	976.69
Additions/(transfers)	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
Balance at 31 March 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**
Accumulated Depreciation													
Balance at 1 April 2017	-	6.60	5.33	20.10	14.38	22.01	4.65	55.62	3.33	2.06	134.08	-	134.08
Depreciation for the year	-	3.24	10.89	4.74	1.98	3.09	2.44	27.82	1.37	0.63	56.20	-	56.20
Disposals	-	-	-	-	-	-	-	-	-	0.93	0.93	-	0.93
Balance at 31 March 2018	**-**	**9.84**	**16.22**	**24.84**	**16.36**	**25.10**	**7.09**	**83.44**	**4.70**	**1.76**	**189.35**	**-**	**189.35**
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
Balance at 31 March 2019	**-**	**13.30**	**30.35**	**29.83**	**18.53**	**27.98**	**8.99**	**110.00**	**6.14**	**2.44**	**247.56**	**-**	**247.56**
Carrying amounts (net)													
At 31 March 2019	**108.93**	**243.78**	**55.98**	**22.39**	**13.42**	**32.45**	**2.15**	**268.63**	**2.53**	**1.21**	**751.47**	**69.54**	**821.01**
At 31 March 2018	**108.15**	**245.73**	**68.28**	**26.83**	**14.77**	**34.08**	**3.05**	**263.66**	**3.86**	**1.57**	**769.98**	**17.36**	**787.34**

a) Property, plant and equipment and capital work-in-progress includes borrowing cost capitalised in accordance with Ind AS 23 - Borrowing cost aggregating to ₹ 2.68 crore for the previous year.

b) Capital work in progress represents expenditure towards construction of hospitals at Kochi, Bengaluru and Chennai.

c) For details of property, plant and equipment pledged, refer note 15

d) With effect from 1 April 2017, the Group has revised the useful lives of certain property, plant and equipment. The change in accounting estimate is applied prospectively in accordance with Ind AS 8; 'Accounting policies, changes in accounting estimates and errors. The effect of these changes on the depreciation charge in the current and future years is as follows:

(All amounts in Indian rupee crores)

For the year ended	March 31 2019	March 31 2020	March 31 2021	March 31 2022
Decrease in depreciation charge	30.52	19.82	9.85	1.00

* Includes buildings constructed on land pursuant to the arrangement described in Note 41

** Medical equipment includes asset taken under finance lease - gross block ₹ 0.88 crore, accumulated depreciation ₹ 0.01 crore and Net block ₹ 0.87 crore.

Notes to the financial statements (Contd..)

5 Intangible assets

(All amounts in Indian rupee crores)

	Computer software	Trade Marks	Total
Gross carrying value			
Balance at 1 April 2017	9.52	0.11	9.63
Additions	1.14	*	1.14
Disposals	-	-	-
Balance at 31 March 2018	**10.66**	**0.11**	**10.77**
Balance at 1 April 2018	10.66	0.11	10.77
Additions/transfers	1.16	-	1.16
Disposals	-	-	-
Balance at 31 March 2019	**11.82**	**0.11**	**11.93**
Accumulated amortisation			
Balance at 1 April 2017	5.48	0.06	5.54
Amortisation for the year	2.86	0.02	2.88
Balance at 31 March 2018	**8.34**	**0.08**	**8.42**
Balance at 1 April 2018	8.34	0.08	8.42
Amortisation for the year	1.70	0.02	1.72
Balance at 31 March 2019	**10.04**	**0.10**	**10.14**
Carrying amounts (net)			
At 31 March 2019	**1.78**	**0.01**	**1.79**
At 31 March 2018	**2.32**	**0.03**	**2.35**

* Amount is below the rounding off norms adopted by the Company.

6 Investments

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
Non-current investments, unquoted		
Investments in equity instruments of subsidiaries(at cost)		
Aster DM Healthcare (Trivandrum) Private Limited, India	8.01	8.01
0.8 crore (31 March 2018: 0.8 crore) equity shares of ₹ 10 each		
DM Med City Hospitals (India) Private Limited, India	0.01	0.01
* crore (31 March 2018: * crore) equity shares of ₹ 10 each		
Prerana Hospital Limited, India	41.65	23.19
0.35 crore (31 March 2018: 0.26 crore) equity shares of ₹ 10 each		
Ambady Infrastructure Private Limited, India	19.17	19.17
0.15 crore (31 March 2018: 0.15 crore) equity shares of ₹ 100 each		
Affinity Holdings Private Limited, Mauritius	*	*
* crore (31 March 2018 : * crore) equity shares of USD 1 each		
Sri Sainatha Multi-Speciality Hospital Private Limited, India	0.01	0.01
* crore (31 March 2018 : * crore) Class A Equity shares of ₹ 10 each		
Sri Sainatha Multi-Speciality Hospital Private Limited, India	42.16	42.16
0.41 crore (31 March 2018 : 0.41 crore) Class B Equity shares of ₹ 10 each		
Malabar Institute Of Medical Sciences Limited, India	255.96	211.17
7.32 crore (31 March 2018 : 6.42 crore) equity shares of ₹ 10 each		
Dr.Ramesh Cardiac and Multi- Speciality Hospital Private Limited, India	272.68	272.68
0.55 crore (31 March 2018 : 0.55 crore) equity shares of ₹ 10 each		
Investments in preference shares of subsidiaries at amortised cost		
Affinity Holdings Private Limited, Mauritius	1,455.82	1,497.51
21.93 crore (31 March 2018 : 22.56 crore) non-cumulative redeemable preference shares of USD 1 each		
Prerana Hospital Limited, India	-	11.94

Notes to the financial statements (Contd..)

6 Investments (Contd..)

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
Nil (31 March 2018 : 0.15 crore) compulsory covertible preference shares of ₹ 10 each		
Investments in equity instruments of others (at cost)		
EMED Human Resources (India) Private Limited, India	0.01	0.01
* crore (31 March 2018 : * crore) equity shares of ₹ 10 each		
	2,095.48	2,085.86
Aggregate book value of unquoted investments	2,095.48	2,085.86

* Amount is below the rounding off norms adopted by the Company.

7 Other financial assets

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
Non-current		
Restricted deposits	1.77	0.94
	1.77	0.94
Current		
Unsecured, considered good		
Unbilled receivables	8.17	6.13
Interest accrued on fixed deposits with banks	1.77	0.94
Dues from related parties	24.68	-
	34.62	7.07
	36.39	8.01

8 Other assets

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
Non-current		
Deferred lease expenses	37.97	41.59
Prepaid expenses	0.50	-
Advances for capital goods	4.97	11.39
	43.44	52.98
Current		
Prepaid expenses	2.40	3.89
Deferred lease expenses	3.62	3.62
Balance with statutory / government authorities	0.16	0.31
Payment to vendors for supply of goods and services	3.47	4.97
Insurance claim receivable (refer note 28)	24.80	-
Other loans and advances	0.09	0.81
	34.54	13.60
	77.98	66.58

Notes to the financial statements (Contd..)

9 Inventories

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
(Valued at lower of cost and realisable value)		
Stock in trade including medical consumables	14.52	15.40
Stores and spares	0.92	1.54
	15.44	**16.94**

* for details of inventories pledged, refer note 15

10 Trade receivables

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
Current		
Unsecured		
considered good	35.43	30.66
considered doubtful	2.28	2.06
	37.71	**32.72**
Allowances for expected credit loss		
Unsecured, considered good	(0.21)	(0.13)
considered doubtful	(2.28)	(2.06)
	(2.49)	**(2.19)**
Net trade receivables	**35.22**	**30.53**
Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	0.39	3.93
Loss allowance	-	-
Net trade receivables	**0.39**	**3.93**

For details of trade receivables pledged, refer note 15

The Company's exposure to credit and currency risks and loss allowances related to trade receivables are disclosed in note 35

11 Cash and cash equivalents

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
Balance with banks	2.65	82.79
Cash on hand	0.84	1.06
Cash and cash equivalents in balance sheet	**3.49**	**83.85**

12 Bank balances

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
Balance in banks for margin money	89.49	21.68
In deposit accounts (with original maturity of more than 3 months)	6.83	57.83
	96.32	**79.51**

Notes to the financial statements (Contd..)

13 Loans

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
Non-current		
Unsecured, considered good		
Rent and other deposits	42.38	38.73
	42.38	**38.73**
Current		
Unsecured, considered good		
Security deposit*	-	3.00
Dues from related parties	113.33	63.84
Considered doubtful, unsecured		
Dues from related parties	13.48	13.48
Less : loss allowance	(13.48)	(13.48)
	113.33	**66.84**
	155.71	**105.57**

*Represents amount deposited with the stock exchange as per Regulation 7 of SEBI ICDR Regulations.

14 Share capital

	As at 31 March 2019		As at 31 March 2018	
	Number of shares (in crores)	Amount	Number of shares (in crores)	Amount
Authorised				
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
	61.62	**616.20**	**61.62**	**616.20**
Issued, subscribed and paid-up				
Equity shares of ₹ 10 each	50.52	505.23	50.52	505.23
Compulsory convertible preference shares (CCPS) of ₹ 10 each	-	-	-	-
	50.52	**505.23**	**50.52**	**505.23**
Reconciliation of shares outstanding at the beginning and at the end of the reporting period				
Equity shares of ₹.10 each fully paid-up				
At the beginning of the year	50.52	505.23	40.32	403.22
Conversion of CCPS to equity (Refer Note (a) below)	-	-	6.38	63.85
Shares issued for cash	-	-	3.82	38.16
At the end of the year	**50.52**	**505.23**	**50.52**	**505.23**
Preference shares of ₹ 10 each fully paid-up				
Series A compulsory convertible preference share capital				
At the beginning of the year	-	-	1.28	12.76
Conversion of CCPS to equity (Refer Note (a) below)	-	-	(1.28)	(12.76)
At the end of the year	-	-	-	-
RAR compulsory convertible preference share capital				
At the beginning of the year	-	-	5.11	51.10
Conversion of CCPS to equity (Refer Note (a) below)	-	-	(5.11)	(51.10)
At the end of the year	-	-	-	-
Total	**50.52**	**505.23**	**50.52**	**505.23**

(a) 1.39 Series A compulsory convertible preference shares of ₹ 10 each and 5.02 RAR compulsory convertible preference shares of ₹ 10 each (aggregate face value of ₹ 64.01) were issued during the year 2014-15 and 2015-16 respectively, were initially classified as financial liabilities (See note 15). However, modification to the terms of these instruments in March 2017 led to the extinguishment of the related financial liabilities and the recognition of the same as equity. Subsequently, on 20 November 2017, the Series A and RAR compulsory convertible preference shares have been converted into 1.28 crore and 5.11 crore equity shares respectively, in the Company.

Notes to the financial statements (Contd..)

14 Share capital (Contd..)

(b) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. All equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time and subject to dividend payable to preference shareholder. The voting rights of an equity shareholder on a poll (not on show of hands) is in proportion to the shareholders' share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(c) Rights, preferences and restrictions attached to series A compulsory convertible preference shares 0.00001% Series A, compulsory convertible preference shares (Series A CCPS) of ₹ 10 each.

Upon expiry of the 9th anniversary of the Completion Date, the Series A CCPS shall be compulsorily converted in to equity shares of the Company as per the manner mentioned in the share subscription agreement.

The Series A CCPS shall confer on the holder the right to receive, in priority to the holders of any other class of shares in the capital of the Company, a preference dividend on the face value of the Series A CCPS, such dividend to be apportioned and paid up on the Series A CCPS during any portion or portions of the period in respect of which the preference dividend is paid. Rights to receive preference dividend shall be cumulative, and the right to receive the preference dividend shall accrue to the holders of the Series A CCPS whether the preference dividend is declared or not in any year.

The holder of Series A CCPS shall also be entitled to any dividend declared on the equity shares of the Company by the Board on an accrual basis with respect to the Series A CCPS held by such holder on an as if converted basis, ie. based on the actual number of equity shares which the Series A CCPS will be entitled to upon conversion.

On distribution of capital in the event of liquidation, dissolution or winding up of the Company, the distributable amount shall be applied first in paying to the preference shareholders, an amount equal to the sum of subscription price (less any amount that may have been received by the preference shareholders on sale of any of their securities) , the preference shareholders purchase price (less any amount that may have been received by preference shareholders on sale of any of their sale shares) and any arrears and accruals of the unpaid preference dividend on the CCPS, dividend on the CCPS on as if converted basis and dividend on the shares and liquidation preference amount subject to the conditions mentioned.

Each holder of a Series A CCPS shall be entitled to convert the Series A CCPS into shares as per the terms mentioned in the agreement. The conversion price will be adjusted based on future bonus issue, issuances arising from exercise of any stock options, share splits, consolidation, reorganization and other situations mentioned in the agreement. The right to convert Series A CCPS shall be exercisable by the holder at any time prior to the expiry of the Series A CCPS term by delivering to the Company a notice in writing of its desire to convert any Series A CCPS, provided that such notice shall specify the number of Series A CCPS that the holder desires to convert.

(d) Rights, preferences and restrictions attached to RAR compulsory convertible preference shares (RAR CCPS)

0.00001% RAR, compulsory convertible preference shares (RAR CCPS) of ₹ 10 each were issued during the year ended 31 March 2016.

The RAR CCPS will compulsory be converted on the earlier of

- the date upon which the final conversion of outstanding Series A CCPS into equity shares occurs and
- the expiration of the RAR CCPS Term as per the agreement

The right to receive the preference dividend shall accrue to the holders of the RAR CCPS whether the preference dividend is declared or not in any year.

The RAR CCPS shall confer on the holder the right to receive a preference dividend of 0.00001% per annum on the face value of the RAR CCPS. The right to receive preference dividend shall be cumulative. The holders of RAR CCPS shall also be entitled to any dividend declared on the equity shares of the Company by the Board on an accrual basis with respect to the RAR CCPS held by such holder on an as if converted basis, i.e. based on the actual number of equity shares which the RAR CCPS will be entitled to upon conversion. It is clarified that the dividend rights of the holders of RAR CCPS shall be pari-passu to the dividend rights enjoyed by the holders of the Series A CCPS.

On distribution of capital in the event of liquidation, dissolution or winding up of the Company, the distributable amount shall be applied first in paying to the preference shareholders, an amount equal to the sum of subscription price (less any amount that may have been received by the preference shareholders on sale of any of their securities) the preference shareholders purchase price (less any amount that may have been received by preference shareholders on sale of any of their sale shares) and any arrears and accruals of the unpaid preference dividend on the CCPS, dividend on the CCPS on as if converted basis and dividend on the shares and liquidation preference amount subject to the conditions mentioned.

Each holder of a RAR CCPS shall be entitled to convert the RAR CCPS into equity shares as per the terms mentioned in the agreement. The conversion price will be adjusted based on future bonus issue, issuances arising from exercise of any stock options, share splits,

Notes to the financial statements (Contd..)

14 Share capital (Contd..)

consolidation, reorganization and other situations mentioned in the agreement. The right to convert RAR CCPS shall be exercisable by the holder at any time prior to the expiry of the RAR CCPS term by delivering to the Company a notice in writing of its desire to convert any RAR CCPS, provided that such notice shall specify the number of RAR CCPS that the holder desires to convert.

(e) Employee stock options

Terms attached to stock options granted to employees are described in note 39 regarding employee share based payments.

(f) Details of shareholders holding more than 5% shares of the Company

	As at 31 March 2019		As at 31 March 2018	
	Number of shares (in crores)	%	Number of shares (in crores)	%
Equity shares of ₹ 10 each fully paid -up held by				
Union Investments Private Limited, Mauritius	18.87	37.35%	18.87	37.35%
Olympus Capital Asia Investments Limited, Mauritius	11.63	23.02%	11.78	23.32%
True North Trusteeship Pvt Ltd (formerly known as IVF Trustee Company Private Limited)	-	-	4.65	9.20%
True North Fund III – A (formerly known as India Value Fund III – A)	4.16	8.23%	-	-
Rimco (Mauritius) Limited	5.11	10.11%	5.11	10.11%

(g) Shares reserved for issue under options and contracts

	As at 31 March 2019		As at 31 March 2018	
	Number of shares (in crores)	Amount	Number of shares (in crores)	Amount
Under Employee Stock Option Scheme, 2013: 4,66,131 equity shares of ₹10 each, at an exercise price of ₹ 50 per share (See note 39)	0.05	2.33	0.11	5.50
Under Employee Stock Option Scheme, 2013: 5,21,200 equity shares of ₹ 10 each, at an exercise price of ₹ 10 per share (See note 39)	0.05	0.52	0.07	0.68
Under Employee Stock Option Scheme, 2013: Equity shares of ₹ 10 each, at an exercise price of ₹ 175 per share (See note 39)	-	-	0.02	4.20
Under Employee Stock Option Scheme, 2013: 3,79,800 equity shares of ₹ 10 each, at an exercise price of ₹ 142 per share (See note 39)	0.04	5.39	0.05	6.82
Under Employee Stock Option Scheme, 2013: 2,98,600 equity shares of ₹ 10 each, at an exercise price of ₹ 116 per share (See note 39)	0.03	3.46	-	-

(h) Details of bonus shares issued for consideration other than for cash during the past 5 years

- During the financial year 2013-14, 24.97 crore equity shares of ₹ 10 each, fully paid-up, have been allotted as bonus shares by capitalisation of securities premium.

(i) Details of shares issued for consideration other than for cash during the past 5 years

- During the year 2015-16, 0.49 crore 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 shares have been allotted as per the scheme of amalgamation with Indogulf Hospitals India Private Limited.

(j) Details of buyback for consideration other than for cash during the past 5 years

- The Company has not bought back any class of equity shares during the period of five years immediately preceding the balance sheet date.

Notes to the financial statements (Contd..)

15 Borrowings

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
Non-current		
Secured		
Term loans from banks	17.75	26.62
Long-term maturities of finance lease obligations	0.76	-
	18.51	**26.62**
Current		
Unsecured		
Cash credit and overdraft facilities from banks	58.16	34.77
Secured		
Short term loan from a bank	5.49	8.24
Cash credit and overdraft facilities from banks	41.57	40.25
Current maturities of long term borrowings	0.97	-
	106.19	**83.26**
Less: Amount included under 'other financials liabilities'	0.97	-
	105.22	**83.26**
	124.70	**109.88**

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 9.60% p.a (linked to 1 year MCLR). These loans are repayable in 96 installments. The term loan is secured by:

a) First charge on movable properties (comprising plant and machinery, furniture and fittings, vehicles and other movable assets), present and future, of the Company;

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 project;

d) Assignement 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: There are no continuing defaults in the repayment of the principal loan and interest amounts.

Unsecured overdraft/cash credit facilities from bank

Overdraft facilities from Yes bank carry interest ranging between 10.10% -10.55% computed on a monthly basis on the actual amount utilised and are repayable on demand. These are secured by pari passu charge by way of hypothecation of stock and book debts.

Secured overdraft/cash credit facilities from bank

Note 1: Overdraft facilities from HDFC bank carry interest ranging between 10.10%-10.7% 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, Bengaluru.

Note 2: Cash credit facility from Federal bank availed and carries and interest of 9.55% per annum. The facility is secured by way of an equitable mortgage of current assets of the company pertaining to Aster Medcity, Kochi.

Note 3: Cash credit facility from HDFC bank availed and carries and interest of 9% per annum. These are secured by current assets, revenues of whatsoever and wherever arising, present and future, pertaining to Aster CMI, Bengaluru.

Notes to the financial statements (Contd..)

15 Borrowings (Contd..)

B Changes in liabilities and financial assets arising from financing activities

(All amounts in Indian rupee crores)

	As at 31 March 2018	Cash flows	Non cash changes			As at 31 March 2019
			Acquisition	Exchange Movement	Fair Value changes	
Non-current borrowings	26.62	(7.14)	-	-	-	19.48
Current borrowings	83.26	22.18	-	(0.22)	-	105.22
Total	**109.88**	**15.04**	**-**	**(0.22)**	**-**	**124.70**

C Finance leases

	As at 31 March 2019			As at 31 March 2018		
	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	-	-	-
Total	**1.20**	**0.30**	**0.90**	**-**	**-**	**-**

16 Other financial liabilities

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
Current		
Current maturities of long-term borrowings*	0.83	-
Current maturities of finance lease obligations*	0.14	-
Interest accrued but not due on borrowings*	-	0.07
Dues to holding company	1.04	2.70
Accrued salaries and benefits	1.33	0.56
Dues to subsidiaries and step-down subsidiaries	2.99	4.21
Dues to creditors for expenses and others	32.72	38.14
Dues to creditors for capital goods	14.57	7.59
	53.62	**53.27**

* The details of interest rates, repayment and other terms are disclosed in note 15

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 35

17 Provisions

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
Non-current		
Provision for employee benefits		
Net defined benefit liability - Gratuity *	3.37	2.84
Compensated absences	0.07	3.02
	3.44	**5.86**
Current		
Provision for employee benefits		
Net defined benefit liability - Gratuity *	0.23	0.06
Compensated absences	2.06	0.94
	2.29	**1.00**
	5.73	**6.86**

* Also refer note 36

Notes to the financial statements (Contd..)

18 Other liabilities

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
Non-current		
Lease equalization	55.99	55.03
Deferred government grant*	20.33	2.26
	76.32	**57.29**
Current		
Advances from patients	5.80	9.29
Unearned Income	0.62	-
Statutory dues payables	3.38	5.59
Deferred government grant*	1.75	0.21
	11.55	**15.09**
	87.87	**72.38**

*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

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	25.64	23.20
	25.64	**23.20**

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:

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
The principal amount remaining unpaid to any supplier at the end of the year	-	-
The interest due on the principal remaining outstanding as at the end of the year	-	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-

Notes to the financial statements (Contd..)

20 Revenue from operations

(All amounts in Indian rupee crores)

	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from hospital and medical services	553.43	508.25
Revenue from consultancy services	3.04	2.53
Revenue from pharmacy sales	22.64	11.30
Revenue from canteen	4.24	4.27
Other operating income	11.43	3.72
	594.78	**530.07**

21 Other income

(All amounts in Indian rupee crores)

	Year ended 31 March 2019	Year ended 31 March 2018
Interest on loan to related parties	0.03	0.07
Interest income under the effective interest method	-	
Lease deposits	2.13	2.34
Fixed deposits with banks	8.33	1.78
Dividend on non-current investments	64.94	3.21
Gain on fair valuation of put option	2.70	-
Gain on sale of investments (net)	2.90	-
Liabilities and provisions no longer required written back	-	1.93
Gain on sale of property,plant and equipment (net)	0.02	0.19
Other non-operating income	3.10	6.59
	84.15	**16.11**

22 Purchases of stock-in-trade

(All amounts in Indian rupee crores)

	Year ended 31 March 2019	Year ended 31 March 2018
Medicines and consumables	145.55	144.08
	145.55	**144.08**

23 Change in inventories of stock-in-trade

(All amounts in Indian rupee crores)

	Year ended 31 March 2019	Year ended 31 March 2018
Medicines and medical consumables:		
Opening stock	16.93	20.68
Closing stock	15.44	16.93
	1.49	**3.75**

Notes to the financial statements (Contd..)

24 Employee benefits expense

(All amounts in Indian rupee crores)

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and allowances	98.76	91.55
Contribution to provident and other funds	6.96	7.49
Staff welfare expense	3.63	4.36
Equity settled share based payments	2.93	2.68
	112.28	106.08

25 Finance cost

(All amounts in Indian rupee crores)

	Year ended 31 March 2019	Year ended 31 March 2018
Interest on bank borrowings	10.74	55.91
Less : Borrowing cost capitalized	-	2.68
	10.74	53.23
Interest expense on financial liabilities measured at amortised cost	-	-
Other borrowing costs	0.12	0.72
	10.86	53.95

26 Depreciation and amortisation

(All amounts in Indian rupee crores)

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation on property, plant and equipment	62.66	56.20
Amortisation on intangible assets	1.72	2.88
	64.38	59.08

27 Other expenses

(All amounts in Indian rupee crores)

	Year ended 31 March 2019	Year ended 31 March 2018
Professional fee paid to doctors	146.41	134.38
Food and beverage	6.50	6.85
Power, water and fuel	16.24	15.18
Rent	6.94	5.30
Operating lease- Hospital operational and management fees	16.51	19.92
Loss on fair valuation of put option	-	0.17
Insurance	1.46	1.09
Repairs and maintenance - plant and machinery	15.73	12.55
Communication	1.29	1.40
Advertising and promotional	12.14	11.76
Lab outsourcing charges	6.68	4.34
Rates and taxes	0.72	1.13
Legal, professional and other consultancy	10.43	6.70
Allowances for credit losses on financial assets	0.30	0.69
Travelling and conveyance	5.42	4.23
Water charges	2.21	2.22
Housekeeping, security and others	26.52	21.04
Corporate social responsibility	2.52	0.57
Net loss on account of foreign exchange fluctuations	0.56	0.13

Notes to the financial statements (Contd..)

27 Other expenses (Contd..)

(All amounts in Indian rupee crores)

	Year ended 31 March 2019	Year ended 31 March 2018
Staff recruitment	0.16	0.25
Office expenses	5.86	5.91
Bad debts written off	0.26	-
Loss on sale of Investment	-	1.82
Miscellaneous expenses	9.47	8.80
	294.33	**266.43**

28 Exceptional item

(All amounts in Indian rupee crores)

	Year ended 31 March 2019	Year ended 31 March 2018
Loss on account of flood	1.52	-
	1.52	**-**

Pursuant to a flood on 16 and 17 August 2018, certain property, plant and equipments and inventory of the Company were damaged. The Company lodged an initial estimate of loss with the insurance company for which final survey report has not been released by the insurance company. During the quarter ended 30 September 2018, 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. 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 this financial statement. Company received an interim payment of ₹ 4.25 crore from the insurance company during the year. Accordingly, ₹ 24.8 crore is presented as insurance claim receivable as at 31 March 2019. Subsequently, the insurance company released another interim payment of ₹ 7.5 crores on 29 April 2019 against the claim.

29 Income taxes

(All amounts in Indian rupee crores)

	As at 31 March 2019	As at 31 March 2018
Income tax assets/(liability)		
Income tax assets	37.25	26.49
Current income tax liabilities	-	-
Net income tax assets/(liability) at the end	**37.25**	**26.49**

(a) Amount recognised in statement of profit and loss

(All amounts in Indian rupee crores)

	Year ended 31 March 2019	Year ended 31 March 2018
Current tax	-	-
Deferred tax (including MAT credit entitlement)	0.45	-
Tax expense for the year	**0.45**	**-**

Notes to the financial statements (Contd..)

29 Income taxes (Contd..)

(b) Amount recognised in other comprehensive income

	Year ended 31 March 2019			Year ended 31 March 2018		
	Before tax	Tax (expense)/ benefit	Net of tax	Before tax	Tax (expense)/ benefit	Net of tax
Re-measurement on defined benefit liability	0.87	(0.30)	0.57	0.03	(0.01)	0.02
	0.87	**(0.30)**	**0.57**	**0.03**	**(0.01)**	**0.02**

(c) Reconciliation of effective tax rate

(All amounts in Indian rupee crores)

	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax	**48.52**	**(87.19)**
Statutory income tax rate	34.94%	34.61%
Tax expenses /(asset)	16.95	(30.18)
Income chargeable at special rates	(23.46)	30.18
Incomes exempt from tax	(0.24)	(1.11)
Non-deductible expenses/ permanent differences	1.50	(2.81)
Additional deduction on investment allowance	(3.71)	(18.69)
Other temporary differences	8.45	9.46
Un-recognised deferred tax assets	0.51	13.15
Income tax expense	-	-

(d) Recognised deferred tax assets and liabilities

(i) Deferred tax assets and liabilities are attributable to the following:

(All amounts in Indian rupee crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax asset		
MAT credit entitlement receivable	0.74	0.74
Unabsorbed business loss including from specified business	113.55	154.34
Total deferred tax asset	**114.29**	**155.08**
Deferred tax liability		
On account of fair valuation of land *	(16.35)	(15.90)
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(113.55)	(154.34)
Total deferred tax liability	**(129.90)**	**(170.24)**
Deferred tax liability (net)	**(16.35)**	**(15.90)**
Deferred tax assets	**0.74**	**0.74**

* 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..)

29 Income taxes (Contd..)

(ii) Movement in temporary differences

(All amounts in Indian rupee crores)

Particulars	Balances as at 1 April 2017	Recognised in Profit and loss during 2017-18	Recognise in OCI during 2017-18	Balances as at 31 March 2018	Recognised in Profit and loss during 2018-19	Recognise in OCI during 2018-19	Balances as at 31 March 2019
Unabsorbed business loss including from specified business	141.12	13.22	-	154.34	(40.79)	-	113.55
Excess of depreciation on property, plant and equipment under Income Tax Act, 1961 over depreciation under Companies Act.	(141.12)	(13.22)	-	(154.34)	40.79	-	(113.55)
MAT credit entitlement receivable	0.74	-	-	0.74	-	-	0.74
On account of fair valuation of land *	(15.90)	-	-	(15.90)	(0.45)	-	(16.35)
Provision for employee benefits	-	0.01	(0.01)	-	-	(0.30)	(0.30)
Net deferred tax (liabilities) / assets	**(15.16)**	**0.01**	**(0.01)**	**(15.16)**	**(0.45)**	**(0.30)**	**(15.61)**

* 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 2019		31 March 2019	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Deferred tax asset				
Tax losses (business loss)	707.44	247.18	704.28	243.75
Tax losses (Long tem capital loss)	7.60	1.69	6.25	1.29
Tax losses (unabsorbed depreciation)	75.62	26.42	73.86	25.56
Total deferred tax asset	**790.66**	**275.29**	**784.39**	**270.60**

(iv) Tax losses carried forward

(All amounts in Indian rupee crores)

Particulars	As at 31 March 2019	Expiry date	As at 31 March 2018	Expiry date
Brought forward losses - allowed to carry forward for specified period	160.94	Various dates	156.95	Various dates
Brought forward losses from specified business - allowed to carry forward for infinite period	554.10		553.58	
Brought forward losses - allowed to carry forward for infinite period	75.62		73.86	
Total deferred tax asset	**790.66**	-	**784.39**	-

Deferred tax assets have not recognized 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..)

30 Contingent liabilities and commitments

(All amounts in Indian rupee crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Contingent liabilities		
Claims against the Company not acknowledged as debts		
- Income tax related matters (Note 1)	20.08	20.08
- KVAT related matters (Note 2)	1.60	1.28
Export commitments under EPCG scheme (Note 3)	176.49	87.16
Corporate guarantees	41.36	101.09
Letter of Credit	49.94	0.53
Additional salary payable under minimum wages act for retrospective periods (Note 4)	6.84	-
Bank guarantees	32.23	32.84
Commitments		
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for.	13.74	8.84

Note 1 : The Company has received income tax assessment orders for AY 2014-15 & 2015-16 wherein the assessing officer has disallowed Foreign Tax Credit claimed amounting to ₹ 20.08 crore as per provisions of Section 90/90A of Income Tax Act 1961 and the disallowance under section 14A. The management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made on the financial statements. The Company has filed an appeal against the demand received. The Company has received an order under Section 154 for AY 2014-15 amounting to ₹ 0.09 crore. This has been shown as a contingent liability.

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 acccounts / report against which an appeal was filed by the Company. The Deputy Commisioner (Appeals) has directed the Assessing Officer to pass a modified order. Accordingly the amount of contingent liability has been revised to ₹ 0.35 crore. 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. The Management believes that the matter is similar to FY 2014-15 where the charges were dropped by the Deputy Commissioner (Appeals) and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demand received.

Note 3 : The Company has obtained duty free / concessional duty licenses for import of capital goods by undertaking export obligations under the EPCG scheme. As at 31 March 2019, export obligations remaining to be fulfilled amounts to ₹ 176.49 crores (31 March 2018: ₹ 87.16 crores). 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 ₹ 25.01 (31 March 2018: ₹ 25.16) 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 for the month of March 2019. 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.

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

Notes to the financial statements (Contd..)

30 Contingent liabilities and commitments (Contd..)

of these proceedings to have a materially adverse effect on its financial position. The company doesnot 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.

31 Earnings/(loss) per share

A. Basic earnings/(loss) per share

The calculation of profit/loss attributable to equity share holders and weighted average number of equity shares outstanding for the purpose of basic earnings per share calculations are as follows:

i) Net profit/(loss) attributable to equity share holders (basic)

(All amounts in Indian rupee crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit/(loss) for the year, attributable to the equity share holders	48.07	(87.19)

ii) Weighted average number of equity shares (basic)

(All amounts in Indian rupee crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Opening balance (Refer note 14)	50.15	39.95
Effect of share options exercised	0.06	*
Effect of fresh issue of shares for cash	-	0.40
Convertible preference shares (Refer note 14)	-	6.38
Weighted average number of equity shares of ₹ 10 each for the year	50.21	46.73
Earnings/(loss) per share, basic	0.96	(1.87)

* Amount is below the rounding off norms adopted by the Company.

B. Diluted earnings/(loss) per share

The calculation of profit/loss attributable to equity share holders and weighted average number of equity shares outstanding, after adjustment for the effects of all dilutive potential equity shares is as follows:

i) Net profit/(loss) attributable to equity share holders diluted

(All amounts in Indian rupee crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Net profit/(loss) for the year, attributable to the equity share holders	48.07	(87.19)

ii) Weighted average number of equity shares (basic)

(All amounts in Indian rupee crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Weighted average number of equity shares of ₹ 10 each for the year (basic)	50.21	46.73
Effect of exercise of share options	0.08	-
Weighted average number of equity shares of ₹ 10 each for the year (diluted)	50.29	46.73
Earnings/(loss) per share, basic	0.96	(1.87)

The conversion of employee stock options outstanding under the scheme, if made, would have the effect of reducing the loss per share for the year ended 31 March 2018 and would therefore be anti-dilutive. Hence, such conversion has not been considered for the purpose of calculating dilutive earnings per share.

Notes to the financial statements (Contd..)

32 Auditors' remuneration (included under legal and professional charges, net of goods and services tax)

(All amounts in Indian rupee crores)

	Year ended 31 March 2019	Year ended 31 March 2018
Statutory audit	0.26	0.23
Tax audit	0.02	0.02
Audit of the consolidated financial statements	0.33	0.33
Limited review	0.40	-
Other matters	0.24	0.63
	1.25	**1.21**

33 Related parties

A. Related Party relationships

Names of related parties and description of relationship with the Company:

I) Enterprises where control exist

(a) Holding and ultimate holding Company	Union Investments Private Limited, Mauritius (till 22 February 2018)
(b) Subsidiaries and step down subsidiaries	
1 Ambady Infrastructure Private Limited, India	37 Eurohealth Systems FZ LLC, UAE
2 Aster DM Healthcare (Trivandrum) Private Limited, India	38 Alfa Investments Limited, UAE
3 DM Medcity Hospitals (India) Private Limited, India	39 Aster Ramesh Duhita LLP, India
4 Malabar Institute of Medical Sciences Limited, India	40 Maryam Pharmacy LLC, UAE*
5 Prerana Hospital Limited, India	41 Medcare Hospital LLC, UAE
6 Sri Sainatha Multispeciality Hospitals Private Limited, India	42 Aster DCC Pharmacy LLC, UAE
7 Harley Street LLC, UAE	43 Medshop Garden Pharmacy LLC, UAE
8 Harley Street Pharmacy LLC, UAE	44 Med Shop Drugs Store LLC, UAE
9 Harley Street Medical Centre LLC, UAE	45 Modern Dar Al Shifa Pharmacy LLC, UAE
10 Alfa Drug Stores LLC, UAE	46 New Aster Pharmacy DMCC, UAE
11 Al Rafa Holdings Limited, UAE	47 Rafa Pharmacy LLC, UAE
12 Aster Primary Care LLC, UAE	48 Shindagha Pharmacy LLC, UAE
13 Al Rafa Investments Limited, UAE	49 Symphony Healthcare Management Services LLC, UAE
14 Al Rafa Medical Centre LLC , UAE	50 Union Pharmacy LLC, UAE
15 Al Shafar Pharmacy LLC, AUH, UAE	51 Harley Street Dental Center LLC, UAE
16 Asma Pharmacy LLC, UAE	52 Zabeel Pharmacy LLC, UAE
17 Aster Al Shafar Pharmacies Group LLC, UAE	53 Affinity Holdings Private Limited, Mauritius
18 Aster DM Healthcare FZC , UAE	54 Orange Pharmacies LLC, Jordan
19 Aster Grace Nursing and Physiotherapy LLC, UAE	55 Aster Day Surgery Centre LLC, UAE
20 Aster Medical Centre LLC, UAE *	56 Aster DM Healthcare SPC, Bahrain
21 Aster Opticals LLC, UAE	57 Dr. Moopens Healthcare Management Services WLL, Qatar
22 Aster Pharmacies Group LLC, UAE	58 Welcare Polyclinic WLL, Qatar
23 Aster Pharmacy LLC, AUH, UAE	59 Aster DM Healthcare INC, Philippines
24 Dar Al Shifa Medical Centre LLC, UAE	60 Al Raffah Hospital LLC, Oman
25 Al Raffah Pharmacies Group LLC, Oman	61 Al Raffah Medical Centre LLC, Oman
26 DM Pharmacies LLC, UAE	62 Sanad Al Rahma for Medical Care LLC, Kingdom of Saudi Arabia
27 DM Healthcare LLC, UAE	63 Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited
28 Dr. Moopens Healthcare Management Services LLC, UAE	64 Dr.Moopen's Aster Hospital WLL, Qatar
29 Zahrat Al Shefa Pharmacy LLC, UAE	65 Aster Kuwait Pharmaceuticals and Medical Equipment Company W.L.L., Kuwait
30 Active Holdings Limited, UAE	66 Zahrat Al Shefa Medical Center LLC, UAE
31 E-Care International Medical Billing Services Co. LLC, UAE	67 Samary Pharmacy LLC, UAE
32 Noor Al Shefa Clinic LLC, UAE	68 Ramesh Fertility Centre LLP, India
33 Sanghamitra Hospitals Private Limited, India	69 Oman Al Khair Hospital L.L.C., Oman
34 Metro Medical Centre L.L.C, UAE	70 Radiant Healthcare L.L.C, UAE
35 Metro Meds Pharmacy L.L.C, UAE	71 Ibn Alhaitham Pharmacy LLC, UAE*
36 Aster Hospital Sonapur L.L.C, UAE	

Notes to the financial statements (Contd..)

33 Related parties (Contd..)

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

Although the percentage of voting rights as a result of legal holding by the Company is not more than 50% in certain entities listed above, the Company controls the composition of the board of directors or equivalent of those entities so as to obtain economic benefits from their activities.

(c) Associates	EMED Human Resources (India) Private Limited, India
	MIMS Infrastructure and Properties Private Limited, India
	Aries Holdings FZC, UAE
	AAQ Healthcare Investment LLC, UAE
	Al Mutamaizah Medcare Healthcare Investment Co. LLC, UAE

II) 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 (Others)	DM Education & Research Foundation (also known as DM Foundation, India)
	Aster DM Foundation
	Wayanad Infrastructure Private Limited
(b) Key managerial personnel and their relatives (KMP)	Dr. Azad Moopen (Chairman and Managing Director)
	Mr. Sreenath Reddy (Chief Financial Officer)
	Miss. Puja Aggarwal (Company Secretary)
	Daniel James Snyder (Independent Director)
	Harsh C Mariwala (Independent Director) (till 13 February 2019)
	Biju Varkey (Independent Director) (from 12 November 2018)
	Layla Mohamad Hassan Ali Almarzooqi (Independent Director) (from 28 March 2019)
	M Madhavan Nambiar (Independent Director)
	Ravi Prasad (Independent Director)
	Suresh M. Kumar (Independent Director)
	Alisha Moopen (Director)
	T J Wilson (Director)
	Anoop Moopen (Director)
	Mintz Daniel Robert (Director)
	Rajagopal Sukumar (Director) (till 14 August 2018)
	Shamsudheen Bin Mohideen Mammu Haji (Director)

Notes to the financial statements (Contd..)

33 Related parties (Contd..)

a) Related party transactions

(All amounts in Indian rupee crores)

Nature of transactions	Related party transactions	
	Year ended 31 March 2019	Year ended 31 March 2018
Short term loans and advance repayment received		
Aster DM Healthcare (Trivandrum) Private Limited	0.04	0.20
Ambady Infrastructure Private Limited	0.02	0.02
DM Med City Hospitals (India) Private Limited	2.18	0.64
EMED Human Resources (India) Private Limited	0.33	0.62
Short-term loans and advances given		
Ambady Infrastructure Private Limited	0.03	-
DM Med City Hospitals (India) Private Limited	2.42	2.12
EMED Human Resources (India) Private Limited	-	0.03
Aster DM Healthcare (Trivandrum) Private Limited	70.39	3.28
Expenses incurred on behalf of subsidiaries / associates		
DM Med City Hospitals (India) Private Limited	2.05	0.23
Ambady Infrastructure Private Limited	-	0.04
Aster DM Healthcare FZC	0.04	0.07
Aster DM Healthcare (Trivandrum) Private Limited	0.12	0.56
EMED Human Resources (India) Private Limited	0.27	0.18
Dr. Moopens Healthcare Management Services LLC	0.63	0.12
Al Raffah Hospital LLC	0.11	-
Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited	0.08	-
Sri Sainatha Multispeciality Hospitals Private Limited	0.12	0.08
Prerana Hospital Limited	0.10	0.10
Malabar Institute of Medical Sciences Limited	0.63	0.40
Repayment from subsidiaries		
Malabar Institute of Medical Sciences Limited	0.09	-
Repayment to subsidiaries		
Malabar Institute of Medical Sciences Limited	0.03	-
EMED Human Resources (India) Private Limited	0.07	-
Expenses incurred by subsidiaries / associates on behalf of company		
Dr. Moopens Healthcare Management Services LLC	0.30	0.25
Al Raffah Hospital LLC	-	0.13
Aster DM Healthcare FZC	-	0.07
DM Education & Research Foundation	-	0.06
Prerana Hospital Limited	0.02	-
Wayanad Infrastructure Private Limited	-	0.07
Malabar Institute of Medical Sciences Limited	0.14	0.02
Collection by subsidiaries on behalf of company		
Dr. Moopens Healthcare Management Services LLC	0.78	0.07
Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited	0.01	-
DM Education & Research Foundation	3.60	1.87
Repayment of offer proceeds		
Union Investments Private Limited	1.66	-
Received from subsidiary		
Affinity Holdings Private Limited	-	45.39
Investments / advance against investments		
Malabar Instistitute of Medical Sciences Limited	44.79	-
Prerana Hospital Limited	18.45	-
Sale of asset		
Malabar Institute of Medical Sciences Limited	0.25	-
Sale of investments		
Affinity Holdings Private Limited, Mauritius	44.59	57.82

Notes to the financial statements (Contd..)

33 Related parties (Contd..)

(All amounts in Indian rupee crores)

Nature of transactions	Related party transactions	
	Year ended 31 March 2019	Year ended 31 March 2018
Income from consultancy services		
Prerana Hospital Limited	1.69	1.35
DM Education & Research Foundation	1.81	1.18
Income from hospital services		
DM Education & Research Foundation	-	1.27
Dr.Moopen's Healthcare Management Services W.L.L	-	0.01
Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited	0.01	-
Malabar Institute of Medical Sciences Limited	0.11	-
Aster DM Foundation	-	0.60
Dividend received		
Affinity Holdings Private Limited	64.24	-
Prerana Hospital Limited	0.70	-
Malabar Institute of Medical Sciences Limited	-	3.21
Managerial remuneration		
Short term employee benefits	2.46	2.62
Donation given		
Aster DM Foundation	2.53	0.42
Lease rental for land		
DM Med City Hospitals (India) Private Limited	1.00	1.00
DM Education & Research Foundation	0.74	0.74
Guarantee commission expense		
Ambady Infrastructure Private Limited	-	0.12
DM Med City Hospitals (India) Private Limited	0.09	0.15
Guarantee commission received		
Prerana Hospital Limited	0.25	0.19
Aster DM Healthcare (Trivandrum) Private Limited	0.37	0.32
Interest on loan to related parties		
EMED Human Resources (India) Private Limited	0.03	0.07
Other expenses		
EMED Human Resources (India) Private Limited	0.12	0.27
Wayanad Infrastructure Private Limited	0.02	-
DM Education & Research Foundation	4.76	5.49
Malabar Institute of Medical Sciences Limited	0.03	-
Interest income under the effective interest method on lease deposit		
DM Education & Research Foundation	0.61	0.57
DM Med City Hospitals (India) Private Limited	0.76	0.70
Employee stock option expense recharged		
Aster DM Healthcare FZC	0.26	1.67

Notes to the financial statements (Contd..)

33 Related parties (Contd..)

b) Balance receivable / (payable) as at the year end

(All amounts in Indian rupee crores)

Nature of transactions	Related party transactions	
	As at 31 March 2019	As at 31 March 2018
Financial assets - loans (current) - Dues from related parties		
Aster DM Healthcare (Trivandrum) Private Limited	99.29	28.46
Ambady Infrastructure Private Limited	6.21	6.19
DM Med City Hospitals (India) Private Limited	20.84	18.66
EMED Human Resources (India) Private Limited	0.47	0.51
Financial assets - Other financial assets (current) - Dues from related parties		
Prerana Hospital Limited	0.05	0.48
Aster DM Healthcare FZC	22.48	22.18
Aster Pharmacies Group LLC	0.39	0.39
Sri Sainatha Multispeciality Hospitals Private Limited	0.19	0.08
Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited	0.09	*
DM Education & Research Foundation	0.35	-
Malabar Institute of Medical Sciences Limited	1.13	0.37
Other financial liabilities (current) - Dues to holding company		
Union Investments Private Limited	(1.04)	(2.70)
Other financial liabilities (current) - Dues to subsidiaries		
Dr. Moopens Healthcare Management Services LLC	(1.80)	(2.91)
Al Raffah Hospital LLC	(1.19)	(1.29)
Other financial liabilities (current) - Dues to creditors for expenses		
DM Education & Research Foundation	-	(0.30)
Wayanad Infrastructure Private Limited	(0.08)	(0.07)
EMED Human Resources (India) Private Limited	(0.06)	(0.01)
Trade receivables		
Prerana Hospital Limited	0.35	3.90
Dr.Moopen's Healthcare Management Services W.L.L, Qatar	0.04	0.03
Other non current assets - Deferred lease expenses		
DM Education & Research Foundation	4.37	5.11
DM Med City Hospitals (India) Private Limited	7.64	9.55
Other current assets - Deferred lease expenses		
DM Education & Research Foundation	0.74	0.74
DM Med City Hospitals (India) Private Limited	0.95	0.95
Other financial assets - (non current) Rent and other deposits		
DM Education & Research Foundation	9.39	8.77
DM Med City Hospitals (India) Private Limited	9.39	8.64
Guarantee given		
Prerana Hospital Limited	41.36	37.35
Aster DM Healthcare (Trivandrum) Private Limited	-	63.74
Guarantee received		
Ambady Infrastructure Private Limited	-	174.67
DM Med City Hospitals (India) Private Limited	18.58	100.68

Notes to the financial statements (Contd..)

34 Segmental reporting

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). All operating segments' operating results are reviewed regularly by the Company's CODM to make decisions about resources to be allocated to the segments and assess their performance.

The Company has structured its business broadly into two verticals – Hospitals and others. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Income and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Company therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as unallocable and directly charged against total income. The assets of the Company are used interchangeably between segments, and the management believes that it is currently not practical to provide segment disclosures relating to total assets and liabilities since a meaningful segregation is not possible.

A. Business segments

The business segments of the Company are as follows:

i) Hospitals

ii) Others - Comprising consultancy division which is into providing healthcare consultancy and clinics.

Particulars	As at / year ended 31 March 2019			As at / year ended 31 March 2018		
	Hospital	Others	Total	Hospital	Others	Total
A.Business segment information						
Segment revenue						
External revenue	584.61	10.17	594.78	522.01	8.06	530.07
Total segment revenue	**584.61**	**10.17**	**594.78**	**522.01**	**8.06**	**530.07**
Segment profit (loss) before income tax	6.44	(0.32)	6.12	(18.26)	(1.34)	(19.60)
Segment profit (loss) before income tax includes :			-			-
Other income, excluding finance income	2.58	*	2.58	8.00	-	8.00
Depreciation and amortisation	62.27	0.75	63.02	56.95	0.70	57.65
Segment Assets	**1,023.11**	**3.53**	**1,026.64**	**916.77**	**7.18**	**923.95**
Segment asset include :						
Capital expenditure during the period/year	83.61	0.48	84.09	84.25	1.04	85.29
Segment Liabilities	**248.23**	**1.30**	**249.53**	**210.19**	**0.18**	**210.37**

* Amount is below the rounding off norms adopted by the Company.

B. Reconciliation of information on reportable segments to Ind AS measures

(All amounts in Indian rupee crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
i) Profit before tax		
Profit/(loss) before tax for reportable segments	6.44	(18.26)
Profit/(loss) before tax for other segments	(0.32)	(1.34)
	6.12	**(19.60)**
Unallocated amounts :		
Other income, excluding finance income	71.09	3.92
Interest income	7.82	1.12
Interest expense	(10.86)	(53.95)
Depreciation and amortisation	(1.36)	(1.43)
Loss on account of flood	(1.52)	-

Notes to the financial statements (Contd..)

34 Segmental reporting (Contd..)

(All amounts in Indian rupee crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Other expenses	(22.77)	(17.25)
Profit/(loss) before tax	**48.52**	**(87.19)**
ii) Assets		
Total assets of reportable segments	1,023.11	916.77
Assets of other segments	3.53	7.18
Unallocated assets	2,350.18	2,369.82
Total assets	**3,376.82**	**3,293.77**
iii) Liabilities		
Total liabilities of reportable segments	248.23	210.19
Liabilities of other segments	1.30	0.18
Unallocated liabilities	147.01	157.42
Total liabilities	**396.54**	**367.79**

C. Geographical segments

Geographical information analyses the company's revenue and non current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customers and segment assets which have been based on the geographical location of the assets.

(i) Revenue from operations

(All amounts in Indian rupee crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
India	594.78	530.07
Others	-	-
	594.78	**530.07**

(i)Total assets

(All amounts in Indian rupee crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
India	3,376.76	3,293.71
Others	0.06	0.06
	3,376.82	**3,293.77**

D. Major customer

No major customer has contributed more than 10% of the Group's total revenue.

Notes to the financial statements (Contd..)

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 2019

(All amounts in Indian rupee crores)

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
Assets									
Financial assets not measured at fair value									
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	-	-	-	-
Total		**2,422.61**	**-**	**-**	**2,422.61**	**-**	**-**	**-**	**-**
Liabilities					-				
Financial liabilities measured at fair value									
Derivatives		-	83.60	-	83.60	-	-	83.60	83.60
Financial liabilities not measured at fair value									
Trade payables	19	-	-	25.64	25.64	-	-	-	-
Borrowings (including current maturities)	15	-	-	124.70	124.70	-	-	-	-
Other financial liabilities	16	-	-	52.65	52.65	-	-	-	-
Total		**-**	**83.60**	**202.99**	**286.59**	**-**	**-**	**83.60**	**83.60**

31 March 2018

(All amounts in Indian rupee crores)

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
Assets									
Financial assets not measured at fair value									
Cash and Cash equivalents	11	83.85	-	-	83.85	-	-	-	-
Other bank balances	12	79.51	-	-	79.51	-	-	-	-
Investments	6	2,085.86	-	-	2,085.86	-	-	-	-
Trade receivables	10	30.53	-	-	30.53	-	-	-	-
Loans	13	105.57	-	-	105.57	-	-	-	-
Other financial assets	7	8.01	-	-	8.01	-	-	-	-
Total		**2,393.33**	**-**	**-**	**2,393.33**	**-**	**-**	**-**	**-**
Liabilities					-				
Financial liabilities measured at fair value									
Derivatives		-	86.30	-	86.30	-	-	86.30	86.30
Financial liabilities not measured at fair value									
Trade payables	19	-	-	23.20	23.20	-	-	-	-
Borrowings (including current maturities)	15	-	-	109.88	109.88	-	-	-	-
Other financial liabilities	16	-	-	53.27	53.27	-	-	-	-
Total		**-**	**86.30**	**186.35**	**272.65**	**-**	**-**	**86.30**	**86.30**

Notes to the financial statements (Contd..)

35 Financial Instruments- Fair values and risk management (contd..)

B Measurement of fair values

The following methods and assumptions were used to estimate the fair values:

a) The fair values of the units of mutual fund schemes are based on net asset value at the reporting date.

b) 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.

c) 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.

d) The fair value of the remaining financial instruments is determined using discounted cash flow analysis. The discount rates used is based on management estimates.

Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values of derivative put option.

(All amounts in Indian rupee crores)

Particulars	Amount
Balance as at 31 March 2018	**86.30**
Net change in fair value (unrealised)	(2.70)
Balance as at 31 March 2019	**83.60**

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.

(All amounts in Indian rupee crores)

	Profit or loss	
As at 31 March 2019	**Increase**	**Decrease**
Volatility (5% movement)	0.47	(0.58)
EBITDA growth rates (10% movement)	(14.01)	13.54
Risk free rate (1% movement)	3.27	(2.57)

(All amounts in Indian rupee crores)

	Profit or loss	
As at 31 March 2018	**Increase**	**Decrease**
Volatility (5% movement)	0.23	0.40
EBITDA growth rates (10% movement)	17.46	(16.14)
Risk free rate (1% movement)	(4.77)	6.56

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.

Notes to the financial statements (Contd..)

35 Financial Instruments- Fair values and risk management (contd..)

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 35.22 crore (31 March 2018: 30.53 crore) and unbilled receivables amounting to 8.17 crore (31 March 2018: 6.13 crore) .

The movement in allowance for credit loss in respect of trade and other receivables during the year was as follows:

(All amounts in Indian rupee crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Balance at the beginning	2.19	1.50
Impairment loss recognised	0.30	0.69
Balance at the end	**2.49**	**2.19**

No single customer accounted for more than 10% of the revenue as of 31 March 2019 and 31 March 2018. There is no significant concentration of credit risk.

Credit risk on cash and cash equivalent and other bank balances is limited as the Company generally transacts with banks and financial institutions with high credit ratings assigned by international and domestic credit rating agencies. Investments primarily include investment in liquid mutual fund units.

iii) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company believes that the working capital is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2019:

(All amounts in Indian rupee crores)

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	52.65	-	52.65
Total	**184.48**	**102.11**	**286.59**

Notes to the financial statements (Contd..)

35 Financial Instruments- Fair values and risk management (contd..)

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2018:

(All amounts in Indian rupee crores)

Particulars	Less than 1 year	More than 1 year	Total
Trade payables	23.20	-	23.20
Current borrowings	83.26	-	83.26
Non current borrowings (including current maturities)	-	26.62	26.62
Derivatives	-	86.30	86.30
Other financial liabilities	53.27	-	53.27
Total	**159.73**	**112.92**	**272.65**

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 ₹. 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.

(All amounts in Indian rupee crores)

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	-	-	-
Net assets/(liabilities)	**(1.74)**	**(1.54)**	**(1.19)**	**(3.95)**

(All amounts in Indian rupee crores)

As at 31 March 2018	AED	EUR	OMR	USD
Other current financial liabilities	2.92	1.58	1.29	7.74
Other financial assets	-	-	-	-
Cash and cash equivalents	0.06	-	-	-
Net assets/(liabilities)	**(2.86)**	**(1.58)**	**(1.29)**	**(7.74)**

Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments.

(All amounts in Indian rupee crores)

Particulars	Impact on profit or (loss)		Impact on equity, net of tax	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
AED Sensitivity				
₹/AED - Increase by 1%	(0.02)	(0.03)	(0.02)	(0.03)
₹/AED - Decrease by 1%	0.02	0.03	0.02	0.03
EUR Sensitivity				
₹/EUR - Increase by 1%	(0.02)	(0.02)	(0.02)	(0.02)
₹/EUR - Decrease by 1%	0.02	0.02	0.02	0.02
OMR Sensitivity				
₹/OMR - Increase by 1%	(0.01)	0.01	(0.01)	0.01
₹/OMR - Decrease by 1%	0.01	(0.01)	0.01	(0.01)

Notes to the financial statements (Contd..)

35 Financial Instruments- Fair values and risk management (contd..)

(All amounts in Indian rupee crores)

Particulars	Impact on profit or (loss)		Impact on equity, net of tax	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
USD Sensitivity				
₹/USD - Increase by 1%	(0.04)	(0.08)	(0.04)	(0.08)
₹/USD - Decrease by 1%	0.04	0.08	0.04	0.08

Cash flow and fair value interest rate risk

The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk. The interest rate on the Company's financial instruments is based on market rates. The Company monitors the movement in interest rates on an ongoing basis.

(a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(All amounts in Indian rupee crores)

Financial liabilities (bank borrowings)	As at 31 March 2019	As at 31 March 2018
Variable rate long term borrowings including current maturities	18.58	26.62

Sensitivity

(All amounts in Indian rupee crores)

Particulars	Impact on profit or (loss)		Impact on equity, net of tax	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Sensitivity				
1% increase in MCLR rate	(0.19)	(0.27)	(0.19)	(0.27)
1% decrease in MCLR rate	0.19	0.27	0.19	0.27

The interest rate sensitivity is based on the closing balance of secured term loans 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.

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:

(All amounts in Indian rupee crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation liability	3.60	2.90
Plan assets	-	-
Net defined benefit liability	3.60	2.90
Leave encashment	2.13	3.96
Total employee benefit liability	**5.73**	**6.86**

Notes to the financial statements (Contd..)

36 Employee benefits (Contd..)

B Reconciliation of present value of defined benefit obligation

(All amounts in Indian rupee crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Balance at beginning of the year	2.90	1.59
Benefit paid	0.46	*
Current service cost	(1.44)	(1.06)
Past service cost	(0.38)	(0.13)
Interest cost	(0.21)	(0.10)
Actuarial gain/(loss) recognised in other comprehensive income		
- changes in demographic assumptions	-	-
- changes in financial assumptions	0.81	(0.05)
- experience adjustments	0.06	0.03
Balance at the end of the year	**3.60**	**2.90**
Net defined benefit (liability)	**3.60**	**2.90**

* Amount is below the rounding off norms adopted by the Company.

C (i) Expenses recognised in the Profit & Loss Account

(All amounts in Indian rupee crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current service cost	1.44	1.06
Past service cost	0.38	0.13
Interest cost	0.21	0.10
Net gratuity cost	**2.03**	**1.29**

(ii) Remeasurements recognised in other comprehensive income

(All amounts in Indian rupee crores)

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Acturial gain/(loss) on defined benefit obligation	(0.87)	0.02
	(0.87)	**0.02**

D Defined Benefit Obligation

(i) Assumptions used to determine benefit obligations:

Principal acturial assumptions at the reporting date (expressed as weighted average)

(All amounts in Indian rupee crores)

Particulars	31 March 2019	31 March 2018
Discount rate	7.00%	7.30%
Future salary growth	6.00%	8.00%
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.

Notes to the financial statements (Contd..)

36 Employee benefits (Contd..)

The weighted-average assumptions used to determine net periodic benefit cost for the year ended 31 March 2019 and year ended 31 March 2018 as set out below

(All amounts in Indian rupee crores)

Particulars	31 March 2019	31 March 2018
Discount rate	7.00%	7.30%
Future salary growth	6.00%	8.00%
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.

(ii) Sensitivity analysis

Reasonably possible changes at the reporting date to one of the acturial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below

	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(0.27)	0.31	(0.22)	0.23
Future salary growth (1% movement)	0.31	(0.27)	0.24	(0.22)
Withdrawal rate (1% movement)	(0.05)	0.05	(0.07)	0.07

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.

37 Operating leases

The Company is obligated under cancellable operating leases for office, hospital premises and residential premises which are renewable at the option of both the lessor and lessee.

The Company is obliged under non-cancellable operating leases for hospital operations and management fees (revenue share) and operating leases for office and residential premises . Future minimum lease payments due under non-cancellable operating leases are as follows:

(All amounts in Indian rupee crores)

Particulars	31 March 2019	31 March 2018
Payable in less than one year	7.29	6.79
Payable between one to five years	37.16	30.78
Payable after more than five years	373.30	386.98

Notes to the financial statements (Contd..)

37 Operating leases (Contd..)

Amounts recognised in profit or loss

(All amounts in Indian rupee crores)

Particulars	31 March 2019	31 March 2018
Cancellable lease	2.12	0.39
Non-cancellable lease	21.33	24.83

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 2019 and 31 March 2018 was as follows:

(All amounts in Indian rupee crores)

Particulars	As at 31 March 2019	As at 31 March 2018
Total equity attributable to the equity shareholders of the Company	2,980.28	2,925.98
As a percentage of total capital	96%	96%
Long-term borrowings including current maturities	19.48	26.62
Short-term borrowings	105.22	83.26
Total borrowings	124.70	109.88
As a percentage of total capital	4%	4%
Total capital (Equity and Borrowings)	3,104.98	3,035.86

39 Share based payments

A Description of share-based payment arrangements- Share option plans (equity-settled)

The Company has issued stock options under the DM Healthcare Employees Stock Option Plan 2013 ("DM Healthcare ESOP 2013" or "2013 Plan") during the financial year ended 31 March 2013. The 2013 Plan covers all non- promoter directors and employees of the Company and its subsidiaries (collectively referred to as "eligible employees"). Under this plan, holders of vested options are entitled to purchase shares at the market price of the shares at respective date of grant of options. The Compensation Committee granted the options on the basis of performance, criticality and potential of the employees as identified by the management.

The Company has issued different categories of options on 2 March 2013, 1 April 2014, 1 April 2015, 22 November 2016, 7 June 2017, 01 March 2018, 30 April 2018 and 12 February 2019 on different terms viz; incentive options, milestone options, performance options and loyalty options.

The Company has computed the fair value of the options for the purpose of accounting of employee compensation cost/ expense over the vesting period of the options.

The fair value of the option is calculated using the Black-Scholes Option Pricing model. Accordingly fair value of the various options granted is stated below:

(All amounts in Indian rupee crores)

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.	

Notes to the financial statements (Contd..)

39 Share based payments (Contd..)

(All amounts in Indian rupee crores)

Option Type	Grant date	Number of instruments	Exercise price	Vesting conditions	Contractual life of options
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.	5 years from the date of grant*
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.	
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.	
Loyalty option	2 March 2013	4,20,000	10	100% vesting at the end of 1 year from date of grant.	5 years from the date of vesting
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.	
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.	

* 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 financial statements (Contd..)

39 Share based payments (contd..)

B Measurement of fair value

The Company has computed the fair value of the options for the purpose of accounting of employee compensation cost/ expense over the vesting period of the options. The fair value of the option is calculated using the Black-Scholes Option Pricing model. The fair value of the options and the inputs used in the measurement of the grant-date fair values of the equity-settled share based payment plans are as follows:

Option Type	Incentive option				
Date of grant	7 June 2017	22 November 2016	1 April 2015	1 April 2014	2 March 2013
Fair value at grant date	₹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	12 February 2019	12 February 2019	1 March 2018	1 March 2018
Fair value at grant date	₹71.55	₹65.16	₹133.44	₹61.55
Share price at grant date	₹157.85	₹157.85	₹173.10	₹173.10
Exercise Price	₹116.00	₹116.00	₹50.00	₹142.00
Expected volatility	39.950%	39.950%	16.380%	16.380%
Expected life	2.75 years	2 years	2.50 years	2.50 years
Expected dividends	Nil	Nil	Nil	Nil
Risk- free interest rate	6.78%	6.78%	7.76%	7.76%

Option Type	Loyalty option					
Date of grant	1 March 2018	7 June 2017	22 November 2016	1 April 2015	1 April 2014	2 March 2013
Fair value at grant date	₹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%

Notes to the financial statements (Contd..)

39 Share based payments (contd..)

Option Type	Loyalty option		
Date of grant	30 April 2018	12 February 2019	12 February 2019
Fair value at grant date	₹162.48	₹129.61	₹149.41
Share price at grant date	₹170.95	₹157.85	₹157.85
Exercise Price	₹10.00	₹10.00	₹10.00
Expected volatility	48.990%	39.950%	39.950%
Expected life	2.50 years	2.50 years	2.50 years
Expected dividends	Nil	Nil	Nil
Risk- free interest rate	6.63%	6.78%	6.78%

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:

(All amounts in Indian rupee crores)

Particulars	31 March 2019	31 March 2018
Outstanding as on 1 April	0.26	0.17
Granted during the year	0.04	0.14
Lapsed / forfeited during the year	0.05	0.05
Exercised during the year	0.07	*
Expired during the year	0.01	*
Options outstanding at the end of the year	0.17	0.26
Options exercisable at the end of the year	0.04	0.10
Weighted average share price at the date of exercise (in ₹)	70.29	68.60

* Amount is below the rounding off norms adopted by the Company.

The options outstanding at 31 March 2019 have an exercise price in the range of ₹ 10 to ₹ 116 (31 March 2018: ₹ 10 to ₹ 175) and a weighted average remaining contractual life of 4.13 years (31 March 2018: 3.60 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.

42 During the year ended 31 March 2018, the Company had completed the initial public offer (IPO), pursuant to which 51,586,145 equity shares having face value of ₹ 10 each were allotted/ allocated, at an issue price of ₹ 190 , consisting of fresh issue of 38,157,894 equity shares and an offer for sale of 13,428,251 equity shares by selling shareholders. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) via Symbol ASTERDM and BSE Limited (BSE) via Scrip Code 540975 on 26 February 2018.

Notes to the financial statements (Contd..)

The gross proceeds of fresh issue of equity shares from IPO amounts to ₹ 725 crore. The Company's share of fresh issue related expenses of ₹ 44.32 crore has been adjusted against securities premium. Details of utilisation of IPO proceeds are as follows:

(All amounts in Indian rupee crores)

Particulars	Objects of issue as per prospectus	Utilised upto 31 March 2019	Unutilised amount as at 31 March 2019
Repayment/ prepayment of debt	564.16	564.16	-
Purchase of medical equipment	110.31	38.44	71.87
Fresh issue related expenses	44.32	44.32	-
General corporate purposes*	6.21	6.21	-
Total	**725.00**	**653.13**	**71.87**

*The excess utilised has been adjusted against fresh issue related expenses.

43 The previous year figures have been reclassified/ regrouped wherever necessary.

As per our report of even date attached
for **B S R and Associates**
Chartered Accountants
Firm registration number: 128901W

Rushank Muthreja
Partner
Membership No.: 211386

Bengaluru
28 May 2019

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
28 May 2019

T J Wilson
Director
DIN 02135108

Dubai
28 May 2019

Sreenath Reddy
Chief Financial Officer

Dubai
28 May 2019

Puja Aggarwal
Company Secretary
Membership no. : ACS49310

Bengaluru
28 May 2019

Independent Auditors' Report

To the Members 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 2019, 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 and associates 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 2019, of its consolidated profit and other comprehensive income, consolidated changes in equity and consolidated cash flows for the year then ended.

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 in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India, and we have fulfilled our other ethical responsibilities in accordance with the provisions of the Act. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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.

Valuation of trade receivables

See note 11 to the consolidated financial statements

Key risk	Our audit response
Valuation of trade receivables (Refer to note 11 – Trade receivables) The Group has trade receivables with a gross carrying value of ₹ 2,507.59 crore as at 31 March 2019. Trade receivables represent a significant asset item on the consolidated statement of financial position. The Group's loss allowance is measured at an amount equal to lifetime expected credit loss ("ECL") based on management's estimated loss rates for each category of receivables. The estimated loss rates take into account the aging of the trade receivables, overdue balances and historical data on default rates. We identified the loss allowance for trade receivables as a key audit matter because of the inherent uncertainty involved in assessing the recoverability and management judgement involved in the ECL model.	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: – testing the Group's internal controls over receivables collection processes. – assessing the trade receivables ageing report by group, based characteristics and the days past due by comparing the details of individual items with underlying invoices on a sample basis. – obtaining an understanding of the basis of management's approach to measuring ECLs of trade receivable balances and evaluating the loss allowance made by management based on the type of debtors, ageing of receivables, overdue balances, the economic and political conditions of various jurisdictions in which Group operates, historical and post year-end payment records. – obtaining direct balance confirmation from debtors on a sample basis at 31 March 2019. Where such confirmation were not received, comparing subsequent cash receipts relating to trade receivable balances at 31 March 2019.

Independent Auditors' Report (Contd..)

Key risk	Our audit response
Impairment assessment of goodwill (Refer to note 5 – Goodwill and other intangible assets) As at 31 March 2019, the carrying amount of goodwill recognised by the Group amounted to ₹ 839.65 crore representing 16% and 9% of the Group's total noncurrent 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 estimated the recoverable amounts of the CGUs to which the goodwill is allocated based on valuein-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 our 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 judgemental, specifically the assumptions on the revenue growth rate, gross profit margin, long-term growth rate and discount rate.	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, gross profit margin 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 past actual outcomes; (c) we involved our internal valuation experts in assessing the reasonableness of the discount rate used and whether the rate used reflects the current market assessments of the time value of money and the risks specific to the asset is the return that investors would require if they were to choose an investment that would generate cash flows of amounts, timing and risk profile equivalent to those that the entity expects to derive from the CGU: and (d) we evaluated the adequacy of disclosures of key assumptions to which the outcome of the Impairment test is most sensitive.

Other information

The Holding Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Holding Company's Annual Report, but does not include the consolidated financial statements and our auditors' report thereon.

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 and based on the work done/ audit report of other auditors, 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.

Responsibilities of management and those charged with governance 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 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 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 management either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Independent Auditors' Report (Contd..)

Responsibilities of management and those charged with governance for the consolidated financial statements (Contd..)

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 whether the company has adequate internal financial controls with reference to 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 made by management.

- Conclude on the appropriateness of management's 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 (company and subsidiaries) as well as 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, of which we are the independent auditors. We are responsible for the direction, supervision and performance of the audit of financial information of such entities. 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 para (a) 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 sub-paragraph (a) 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

Independent Auditors' Report (Contd..)

Auditor's responsibilities for the audit of the consolidated financial statements (Contd..)

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

(i) We did not audit the financial statements and other financial information of 46 subsidiaries, whose financial statements and other financial information reflect total assets of ₹9,687.92 crore as at 31 March 2019 (₹5,893.99 after giving effect to consolidation adjustments), total revenues of ₹7,882.30 crore (₹ 7,195.01 after giving effect to consolidation adjustments) and net cash flows amounting to ₹89.34 crore for the year ended on that date, as considered in the consolidated financial statements. These financial statements / 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 annual financial statements under the generally accepted accounting principles in India. The reporting packages made for this purpose have been audited by the other auditors and the audit reports of those other auditors have been furnished to us. Our opinion in so far as it relates to the balances and affairs of such subsidiaries 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 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.

(ii) The financial statements and other financial information of 19 subsidiaries, whose financial statements and other financial information reflect total assets of ₹226.56 crore as at 31 March 2019 (₹ 116.98 crore after giving effect to consolidation adjustments), total revenues of ₹45.25 crore (₹ 38.44 crore after giving effect to consolidation adjustments) and net cash flows amounting to ₹6.28 crore 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 (and other comprehensive income) of ₹0.25 crore for the year ended 31 March 2019, as considered in the consolidated financial statements, in respect of 5 associates, whose financial statements and other financial information have not been audited by us or by other auditors. These unaudited financial statements / 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-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiaries and associates, is based solely on such unaudited financial statements / other financial information. In our opinion and according to the information and explanations given to us by the Management, these 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

Independent Auditors' Report (Contd..)

Report on other legal and regulatory requirements (Contd..)

financial statements of such subsidiaries and associates 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 2019 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies and associate companies incorporated in India, none of the directors of the Group companies and its associate companies incorporated in India is disqualified as on 31 March 2019 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, its subsidiary companies and associate 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 and associates, as noted in the 'Other matters' paragraph:

a) The consolidated financial statements disclose the impact of pending litigations as at 31 March 2019 on the consolidated financial position of the Group and its associates. Refer Note 34 to the consolidated financial statements.

b) The Group and its associates did not have any material foreseeable losses on long-term contracts including derivative contracts during the year ended 31 March 2019.

c) There has been no delay in transferring amounts to the Investor Education and Protection Fund by the Holding Company or its subsidiary companies and associate companies incorporated in India during the year ended 31 March 2019.

d) 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 2019.

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 incorporated in India 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 incorporated in India 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 and Associates**
Chartered Accountants
Firm registration number: 128901W

Rushank Muthreja
Partner
Membership number: 211386

Bengaluru
28 May 2019

Annexure A to the Independent Auditors' report

on the consolidated financial statements of Aster DM Healthcare Limited for the year ended 31 March 2019

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 2019, 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 and its associate 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 financial statements and such internal financial controls were operating effectively as at 31 March 2019 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 2019

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 7 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 and Associates**
Chartered Accountants
Firm registration number: 128901W

Rushank Muthreja
Partner
Membership number: 211386

Bengaluru
28 May 2019

Consolidated Balance Sheet as at 31 March 2019

₹ in crores

	Note	As at 31 March 2019	As at 31 March 2018
Assets			
Non-current assets			
Property, plant and equipment	4	3,322.03	2,965.49
Capital work-in-progress	4	549.98	401.74
Goodwill	5	839.65	708.34
Other intangible assets	5	126.89	64.44
Equity accounted investees	41	19.78	13.05
Financial assets			
Investments*	6	-	-
Loans receivable	7	45.86	40.61
Other financial assets	8	174.96	152.96
Deferred tax assets	29	8.30	4.90
Income tax assets	30	70.20	50.05
Other non-current assets	9	162.07	213.68
Total non-current assets		**5,319.72**	**4,615.26**
Current assets			
Inventories	10	732.16	627.02
Financial assets			
Investments	6	2.33	24.69
Trade receivables	11	2,028.70	1,546.39
Cash and cash equivalents	12	227.64	204.17
Other bank balances	13	113.50	95.61
Loans receivable	7	22.75	16.32
Other financial assets	8	29.12	47.90
Other current assets	9	460.49	306.88
Total current assets		**3,616.69**	**2,868.98**
Total assets		**8,936.41**	**7,484.24**
Equity and liabilities			
Equity		505.23	505.23
Equity share capital	14	2,708.53	2,326.87
Other equity		**3,213.76**	**2,832.10**
Equity attributable to owners of company			
Non-controlling interest		466.06	357.93
Total equity		**3,679.82**	**3,190.03**
Liabilities			
Non-current liabilities			
Financial liabilities			
Borrowings	15	1,965.72	1,577.85
Derivatives	37	88.95	86.30
Other financial liabilities	16	62.61	18.14
Provisions	17	266.65	191.05
Deferred tax liabilities	29	149.08	142.33
Other non-current liabilities	18	55.99	55.04
Total non-current liabilities		**2,589.00**	**2,070.71**
Current liabilities			
Financial liabilities			
Borrowings	15	641.85	634.52
Trade payables	19		
- Total outstanding dues of micro and small enterprises		0.01	0.03
- Total outstanding dues of creditors other than micro and small enterprises		1,014.06	845.66
Other financial liabilities	16	830.01	642.00
Provisions	17	51.41	46.15
Income tax liabilities	30	22.95	11.85
Other current liabilities	18	107.30	43.29
Total current liabilities		**2,667.59**	**2,223.50**
Total equity and liabilities		**8,936.41**	**7,484.24**
Significant accounting policies	3		

*Amount is below the rounding off norms adopted by the Company.

The accompanying notes form an integral part of the consolidated balance sheet

As per our report of even date attached

for **B S R and Associates**
Chartered Accountants
Firm registration number: 128901W

Rushank Muthreja
Partner
Membership No.: 211386

Bengaluru
28 May 2019

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
28 May 2019

T J Wilson
Director
DIN 02135108
Dubai
28 May 2019

Sreenath Reddy
Chief Financial Officer

Dubai
28 May 2019

Puja Aggarwal
Company Secretary
Membership no. : ACS49310

Bengaluru
28 May 2019

Consolidated Statement of Profit and Loss for the year ended 31 March 2019

₹ in crores

	Note	Year ended 31 March 2019	Year ended 31 March 2018
Income			
Revenue from operations	20	7,962.71	6,721.16
Other income	21	34.62	45.44
Total income		**7,997.33**	**6,766.60**
Expenses			
Purchase of medicines and consumables	22	2,524.97	2,160.43
Changes in inventories	23	(105.13)	(101.49)
Employee benefits expenses	24	2,688.18	2,271.13
Finance costs	25	179.18	184.64
Depreciation and amortisation expense	26	306.47	297.74
Other expenses	27	1,991.64	1,778.31
Total expenses		**7,585.31**	**6,590.76**
Profit before exceptional items, share of profit/ (loss) of equity accounted investees and tax		**412.02**	**175.84**
Exceptional items	28	(1.52)	129.64
Profit before share of profit/ (loss) of equity accounted investees and tax		**410.50**	**305.48**
Share of profit/ (loss) of equity accounted investees	41	(0.25)	2.29
Profit before tax		**410.25**	**307.77**
Current tax	30	27.22	29.23
Current tax for earlier years		18.01	-
Deferred tax	29	(2.29)	(3.15)
Profit for the year		**367.31**	**281.69**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement of net defined benefit liability/ (asset), net of tax		(34.80)	8.22
Items that will be reclassified subsequently to profit or loss			
Exchange difference in translating financial statements of foreign operations		97.21	2.17
Other comprehensive income for the year, net of income tax		**62.41**	**10.39**
Total comprehensive income for the year		**429.72**	**292.08**
Profit attributable to			
Shareholders of the Company		333.11	268.88
Non-controlling interests		34.20	12.81
Profit for the year		**367.31**	**281.69**
Other comprehensive income attributable to			
Shareholders of the Company		56.74	9.62
Non-controlling interests		5.67	0.77
Other comprehensive income for the year		**62.41**	**10.39**
Total comprehensive income attributable to			
Shareholders of the Company		389.85	278.50
Non-controlling interests		39.87	13.58
Total comprehensive income for the year		**429.72**	**292.08**
Earnings per share (equity share of face value of ₹10 each)	33		
Basic earnings per share (₹)		6.63	5.75
Diluted earnings per share (₹)		6.62	5.74
Significant accounting policies	3		

The accompanying notes form an integral part of the consolidated statement of profit and loss

As per our report of even date attached

for **B S R and Associates**
Chartered Accountants
Firm registration number: 128901W

Rushank Muthreja
Partner
Membership No.: 211386

Bengaluru
28 May 2019

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
28 May 2019

T J Wilson
Director
DIN 02135108
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28 May 2019

Sreenath Reddy
Chief Financial Officer
Dubai
28 May 2019

Puja Aggarwal
Company Secretary
Membership no. : ACS49310
Bengaluru
28 May 2019

Consolidated Statement of Changes in Equity for the year ended 31 March 2019

A Equity share capital

₹ in crores

	Note	Equity shares (In crores)	Amount
Balance As at 1 April 2017	14	40.32	403.22
Changes in equity share capital during 2017-18		10.20	102.01
Balance As at 31 March 2018		**50.52**	**505.23**
Changes in equity share capital during 2018-19		-	-
Balance As at 31 March 2019		**50.52**	**505.23**

B Other equity

₹ in crores

Particulars	Attributable to owners of the Company											Attributable to non-controlling interest	Total
	Compulsory convertible preference shares (CCPS)	Other components of equity	Reserves and surplus						Items of other comprehensive income		Total attributable to owners of the Company		
			Securities premium	Capital reserve	General reserve	Treasury shares	Other reserves	Retained earnings	Exchange difference in translating financial statements of foreign operations	Remeasurement of net defined benefit plan			
Balance as at 1 April 2017	**63.86**	**374.38**	**1,681.98**	**99.89**	**7.04**	**(23.67)**	**55.49**	**(810.38)**	**23.60**	**-**	**1,472.19**	**375.27**	**1,847.46**
Total comprehensive income for the year ended 31 March 2018											-		-
Profit for the year	-	-	-	-	-		-	268.88	-	-	268.88	12.81	281.69
Other comprehensive income, net of tax	-	-	-	0.06	-		-	-	1.99	7.57	9.62	0.77	10.39
Total comprehensive income	**63.86**	**374.38**	**1,681.98**	**99.95**	**7.04**	**(23.67)**	**55.49**	**(541.50)**	**25.59**	**7.57**	**1,750.69**	**388.85**	**2,139.54**
Transferred to retained earnings	-	-	-	-	-	-	-	7.57	-	(7.57)	-	-	-
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners													
Shares issued for cash (refer note 44)	-	-	686.84	-	-	-	-	-	-	-	686.84	-	686.84
Change in reserve of ESOP Trust	-	-	-	-	-	0.20	-	-	-	-	0.20	-	0.20
Conversion of CCPS to equity	(63.86)	-	0.01	-	-	-	-	-	-	-	(63.85)	-	(63.85)
Share based payment	-	-	-	-	-	-	4.34	-	-	-	4.34	-	4.34
Share options exercised	-	-	0.21	-	-	-	(0.34)	-	-	-	(0.13)	-	(0.13)
Share issue expenses (refer note 42)	-	-	(44.31)	-	-	-	-	-	-	-	(44.31)	-	(44.31)
Changes in ownership interests without loss of control													
Acquisition of NCI (refer Note 40)	-	-	-	-	-	-	-	(6.00)	-	-	(6.00)	(3.87)	(9.87)
Acquisition of subsidiaries (refer Note 40)	-	-	-	-	-	-	-	-	-	-	-	2.02	2.02
Dividend paid to NCI shareholders by subsidiaries (including dividend distribution tax)	-	-	-	-	-	-	-	(0.91)	-	-	(0.91)	(29.07)	(29.98)
Total contributions by and distributions to owners	**(63.86)**	**-**	**642.75**	**-**	**-**	**0.20**	**4.00**	**0.66**	**-**	**(7.57)**	**576.18**	**(30.92)**	**545.26**
Balance as at 31 March 2018	**-**	**374.38**	**2,324.73**	**99.95**	**7.04**	**(23.47)**	**59.49**	**(540.84)**	**25.59**	**-**	**2,326.87**	**357.93**	**2,684.80**

Consolidated Statement of Changes in Equity (Contd..) for the year ended 31 March 2019

B Other equity (Contd..)

₹ in crores

Particulars	Attributable to owners of the Company											Attributable to non-controlling interest	Total
	Compulsory convertible preference shares (CCPS)	Other components of equity	Reserves and surplus						Items of other comprehensive income		Total attributable to owners of the Company		
			Securities premium	Capital reserve	General reserve	Treasury shares	Other reserves	Retained earnings	Exchange difference in translating financial statements of foreign operations	Remeasurement of net defined benefit plan			
Balance as at 1 April 2018	-	374.38	2,324.73	99.95	7.04	(23.47)	59.49	(540.84)	25.59	-	2,326.87	357.93	2,684.80
Total comprehensive income for the year ended 31 March 2019													
Profit for the year	-	-	-	-	-		-	333.11	-	-	333.11	34.20	367.31
Other comprehensive income, net of tax	-	-	-	2.42	-		-	-	86.46	(32.14)	56.74	5.67	62.41
Total comprehensive income	-	374.38	2,324.73	102.37	7.04	(23.47)	59.49	(207.73)	112.05	(32.14)	2,716.72	397.80	3,114.52
Transferred to retained earnings	-	-	-	-	-	-	-	(32.14)	-	32.14	-	-	-
Transactions with owners, recorded directly in equity													
Contributions by and distributions to owners													
Shares issued for cash (refer note 42)	-	-	-	-	-	-	-	-	-	-	-	-	-
Change in reserve of ESOP Trust	-	-		-	-	4.44	-	-	-	-	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	-	3.19
Share options exercised	-	-	5.11	-	-	-	(7.10)	-	-	-	(1.99)	-	(1.99)
Changes in ownership interests without loss of control													
Acquisition of NCI (refer Note 40)	-	-	-	-	-	-	-	-	-	-	-	79.13	79.13
Acquisition of subsidiaries (refer Note 40)	-	-	-	-	-	-	-	(3.68)	-	-	(3.68)	(10.87)	(14.55)
Total contributions by and distributions to owners	-	-	5.11	-	-	4.44	(3.32)	(46.56)	-	32.14	(8.19)	68.26	60.07
Balance as at 31 March 2019	-	374.38	2,329.84	102.37	7.04	(19.03)	56.17	(254.29)	112.05	-	2,708.53	466.06	3,174.59

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 2019

B Other equity (Contd..)

Exchange difference in translating financial statements of foreign operations

In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, (1 April 2015), in respect of all foreign operations to be nil at the date of transition. From 1 April 2015 onwards such exchange differences are recognised through other comprehensive income.

Treasury shares

The Company has created the DM Healthcare Employees Welfare Trust ("the Trust") for providing share based payment to its employees. The Company treats the Trust as its extension and shares held by the Trust are treated as treasury shares. When the treasury shares are issued to the employees by the Trust, the amount received is recognised as an increase in equity and the resultant gain / (loss) is transferred to / from securities premium.

Other reserves include :

Share options outstanding account

The Company has established share based payment for eligible employees of the Company and its subsidiaries Also refer note 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. (31 March 2019: ₹ 41.82 ; 31 March 2018: ₹ 41.82).

The accompanying notes form an integral part of these consolidated statement of changes in equity.

As per our report of even date attached
for **B S R and Associates**
Chartered Accountants
Firm registration number: 128901W

Rushank Muthreja
Partner
Membership No.: 211386

Bengaluru
28 May 2019

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
28 May 2019

T J Wilson
Director
DIN 02135108
Dubai
28 May 2019

Sreenath Reddy
Chief Financial Officer

Dubai
28 May 2019

Puja Aggarwal
Company Secretary
Membership no. : ACS49310

Bengaluru
28 May 2019

Consolidated Statement of Cash Flow for the year ended 31 March 2019

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from operating activities		
Profit before exceptional items, share of profit/ (loss) of equity accounted investees and tax	**412.02**	**175.84**
Adjustments for		
Depreciation and amortisation	306.47	297.74
Profit on sale of property, plant and equipment	(1.53)	(1.34)
Gain on sale of investment	-	(0.80)
Allowance for credit loss on financial assets	188.23	109.58
Dividend income	(0.19)	-
Equity settled share based payments	3.19	4.34
Finance costs	179.18	184.64
Unrealised foreign exchange loss	-	0.98
Interest income under the effective interest method on lease deposit	(1.43)	(2.30)
Interest income on bank deposits	(9.11)	(2.50)
Operating profit before working capital changes	**1,076.83**	**766.18**
Working capital changes		
Increase in inventories	(63.38)	(99.91)
Increase in trade receivable	(555.50)	(125.25)
Increase in other financial assets, loans and other assets	(109.85)	(150.75)
Increase in liabilities and provisions	289.25	199.56
Cash generated from operations	**637.35**	**589.83**
Income tax paid, net	(53.80)	(52.48)
Net cash generated from operating activities (A)	**583.55**	**537.35**
Cash flows from investing activities		
Acquisition of property, plant and equipment	(567.66)	(517.07)
Acquisition of other intangible assets	(10.19)	(2.54)
Proceeds from sale of property, plant and equipment	40.43	4.91
Interest received	8.33	2.46
Investments in liquid mutual fund units	-	(65.33)
Proceeds from sale of liquid mutual fund units	22.36	63.00
Investment/ advance for investment in shares of associates and others	(22.46)	19.99
Dividend received	0.19	-
Acquisition of subsidiary, net of cash and cash equivalents acquired	(162.54)	(27.95)
Net cash used in investing activities (B)	**(691.54)**	**(522.53)**

Consolidated Statement of Cash Flow (Contd..) for the year ended 31 March 2019

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
Cash flows from financing activities		
Proceeds from issue of equity share capital (net of share issue expenses)	2.43	680.69
Secured loans availed/ (repaid), net	292.87	(417.67)
Acquisition of non-controlling interest	14.55	(9.87)
Dividend paid to non-controlling interest by subsidiaries, including tax	-	(29.98)
Finance charges paid	(175.43)	(177.49)
Net cash generated from financing activities (C)	**134.42**	**45.68**
Net increase in cash and cash equivalents (A+B+C)	**26.43**	**60.50**
Cash and cash equivalents at the beginning of the year*	191.64	131.01
Effect of exchange rate changes on cash and cash equivalents	6.50	0.13
Cash and cash equivalents at the end of the year*	**224.57**	**191.64**

(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.

Significant accounting policies 3

The accompanying notes form an integral part of the consolidated cashflow statement

As per our report of even date attached
for **B S R and Associates**
Chartered Accountants
Firm registration number: 128901W

Rushank Muthreja
Partner
Membership No.: 211386

Bengaluru
28 May 2019

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28 May 2019

Notes to the consolidated financial statements

1. Company overview

Aster DM Healthcare Limited ("the Company") primarily carries on the business of rendering healthcare and allied services in India. The Company was converted into a public limited company with effect from 1 January 2015 and had its primary listing done on 26 February 2018, on the Bombay Stock Exchange Limited and National Stock Exchange Limited.

These consolidated financial statements of the Company as at and for the year ended 31 March 2019 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 UAE, Oman, Kingdom of Saudi Arabia (KSA), Qatar, Kuwait, Jordan, Philippines, Bahrain and India.

2. Basis of preparation

A. Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015, notified under Section 133 of Companies Act, 2013, (the 'Act'), read with relevant rules issued thereunder.

The consolidated financial statements were authorised for issue by the Company's Board of Directors on 28 May 2019.

Details of the Group's accounting policies are included in note 3.

B. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency, and have been rounded off to nearest 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
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 35- lease classification
- Note 39– 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 2019 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 27 – Impairment of non-financial assets;
- 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 37 – impairment of financial assets;
- Note 40 – acquisition of subsidiary: fair value of consideration transferred (including contingent consideration)

E. Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial

Notes to the consolidated financial statements (Contd..)

2. Basis of preparation (contd..)

E. Measurement of fair values (continued)

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:

- Note 42 : share-based payment arrangements
- Note 37 : financial instruments
- Note 40 : acquisition of subsidiary
- Note 4: fair value of property, plant and equipment and intangible assets

F. Recent accounting pronouncements

i. Standards issued but not effective on Balance sheet date:

Ind AS 116 Leases

The Group is required to adopt Ind AS 116, 'Leases' from 1 April 2019. Ind AS 116 introduces a single, on-balance sheet lease accounting model for lessees. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments. There are recognition exemptions for short-term leases and leases of low-value items. Lessor accounting remains similar to the current standard - i.e. lessors continue to classify leases as finance or operating leases. It replaces existing leases guidance, Ind AS 17, 'Leases'.

Lessees are required to remeasure the lease liability upon the occurrence of certain events (e.g., a change in the lease term, a change in future lease payments resulting from a change in an index or rate used to determine those payments). The lessee will generally recognise the amount of the re-measurement of the lease liability as an adjustment to the right-of-use asset.

Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Lessors will continue to classify all leases using the same classification principle as in Ind AS 17 and distinguish between two types of leases: operating and finance leases.

The Group is required to apply Ind AS 116 for accounting periods commencing on or after 1 April 2019 and intends to use the modified retrospective approach. Therefore, the cumulative effect of adopting Ind AS 116 will be recognised as an adjustment to the opening balance of retained earnings at 1 April 2019, with no restatement of comparative information.

The Group plans to apply the practical expedient to grandfather the definition of a lease on transition. This means that it will apply Ind AS 116 to all contracts entered into before 1 April 2019 and identified as leases in accordance with Ind AS 17.

Based on the information currently available, the Group estimates that the effect of adoption of Ind AS 116 is expected to have material impact on the financial statements.

ii. Other Amendments

The MCA has notified below amendments which are effective 1 April 2019:

- Appendix C to Ind AS 12, Income taxes
- Amendments to Ind AS 103, Business Combinations
- Amendments to Ind AS 109, Financial Instruments
- Amendments to Ind AS 111, Joint Arrangements
- Amendments to Ind AS 19, Employee Benefits
- Amendments to Ind AS 23, Borrowing Costs
- Amendments to Ind AS 28, Investments to Associates and Joint Ventures

Notes to the consolidated financial statements (Contd..)

Based on a preliminary assessment, the Group does not expect these amendments to have any significant impact on its consolidated financial statements.

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, 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

Notes to the consolidated financial statements (Contd..)

3. Significant accounting policies (Contd..)

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 39.

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 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,

Notes to the consolidated financial statements (Contd..)

3. Significant accounting policies (Contd..)

whichever is lower. Freehold land is not depreciated.

Change in estimated useful life: With effect from 1 April 2017, based on the technical evaluation, the Group has revised the estimated useful lives of certain categories of property, plant and equipment. The change in accounting estimate is applied prospectively in accordance with Ind AS 8, 'Accounting policies, changes in accounting estimates and errors' and has an impact on the depreciation expense. The financial impact due to the change in the estimate is disclosed in note 4.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

Class of assets	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
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

Intangible assets other than goodwill:

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.

Goodwill:

For measurement of goodwill that arise on business combination [see note 3.1(i)] subsequent measurement is at cost less any accumulated impairment loss.

The estimated useful lives of intangible assets other than goodwill are as follows:

Class of assets	Years
Software	3 to 6
Trademarks	5
Trade name	5
Right to use	5
'Payor' relationship	10

The estimated useful life of an identifiable intangible asset is based on a number of factors including the effects of obsolescence, demand, competition and other economic factors (such as the stability of the industry and known technological advances) and the level of maintenance expenditures required to obtain the expected future cash flows from the asset.

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in the statement of profit and loss as incurred.

3.5 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories comprises purchase price, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. The Group uses the weighted average method to determine the cost of inventory consisting of medicines and medical consumables.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. The comparison of cost and net realisable values is made on an item-by-item basis.

3.6 Impairment

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In all cases, the maximum period considered when estimating expected credit losses is the maximum

Notes to the consolidated financial statements (Contd..)

3. Significant accounting policies (Contd..)

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 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.

Notes to the consolidated financial statements (Contd..)

3. Significant accounting policies (Contd..)

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Company makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in profit or loss in the periods during which the related services are rendered by employees.

Defined benefit plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Group's net obligation in respect of defined benefit plan is calculated by estimating the amount of future benefit that employees have earned in the current and prior periods and discounting that amount.

The calculation of defined benefit obligation is performed annually by a qualified actuary using the projected unit credit method.

Re-measurements of the net defined benefit liability, which comprise actuarial gains and losses and returns on plan assets (excluding interest) are recognised in other comprehensive income (OCI).

The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in the statement of profit and loss.

Other long term employee benefits - Compensated absences

The Group's net obligation in respect of long-term employee benefits other than post-employment benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any related assets is deducted. The obligation is measured on the basis of an annual independent actuarial valuation using the projected unit credit method. Re-measurements gains or losses are recognised in profit or loss in the period in which they arise.

Share- based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcomes.

3.8 Provisions (other than employee benefits)

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are determined by discounting the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as finance cost. Expected future operating losses are not provided for.

A contract is considered to be onerous when the expected economic benefits to be derived by the Group from the contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision for an onerous contract is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before such a provision is made, the Group recognises any impairment loss on the assets associated with that contract.

3.9 Revenue

Revenue from 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. It replaced Ind AS 18 Revenue, Ind AS 11 Construction Contracts. Under Ind AS 115, revenue is recognised when a customer obtains control of the goods or services. The Company has adopted Ind AS 115 using the cumulative effect method, with the effect of initially applying this standard recognised at the date of initial application (i.e.1 April 2018) being included in retained earnings. Accordingly, the information presented for the year ended 31 March 2018 has not been restated – i.e. it is presented, as previously reported, under Ind AS 18, Revenue.

Notes to the consolidated financial statements (Contd..)

3. Significant accounting policies (Contd..)

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 in 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

3.10 Leases

i. **Determining whether an arrangement contains a lease:**

At inception of an arrangement, it is determined whether the arrangement is or contains a lease. At inception or on reassessment of the arrangement that contains a lease, the payments and other consideration required by such an arrangement are separated into those for the lease and those for other elements on the basis of their relative fair values

ii. **Asset held under leases:**

Assets held under leases that transfers to the Group substantially all the risks and rewards of ownership are classified as finance lease. The leased assets are measured initially at an amount equal to the lower of their fair value and the present value of minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under lease that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating lease) are not recognised in the Group's balance sheet.

iii. **Lease payments**

Payments made under operating leases are generally recognised in consolidated statement of profit and loss on a straight- line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance lease charges and the reduction of outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Lease income from operating leases is recognised in the consolidated statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income are recognised as expense.

Notes to the consolidated financial statements (Contd..)

3. Significant accounting policies (Contd..)

3.11 Recognition of dividend income, interest income or interest expense

Dividend income is recognised in consolidated statement of profit and loss on the date on which the right to receive payment is established.

Interest on deployment of surplus funds is recognized using the time proportionate method, based on the transactional interest rates.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to the gross carrying amount of the financial asset or the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability.

3.12 Earnings / (loss) per share

The basic earnings / (loss) per share ('EPS') is computed by dividing the consolidated net profit / (loss) after tax for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

The number of shares used in computing diluted earnings per share comprises the weighted average number of shares considered for deriving basic earnings per share and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period unless issued at a later date. In computing dilutive earning per share, only potential equity shares that are dilutive i.e. which reduces earnings per share or increases loss per share are included.

3.13 Borrowing cost

Borrowing costs are interest and other costs (including exchange differences relating to foreign currency borrowings to the extent that they are regarded as an adjustment to interest costs) incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset 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.

Notes to the consolidated financial statements (Contd..)

3. Significant accounting policies (Contd..)

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 subsequent changes in the investment's fair value in OCI (designated as FVOCI – equity investment). This election is made on an investment by investment basis.

All financial assets not classified as measured at amortised cost or FVOCI as described above are measured at FVTPL. This includes all derivative financial assets. On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL

Financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable interest rate features;
- prepayment and extension features; and

Notes to the consolidated financial statements (Contd..)

3. Significant accounting policies (Contd..)

- 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

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.

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.

Notes to the consolidated financial statements (Contd..)

4 Property, plant and equipment and capital work-in-progress

₹ in crores

Particulars	Freehold land	Buildings	Leasehold improvements	Furniture and fixtures	Plant and machinery	Computer equipment	Medical equipment	Motor vehicles	Total (A)	Capital work- in -progess (B)	Total (A+B)
Gross carrying value											
Balance at 1 April 2017	816.46	523.87	592.65	335.07	192.19	74.23	1,123.35	42.72	3,700.54	289.76	3,990.30
Additions/ (transfers)	0.74	185.24	91.00	22.30	24.86	16.57	135.22	2.99	478.92	110.79	589.71
Acquisition through business combinations	-	-	0.42	0.01	0.03	0.16	1.47	-	2.09	-	2.09
Disposals/ (transfers)	-	-	(1.67)	(0.06)	(0.14)	(0.28)	(3.26)	(1.41)	(6.82)	-	(6.82)
Exchange difference on translation	0.13	0.93	1.65	0.55	0.29	0.19	1.20	0.08	5.02	1.19	6.21
Balance at 31 March 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**
Balance 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/ (transfers)	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	6.96	9.26	3.46	3.29	6.96	0.93	14.46	1.67	46.99	30.79	77.78
Disposals/ (transfers)	(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
Balance at 31 March 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**
Accumulated depreciation											
Balance at 1 April 2017	-	51.58	192.03	168.57	88.89	36.96	372.23	23.48	933.74	-	933.74
Depreciation for the year	-	30.35	71.63	45.34	14.96	21.33	90.86	6.19	280.66	-	280.66
Disposals	-	-	(0.73)	(0.01)	(0.03)	(0.09)	(1.29)	(1.10)	(3.25)	-	(3.25)
Exchange difference on translation	-	0.14	0.84	0.46	0.58	0.16	0.85	0.08	3.11	-	3.11
Balance at 31 March 2018	**-**	**82.07**	**263.77**	**214.36**	**104.40**	**58.36**	**462.65**	**28.65**	**1,214.26**	**-**	**1,214.26**
Balance 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
Balance at 31 March 2019	**-**	**120.47**	**333.30**	**261.49**	**130.15**	**81.91**	**581.12**	**35.79**	**1,544.23**	**-**	**1,544.23**
Carrying amounts (net)											
At 31 March 2019	**826.68**	**670.63**	**611.10**	**118.24**	**124.50**	**28.59**	**927.18**	**15.11**	**3,322.03**	**549.98**	**3,872.01**
At 31 March 2018	**817.33**	**627.97**	**420.28**	**143.51**	**112.83**	**32.51**	**795.33**	**15.73**	**2,965.49**	**401.74**	**3,367.23**

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 ₹ 7.19 (31 March 2018: ₹.2.68).

c) With effect from 1 April 2017, the Group has revised the useful lives of certain property, plant and equipment. The change in accounting estimate is applied prospectively in accordance with Ind AS 8; 'Accounting policies, changes in accounting estimates and errors'. The effect of these changes on the depreciation charge in the current and future years is as follows:

₹ in crores

	For the year ended			
For the year ended	**March 31 2019**	**March 31 2020**	**March 31 2021**	**March 31 2022**
Decrease in depreciation charge	61.30	46.03	24.81	16.49

Notes to the consolidated financial statements (Contd..)

4 Property, plant and equipment and capital work-in-progress (contd..)

A Plant and equipment held under finance lease

The Group has acquired medical equipment and building under finance lease agreement. The lease provides the Group with the option to purchase the equipment at the end of lease term at a beneficial price. The leased equipment secures the related lease obligation. The gross and net carrying amount of the medical equipment and building acquired under finance lease and included in the above are as follows:

₹ in crores

Particulars	Medical equipment		Building	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Cost	3.39	2.50	116.81	110.16
Accumulated depreciation	1.11	0.93	10.90	5.88
Net carrying amount	**2.28**	**1.57**	**105.91**	**104.28**

5 Goodwill and other intangible assets

₹ in crores

Particulars	Goodwill on consolidation	Brand name, tradename and trademark	Payor/ Customer relationship	Software	Other intangibles	Total
Gross carrying value						
Balance at 1 April 2017	678.96	47.17	12.94	26.10	18.04	783.21
Additions	-	0.01	-	2.30	0.23	2.54
Acquisition through business combinations (refer note 40)	33.34	-	-	0.09	-	33.43
Disposals	-	-	-	(0.11)	-	(0.11)
Exchange difference on translation	1.03	0.03	-	0.03	0.06	1.15
Balance at 31 March 2018	**713.33**	**47.21**	**12.94**	**28.41**	**18.33**	**820.22**
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 40)	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
Balance at 31 March 2019	**844.99**	**60.49**	**32.36**	**38.79**	**58.11**	**1,034.74**
Accumulated amortisation and impairment losses						
Balance at 1 April 2017	4.97	3.73	1.05	11.46	9.12	30.33
Impairment / Amortisation for the year	-	4.82	1.10	6.51	4.65	17.08
Disposals	-	-	-	(0.10)	-	(0.10)
Exchange difference on translation	0.02	0.01	-	0.03	0.07	0.13
Balance at 31 March 2018	**4.99**	**8.56**	**2.15**	**17.90**	**13.84**	**47.44**
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
Balance at 31 March 2019	**5.34**	**13.11**	**4.93**	**23.70**	**21.12**	**68.20**
Carrying amount (net)						
At 31 March 2019	**839.65**	**47.38**	**27.43**	**15.09**	**36.99**	**966.54**
At 31 March 2018	**708.34**	**38.65**	**10.79**	**10.51**	**4.49**	**772.78**

Notes to the consolidated financial statements (Contd..)

5 Goodwill and other intangible assets (Contd..)

Impairment testing for cash-generating units containing goodwill.

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the Goodwill is measured for internal management purposes, which is not higher than the Group's operating segments.

The aggregate carrying amount of goodwill allocated to each unit are as follows :

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Medcare Hospital LLC, UAE	111.72	104.49
Sanad Al Rahma for Medical Care LLC, KSA	108.38	101.37
Dr. Ramesh Cardiac and Multispeciality Hospitals Private Limited, India	174.97	174.97
Al Raffah Hospital LLC, Oman	41.78	39.08
Harley Street Group , UAE	77.66	72.63
Malabar Institute of Medical Sciences Limited, India	40.06	40.06
Pharmacies - GCC states	155.56	122.60
Others	129.52	53.14
	839.65	708.34

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:

a) 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.

b) Terminal value arrived by extrapolating last forecasted year cash flows to perpetuity using long-term growth rates. These long-term growth rates take into consideration external macroeconomic sources of data. Such long-term growth rate considered does not exceed that of the relevant business and industry.

The key assumptions used in the estimation of recoverable amount are set out below. The values assigned to the key assumptions represents management's assessment of future trends in the relevant industries and have been based on historic data from both internal and external sources.

	As at 31 March 2019
Discount rate	14% - 20.0%
Terminal value growth rate	2.0% - 5.0%
Weighted average cost of capital (WACC) before tax - equity	14% - 22.0%
Weighted average cost of capital (WACC) before tax - debt	6.0%

The Company has performed sensitivity analysis around the base assumptions and have concluded that no reasonable changes in key assumptions would cause the recoverable amount of the CGU to be less than the carrying value.

Notes to the consolidated financial statements (Contd..)

6 Investments

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Non-current investments		
Equity shares		
Shares at FVTPL		
Janata Sahakari Bank Limited, Pune (* equity shares of ₹ 10 each)	*	*
	*	*
*Amount is below the rounding off norms adopted by the Company.		
Current investments		
Investment in liquid mutual funds, unquoted at FVTPL		
Investment in liquid mutual funds, unquoted at FVTPL	2.33	24.69
	2.33	**24.69**
Aggregate book value of quoted and unquoted investments	2.33	24.69
Aggregate market value of quoted and unquoted investments	-	-

7 Loans receivable

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Non-current		
Unsecured, considered good		
Rent and other deposits	45.86	40.61
	45.86	**40.61**
Current		
Unsecured, considered good		
Rent and other deposits	22.75	16.32
	22.75	**16.32**
	68.61	**56.93**

8 Other financial assets

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Non-current		
Unsecured, considered good		
Restricted deposits	40.40	33.47
Interest accrued on fixed deposits with banks	0.02	*
Advances given to equity accounted investees	128.96	113.48
Other financial assets	5.58	6.01
	174.96	**152.96**
* Amount is below rounding off norms adopted by Company		
Current		
Unsecured, considered good		
Unbilled revenue	23.92	45.99
Interest accrued on fixed deposits with banks	1.82	1.06
Other financial assets	3.38	0.85
	29.12	**47.90**
	204.08	**200.86**

Note: For the details of related party transactions refer note 43.

Notes to the consolidated financial statements (Contd..)

9 Other assets

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Non-current		
Advances for capital goods	59.66	104.98
Deferred lease expense	33.37	35.99
Prepayments	69.04	72.71
	162.07	213.68
Current		
Prepayments	162.90	138.42
Balances with statutory / government authorities	32.20	5.37
Payment to vendors for supply of goods and services	26.26	16.90
Deferred lease expense	2.67	2.67
Other loans and advances	236.46	143.52
	460.49	306.88
	622.56	520.56

10 Inventories

₹ in crores

	As at 31 March 2019	As at 31 March 2018
(Valued at lower of cost and net realisable value)		
Stock in trade including medical consumables	705.26	613.21
Stores and spares	26.90	13.81
	732.16	627.02

11 Trade receivables

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Current		
Unsecured		
considered good	2,028.70	1,546.39
considered doubtful	478.89	329.46
	2,507.59	1,875.85
Allowances for expected credit loss	(478.89)	(329.46)
Net trade receivables	2,028.70	1,546.39
a) Of the above, trade receivables from related parties are as below:		
Total trade receivables from related parties	-	-
Loss allowance	-	-
	-	-

Notes to the consolidated financial statements (Contd..)

12 Cash and cash equivalents

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Balance with banks	210.42	192.49
Cash on hand	17.22	11.68
	227.64	204.17
Less : Book overdraft (refer note 15)	(3.07)	(12.53)
Cash and cash equivalents in the statement of cash flows	224.57	191.64

13 Other bank balances

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Balance in banks for margin money	97.33	37.57
In deposit accounts (with original maturity of more than 3 months)	16.17	58.04
	113.50	95.61

14 Share capital

₹ in crores

	As at 31 March 2019		As at 31 March 2018	
	Number of shares (in crores)	Amount	Number of shares (in crores)	Amount
A. Authorised				
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
	61.62	616.20	61.62	616.20
Issued, subscribed and paid-up				
Equity shares of ₹ 10 each	50.52	505.23	50.52	505.23
Compulsory convertible preference shares ('CCPS') of ₹ 10 each	-	-	-	-
	50.52	505.23	50.52	505.23
Reconcilation of shares outstanding at the beginning and at the end of the reporting period				
Equity shares of ₹.10 each fully paid-up				
At the beginning of the year	50.52	505.23	40.32	403.22
Conversion of CCPS to equity (Refer Note (a) below)	-	-	6.38	63.85
Shares issued for cash	-	-	3.82	38.16
At the end of the year	50.52	505.23	50.52	505.23
Preference shares of ₹ 10 each fully paid-up				
Series A compulsory convertible preference share capital				
At the beginning of the year	-	-	1.28	12.80
Conversion of financial liability to equity	-	-	-	-
Conversion of CCPS to equity (Refer Note (a) below)	-	-	(1.28)	(12.80)
At the end of the year	-	-	-	-
RAR compulsory convertible preference share capital				
At the beginning of the year	-	-	5.11	51.10
Conversion of financial liability to equity	-	-	-	-
Conversion of CCPS to equity (Refer Note (a) below)	-	-	(5.11)	(51.10)
At the end of the year	-	-	-	-
Total	50.52	505.23	50.52	505.23

Notes to the consolidated financial statements (Contd..)

14 Share capital (Contd..)

(a) 1.38 Series A compulsory convertible preference shares of ₹ 10 each and 5.02 RAR compulsory convertible preference shares of ₹ 10 each (aggregate face value of ₹ 64.01) were issued during the year 2014-15 and 2015-16 respectively, were initially classified as financial liabilities. However, modification to the terms of these instruments in March 2017 led to the extinguishment of the related financial liabilities and the recognition of the same as equity. Subsequently, on 20 November 2017, the Series A and RAR compulsory convertible preference shares have been converted into 1.27 and 5.11 equity shares respectively, in the Company.

(b) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. All equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time and subject to dividend payable to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) is in proportion to the shareholders' share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

(c) Rights, preferences and restrictions attached to Series A compulsory convertible preference shares

0.00001% Series A, compulsory convertible preference shares (Series A CCPS) of INR 10 each.

Upon expiry of the 9th anniversary of the Completion Date, the Series A CCPS shall be compulsorily converted in to equity shares of the Company as per the manner mentioned in the share subscription agreement.

The Series A CCPS shall confer on the holder the right to receive, in priority to the holders of any other class of shares in the capital of the Company, a preference dividend on the face value of the Series A CCPS, such dividend to be apportioned and paid up on the Series A CCPS during any portion or portions of the period in respect of which the preference dividend is paid.

Rights to receive preference dividend shall be cumulative, and the right to receive the preference dividend shall accrue to the holders of the Series A CCPS whether the preference dividend is declared or not in any year.

The holder of Series A CCPS shall also be entitled to any dividend declared on the equity shares of the Company by the Board on an accrual basis with respect to the Series A CCPS held by such holder on an as if converted basis, ie. based on the actual number of equity shares which the Series A CCPS will be entitled to upon conversion.

On distribution of capital in the event of liquidation, dissolution or winding up of the Company, the distributable amount shall be applied first in paying to the preference shareholders, an amount equal to the sum of subscription price (less any amount that may have been received by the preference shareholders on sale of any of their securities) , the preference shareholders purchase price (less any amount that may have been received by preference shareholders on sale of any of their sale shares) and any arrears and accruals of the unpaid preference dividend on the CCPS, dividend on the CCPS on as if converted basis and dividend on the shares and liquidation preference amount subject to the conditions mentioned.

Each holder of a Series A CCPS shall be entitled to convert the Series A CCPS into shares as per the terms mentioned in the agreement. The conversion price will be adjusted based on future bonus issue, issuances arising from exercise of any stock options, share splits, consolidation, reorganization and other situations mentioned in the agreement. The right to convert Series A CCPS shall be exercisable by the holder at any time prior to the expiry of the Series A CCPS term by delivering to the Company a notice in writing of its desire to convert any Series A CCPS, provided that such notice shall specify the number of Series A CCPS that the holder desires to convert.

(d) Rights, preferences and restrictions attached to RAR compulsorily convertible preference shares (RAR CCPS)

0.00001% RAR, compulsorily convertible preference shares ""RAR CCPS"" of ₹ 10 each were issued during the year ended 31 March 2016.

The RAR CCPS will compulsorily be converted on the earlier of

- the date upon which the final conversion of outstanding Series A CCPS into equity shares occurs and
- the expiration of the RAR CCPS Term as per the agreement

The right to receive the preference dividend shall accrue to the holders of the RAR CCPS whether the preference dividend is declared or not in any year.

Notes to the consolidated financial statements (Contd..)

14 Share capital (Contd..)

The RAR CCPS shall confer on the holder the right to receive a preference dividend of 0.00001% per annum on the face value of the RAR CCPS. The right to receive preference dividend shall be cumulative. The holders of RAR CCPS shall also be entitled to any dividend declared on the equity shares of the Company by the Board on an accrual basis with respect to the RAR CCPS held by such holder on an as if converted basis, i.e. based on the actual number of equity shares which the RAR CCPS will be entitled to upon conversion. It is clarified that the dividend rights of the holders of RAR CCPS shall be pari-passu to the dividend rights enjoyed by the holders of the Series A CCPS.

On distribution of capital in the event of liquidation, dissolution or winding up of the Company, the distributable amount shall be applied first in paying to the preference shareholders, an amount equal to the sum of subscription price (less any amount that may have been received by the preference shareholders on sale of any of their securities) the preference shareholders purchase price (less any amount that may have been received by preference shareholders on sale of any of their sale shares) and any arrears and accruals of the unpaid preference dividend on the CCPS, dividend on the CCPS on as if converted basis and dividend on the shares and liquidation preference amount subject to the conditions mentioned.

Each holder of a RAR CCPS shall be entitled to convert the RAR CCPS into equity shares as per the terms mentioned in the agreement. The conversion price will be adjusted based on future bonus issue, issuances arising from exercise of any stock options, share splits, consolidation, reorganization and other situations mentioned in the agreement. The right to convert RAR CCPS shall be exercisable by the holder at any time prior to the expiry of the RAR CCPS term by delivering to the Company a notice in writing of its desire to convert any RAR CCPS, provided that such notice shall specify the number of RAR CCPS that the holder desires to convert.

(e) Employee stock options

Terms attached to stock options granted to employees are described in note 42 regarding employee share based payments.

(f) Shares held by ultimate holding company/ holding company and their subsidiaries/ associates

₹ in crores

	As at 31 March 2019		As at 31 March 2018	
	Number of shares (in crores)	Amount	Number of shares (in crores)	Amount
Equity shares of ₹ 10 each fully paid-up held by				
Union Investment Private Limited ("UIPL"), Mauritius, ultimate holding company*	-	-	18.87	188.71

* UIPL was the ultimate holding company till 22 February 2018. Refer (g) below for the shares held as at 31 March 2019.

(g) Details of shareholders holding more than 5% shares of the Company

	As at 31 March 2019		As at 31 March 2018	
	Number of shares (in crores)	%	Number of shares (in crores)	%
Equity shares of ₹ 10 each fully paid -up held by				
Union Investments Private Limited, Mauritius	18.87	37.35%	18.87	37.35%
Olympus Capital Asia Investments Limited, Mauritius	11.63	23.02%	11.78	23.32%
True North Trusteeship Private Limited (Formerly known as IVF Trustee Company Private Limited)	-	-	4.65	9.21%
True North Fund III – A (formerly known as India Value Fund III – A)	4.16	8.23%	-	-
Rimco (Mauritius) Limited	5.11	10.11%	5.11	10.11%

(h) Shares reserved for issue under options and contracts

	As at 31 March 2019		As at 31 March 2018	
	Number of shares (in crores)	Amount	Number of shares (in crores)	Amount
Under Employee Stock Option Scheme, 2013: 4,66,131 equity shares of ₹10 each, at an exercise price of ₹ 50 per share (See note 41)	0.05	2.33	0.11	5.50
Under Employee Stock Option Scheme, 2013: 5,21,200 equity shares of ₹ 10 each, at an exercise price of ₹ 10 per share (See note 41)	0.05	0.52	0.07	0.68

Notes to the consolidated financial statements (Contd..)

14 Share capital (Contd..)

	As at 31 March 2019		As at 31 March 2018	
	Number of shares (in crores)	Amount	Number of shares (in crores)	Amount
Under Employee Stock Option Scheme, 2013: Equity shares of ₹ 10 each, at an exercise price of ₹ 175 per share (See note 41)	-	-	0.02	4.20
Under Employee Stock Option Scheme, 2013: 3,79,800 equity shares of ₹ 10 each, at an exercise price of ₹ 142 per share (See note 41)	0.04	5.39	0.05	6.82
Under Employee Stock Option Scheme, 2013: 2,98,600 equity shares of ₹ 10 each, at an exercise price of ₹ 116 per share (See note 41)	0.03	3.46	-	-

(i) Details of bonus shares issued for consideration other than for cash during the past 5 years

- During the financial year 2013-14, 24.97 crore equity shares of ₹ 10 each, fully paid-up, have been allotted as bonus shares by capitalisation of securities premium.

(j) Details of shares issued for consideration other than for cash during the past 5 years

- During the year 2015-16, 0.49 crore 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 shares have been allotted as per the scheme of amalgamation with Indogulf Hospitals India Private Limited.

(k) Details of buyback for consideration other than for cash during the past 5 years

- The Company has not bought back any class of equity shares during the period of five years immediately preceding the balance sheet date.

14 Analysis of accumulated other comprehensive income, net of tax

B. Items of other comprehensive income

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
Remeasurement of net defined benefit liability/ (asset)	(34.80)	8.22
Exchange difference in translating financial statements of foreign operations	97.21	2.17

i) Remeasurement of net defined benefit liability/ (asset)

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Remeasurement of net defined benefit liability/ (asset)	(34.80)	8.22
Non-controlling share of remeasurement of net defined benefit liability/ (asset)	2.66	(0.65)
Transferred to retained earnings	32.14	(7.57)
Closing balance	-	-

Notes to the consolidated financial statements (Contd..)

14 Analysis of accumulated other comprehensive income, net of tax (Contd..)

ii) Exchange difference in translating financial statements of foreign operations

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Opening balance	25.59	23.60
Exchange difference in translating financial statements of foreign operations	97.21	2.17
Exchange difference in translating financial statements of foreign operations on capital reserve	(2.42)	(0.06)
Exchange difference in translating non-controlling interest	(8.33)	(0.12)
Closing balance	**112.05**	**25.59**

b. Disaggregation of changes in items of other comprehensive income

₹ in crores

	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)			
Year ended 31 March 2018					
Exchange difference in translating financial statements of foreign operations	2.05	-	2.05	0.12	2.17
Remeasurement of net defined benefit liability/ (asset)	-	7.57	7.57	0.65	8.22
	2.05	**7.57**	**9.62**	**0.77**	**10.39**
Year ended 31 March 2019					
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)
	88.88	**(32.14)**	**56.74**	**5.67**	**62.41**

Notes:

i) Exchange difference in translating financial statements of foreign operations

These comprise of all exchange differences arising from the translation of financial statements of foreign operations.

ii) Remeasurement of net defined benefit liability/ (asset)

Remeasurement of net defined benefit liability/ (asset) comprises acturial gains and losses and return on plan asset (excluding interest income).

Notes to the consolidated financial statements (Contd..)

15 Borrowings

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Non-current		
Secured		
Term loans from banks	1,853.23	1,470.00
Long-term maturities of finance lease obligations	112.49	107.85
	1,965.72	**1,577.85**
Current		
Unsecured		
Cash credit and overdraft facilities from banks	58.16	55.04
Secured		
Cash credit and overdraft facilities from banks	434.61	571.24
Short term loans	149.08	8.24
	641.85	**634.52**
Amount included under other financial liabilities (refer note 16)	180.87	139.20
	2,788.44	**2,351.57**

Information about the Company's exposure to interest rate and liquidity risks are included in note 37.

The bank facilities have the following securities:

a) Parent

- Equitable mortgage on certain immovable properties of the Company and of certain Indian subsidiaries of the Company.
- Corporate guarantee of DM Med City Hospitals India Private Limited and Ambady Infrastructures Private Limited.
- Charge on movable properties (comprising plant and machinery, furniture and fittings, vehicles and other movable assets), present and future, of the Aster Medcity unit, Kochi
- First charge on entire cash flows of the Aster Medcity project (to be routed through the escrow account).
- Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance bonds that may be provided by any counter party under
- Hypothecation of all kind of current assets, book debts, outstanding moneys.
- Charge by way of fixed deposit as continuing security any project agreement or contract in favour of the borrower and insurance policies.
- Commercial mortgage on immovable assets, medical equipments, machineries, tools / accessories, furniture and fixtures, inventories and receivables of Aster CMI, Bengaluru.
- 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, Bengaluru and Aster Medcity, Kochi.
- There is no continuing default in the repayment of the principal loan and interest amounts.

b) Indian subsidiaries

- Commercial mortgage on immovable assets, medical equipments,machineries, tools / accessories, furniture and fixtures, inventories and receivables of certain subsidiaries of the Company.
- First, fixed and exclusive charge on the medical equipments, vehicles, fixed deposits, post dated cheques and present and future receivables.
- Equitable mortgage on certain immovable properties, leasehold rights of the Company, fixed deposits and of certain Indian subsidiaries of the Company.

Notes to the consolidated financial statements (Contd..)

15 Borrowings (Contd..)

- Corporate guarantee of the holding company.
- Charge on movable properties (comprising plant and machinery, furniture and fittings, vehicles and other movable assets), present and future, of the Company and of its Indian Subsidiaries.
- Assignment of receivables from insurance companies of certain foreign subsidiaries of the Company in favor of the bank.
- Personal guarantees of shareholders / directors and equitable mortgage of two properties belonging to a director of one of the subsidiaries.
- There is no continuing default in the repayment of the principal loan and interest amounts.

c) Foreign subsidiaries

- Commercial mortgage on medical equipment, machineries, tools / accessories, furniture & fixtures, inventories and receivables;
- Promissory note and bank guarantees
- Insurance of medical equipment, machineries, tool and other accessories, furniture and fixtures, computers and motor vehicles in favour of the bank;
- Corporate guarantee of the subsidiaries and security cheques;
- Insurance of inventories in favour of the bank;
- Assignment of receivables from insurance companies in favour of the bank and assignment of point of sale collection
- Vehicle mortgage
- Pledge of accounts and shares
- Assignment and subordination of shareholders loans;
- Assignment of credit card receivables and insurance receivables and hypothecation of assets of the Group;
- Pledge of equity interest held by Affinity Holdings Private Limited in a subsidiary..

A Terms and conditions of non-current borrowings (including current maturities) are as follows:

₹ in crores

Particulars	Borrowed by Parent/ subsidiaries	Interest rate	Maturity period	Currency	As at 31 March 2019	As at 31 March 2018
Secured loan from banks	Parent	9.6 %	2027	INR	18.59	26.62
Secured loan from banks	Subsidiaries	7.5 % to 13%	2019 - 2027	INR	228.06	237.31
Secured loan from banks	Subsidiaries	2.84 % to 6.30 %	2019 - 2023	AED	14.22	17.45
Secured loan from banks	Subsidiaries	3.23% - 6.00%	2019 - 2021	QAR	36.56	47.07
Secured loan from banks	Subsidiaries	4.75 % to 5.90 %	2019 - 2027	USD	1,733.12	1,276.69
Secured loan from banks	Subsidiaries	4.25%	2018 - 2019	OMR	-	0.96
Finance lease	Parent	10.5 %	2026	INR	0.89	-
Finance lease	Subsidiaries	11.52%	2020	INR	0.69	1.29
Finance lease	Subsidiaries	6.00%	2019 - 2042	QAR	114.46	109.66
					2,146.59	**1,717.05**

Notes to the consolidated financial statements (Contd..)

15 Borrowings (Contd..)

B Terms and conditions of current borrowings are as follows:

₹ in crores

Particulars	Borrowed by Parent/ subsidiaries	Interest rate	Maturity period	Currency	As at 31 March 2019	As at 31 March 2018
Unsecured loan from banks	Parent	10.10% to 10.55 %	2019 - 2020	INR	58.16	34.77
Secured loan from banks	Parent	9 % to 10.7%	2019 - 2020	INR	41.57	48.49
Secured loan from banks	Parent	4.76 % to 4.97%	2019 - 2020	USD	3.95	-
Secured loan from banks	Parent	1.90 %	2019 - 2020	EURO	1.54	-
Secured loan from banks	Subsidiaries	9.15 % to 10.35 %	2019 - 2020	INR	14.86	10.76
Unsecured loan from banks	Subsidiaries	4.5 % to 4.8 %	2019 - 2020	AED	-	20.27
Secured loan from banks	Subsidiaries	2.84 % to 6.30 %	2019 - 2020	AED	333.81	336.29
Secured loan from banks	Subsidiaries	3.23 % to 6 %	2019 - 2020	QAR	5.05	4.77
Secured loan from banks	Subsidiaries	4.75 % to 5.90 %	2019 - 2020	USD	138.59	129.62
Secured loan from banks	Subsidiaries	4.25 % - 5.00 %	2019 - 2020	OMR	27.43	35.27
Secured loan from banks	Subsidiaries	7.25 % to 7.25 %	2019 - 2020	JOD	16.89	14.28
					641.85	**634.52**

C Changes in liabilities and financial assets arising from financing activities

₹ in crores

	As at 31 March 2018	Cash flows	Non cash changes			As at 31 March 2019
			Acquisition	Foreign exchange Movement	Fair 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
Finance lease	110.95	(2.52)	-	7.61	-	116.04
Total	**2,351.57**	**292.87**	**7.98**	**136.02**	**-**	**2,788.44**

D Finance leases

₹ in crores

	As at 31 March 2019			As at 31 March 2018		
	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	10.46	6.74	3.73	9.70	6.50	3.10
Between 1 and 5 years	39.69	24.71	14.98	46.31	29.39	16.93
After more than 5 years	151.07	53.74	97.33	142.37	50.67	90.92
Total	**201.22**	**85.19**	**116.04**	**198.38**	**86.56**	**110.95**

Above finance lease inlcudes lease agreement entered by subsidiary with Al Estiana Real Estate Development WLL Qatar, to obtain the hospital building for a period of 25 years.

Notes to the consolidated financial statements (Contd..)

16 Other financial liabilties

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Non-current		
Payable to non-controlling interest on account of business combination	42.28	15.88
Other financial liabilities	20.33	2.26
	62.61	**18.14**
Current		
Current maturities of non-current borrowings	177.32	136.10
Current maturities of finance lease obligations	3.55	3.10
Book overdraft	3.07	12.53
Interest accrued but not due on borrowings*	4.86	1.11
Dues to holding company	1.04	2.70
Payable to non controlling interest towards account of business combination (refer note 40)	20.80	19.46
Payable to partners in clinics	22.31	11.40
Accrued salaries and benefits	220.56	153.19
Dues to creditors for expenses and others	306.81	263.06
Dues to creditors for capital goods	66.21	36.83
Security deposits from employees and from others	3.48	2.52
	830.01	**642.00**
	892.62	**660.14**

* The details of interest rates, repayment and other terms are disclosed in note 15

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in note 37

17 Provisions

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Non-current		
Provision for employee benefits		
Net defined benefit liability - Gratuity	11.84	7.63
Compensated absences [refer note (a) below]	2.35	4.31
Net defined benefit liability - post employment benefits	252.46	179.11
	266.65	**191.05**
Current		
Provision for employee benefits		
Net defined benefit liability - gratuity	1.81	1.08
Compensated absences [refer note (a) below]	3.15	1.55
Net defined benefit liability - post employment benefits	46.45	32.69
Other provisions		
Zakat payable* [refer note (b) below]	-	10.83
Total current provisions	**51.41**	**46.15**
Total provisions	**318.06**	**237.20**

* Zakat payable is the amount provided for in accordance with the Saudi Arabian Zakat and Income Tax regulations

Notes to the consolidated financial statements (Contd..)

17 Provisions (Contd..)

(a) Movement of compensated absences

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning	5.86	3.79
Provision made during the year (net of benefits paid)	(0.36)	2.07
Balance at the end	**5.50**	**5.86**

(b) Movement of Zakat payable

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Balance at the beginning	10.83	7.80
Zakat charges	23.20	4.21
Payment/ adjustments made during the year	(34.03)	(1.18)
Balance at the end	**-**	**10.83**

18 Other liabilities

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Non-current		
Lease equalisation reserve	55.99	55.04
	55.99	**55.04**
Current		
Advances received from customers	26.10	16.80
Statutory dues payables	17.68	14.36
Others	63.52	12.13
	107.30	**43.29**
	163.29	**98.33**

19 Trade payables

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Total outstanding dues of micro and small enterprises	0.01	0.03
Total outstanding dues of creditors other than micro and small enterprises	1,014.06	845.66
	1,014.07	**845.69**

Disclosures as required under the Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") based on the information available with the Company are given below:

₹ in crores

	As at 31 March 2019	As at 31 March 2018
The principal amount remaining unpaid to any supplier as at the end of the year.	0.01	0.03
The interest due on the principal remaining outstanding as at the end of the year	-	0.00
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year.	-	-

Notes to the consolidated financial statements (Contd..)

19 Trade payables (Contd..)

₹ in crores

	As at 31 March 2019	As at 31 March 2018
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act.	-	0.01
The amount of interest accrued and remaining unpaid at the end of the year.	0.04	0.05
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act.	-	-

20 Revenue from operations

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
Income from hospital services	5,610.81	4,750.57
Sale of medicines	2,175.13	1,866.80
Income from healthcare consultancy	9.51	5.84
Other operating revenue	167.26	97.95
	7,962.71	**6,721.16**

21 Other income

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
Interest income under the effective interest method on		
Fixed deposits with banks	9.11	2.50
Lease deposits	1.43	2.30
Rental income	1.09	4.32
Dividend on non-current investments	0.19	-
Profit on sale of property, plant and equipment	1.53	1.34
Gain on sale of investment	-	0.80
Other non-operating income	21.27	34.18
	34.62	**45.44**

22 Purchase of medicines and consumables

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
Medicines and consumables	2,524.97	2,160.43
	2,524.97	**2,160.43**

23 Change in inventories

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
Medicines and medical consumables:		
Opening stock	627.03	525.54
Closing stock	732.16	627.03
	(105.13)	**(101.49)**

Notes to the consolidated financial statements (Contd..)

24 Employee benefits expenses

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
Salaries and allowances	2,595.27	2,186.93
Contribution to provident and other funds	22.86	23.07
Equity settled share based payments	3.19	4.34
Staff welfare expenses	66.86	56.79
	2,688.18	2,271.13

25 Finance costs

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
Interest expense on borrowings from banks	158.26	172.55
Interest expense on financial liabilities measured at amortised cost	0.72	-
Other borrowing costs	20.20	12.09
	179.18	184.64

26 Depreciation and amortisation expense

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
Depreciation on property, plant and equipment (refer Note 4)	288.68	280.66
Amortisation on intangible assets (refer Note 5)	17.79	17.08
	306.47	297.74

27 Other expenses

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
Professional fee paid to doctors	600.37	515.14
Hospital operation and management fees	16.20	16.92
Lab expenses	28.44	22.65
Consumables	8.42	9.98
Power and fuel	101.38	86.31
Housekeeping and security	82.53	70.61
Rent	337.49	302.74
Insurance	15.29	22.94
Repairs and maintenance:		
- Buildings	1.81	2.41
- Plant and machinery	26.11	19.01
- Others	87.26	79.19
Rates and taxes	55.73	53.56
Advertising and promotional expenses	96.75	119.73
Legal, professional and consultancy	44.41	33.61
Printing and stationery	22.27	19.62
Fair value movement in derivative instrument	-	0.17
Communication expense	31.03	27.27
Canteen expense	29.32	26.29

Notes to the consolidated financial statements (Contd..)

27 Other expenses (Contd..)

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
Travelling expense	28.88	24.63
Allowances for expected credit losses on financial assets	188.23	109.58
Net loss on account of foreign exchange fluctuations	1.11	0.99
Bank charges	25.86	19.49
Expenditure on corporate social responsibility	3.18	1.06
Miscellaneous expenses	159.57	194.41
	1,991.64	1,778.31

28 Exceptional items

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
Contingent consideration written back (Refer Note A)	-	45.09
Loss of property, plant and equipment and inventory due to flood (Refer Note B)	(1.52)	-
Receipt against prior year allowances for credit losses on receivables (Refer note C)	-	84.55
	(1.52)	129.64

A. During the year ended 31 March 2016, the Company had acquired a portion of the non controlling interest in its controlled subsidiary Sanad Al Rahma for Medical Care LLC, KSA ('Sanad'). The purchase consideration included a contingent consideration payable to the sellers based on future performance of Sanad. The Company carried a liability of ₹ 3,04.02 as at 31 March 2016 relating to the contingent consideration. Based on the expected performance of Sanad, an independent valuation of the contingent consideration revised the expected liability to ₹ 19.46 crores as at 31 March 2018. This downward revision of the expected liability has resulted in a gain of ₹ 45.09 (net of foreign currency translation difference) which has been recognized in the statement of profit and loss.

B. Pursuant to a flood on 16 and 17 August 2018, certain property, plant and equipments and inventory of the Company were damaged. The Company lodged an initial estimate of loss with the insurance company for which final survey report has not been released by the insurance company. During the quarter ended 30 September 2018, 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. 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 this financial statement. Company received an interim payment of ₹ 4.25 crore from the insurance company during the year. Accordingly, ₹ 24.8 crore is presented as insurance claim receivable as at 31 March 2019. Subsequently, the insurance company released another interim payment of ₹ 7.5 crores on 29 April 2019 against the claim.

C. During the year ended 31 March 2017, Sanad had entered into a settlement agreement with certain large customers from whom significant amounts were due for services provided in earlier years. The settlement had resulted in Sanad writing-off a significant portion of these receivables, resulting in a loss of ₹ 180.16 crore during the year ended 31 March 2017. During the year ended 31 March 2018, Sanad has recovered an amount of ₹ 84.55 crore out of the previously written off receivables, which had been classified as exceptional income.

29 Deferred tax asset/ liabilities

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Deferred tax asset	8.30	4.90
Deferred tax liabilities	149.08	142.33
	(140.78)	(137.43)

Notes to the consolidated financial statements (Contd..)

29 Deferred tax asset/ liabilities (Contd..)

(i) Deferred tax charge/ (benefit) recognised during the year

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
Origination and reversal of temporary differences	(2.29)	(3.15)
	(2.29)	**(3.15)**

(ii) Deferred tax assets and liabilities are attributable to the following:

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Deferred tax asset		
MAT credit entitlement	8.30	4.90
Provision for employee benefits	3.24	2.01
Provision for doubtful debts and advances	3.04	0.76
Unabsorbed business loss including from specified business	185.60	155.11
Total deferred tax asset	**200.18**	**162.78**
Deferred tax liability		
On account of fair valuation of land *	(114.37)	(113.03)
Property, plant and equipment	(222.92)	(182.68)
Other financial assets (Deposit amortisation)	(3.67)	(4.50)
Total deferred tax liability	**(340.96)**	**(300.21)**
Deferred tax liability (net)	**(149.08)**	**(142.33)**
Deferred tax assets	**8.30**	**4.90**

* 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.

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	On account of business combination	As at 31 March 2019
MAT credit entitlement	4.90	3.40	-	-	8.30
Provision for employee benefits	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)
	(137.43)	**(3.27)**	**(0.08)**	**-**	**(140.78)**

* 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..)

29 Deferred tax asset/ liabilities (Contd..)

Movement during the year ended 31 March 2018	As at 31 March 2017	Credit/ (charge) in the statement of profit and loss	Credit/ (charge) in other comprehensive income	On account of business combination	As at 31 March 2018
MAT credit entitlement	2.86	2.04	-	-	4.90
Provision for employee benefits	0.17	1.84	-	-	2.01
Provision for doubtful debts and advances	-	0.76	-	-	0.76
Unabsorbed business loss including from specified business	141.89	13.22	-	-	155.11
On account of fair valuation of land *	(110.98)	(2.10)	0.05	-	(113.03)
Property, plant and equipment	(170.39)	(12.29)	-	-	(182.68)
Other financial assets	(4.18)	(0.32)	-	-	(4.50)
	(140.63)	**3.15**	**0.05**	**-**	**(137.43)**

* The deferred tax liability arising on the fair valuation recognised based on tax rates applicable to the long-term capital gains.

(iii) Unrecognised deferred tax assets

Deferred tax assets have not been recognised in respect of the following items, because it is not probable that future taxable profit will be available against which the Company can use the benefits therefrom:

Particulars	As at 31 March 2019		As at 31 March 2018	
	Gross amount	Unrecognised tax effect	Gross amount	Unrecognised tax effect
Tax losses (business loss)	757.15	378.74	756.37	259.29
Tax losses (capital loss)	7.60	9.00	9.44	2.13
Tax losses (unabsorbed depreciation)	98.07	32.42	116.02	38.21
Total	**862.82**	**420.16**	**881.83**	**299.63**

(iv) Tax losses carried forward

Particulars	As at 31 March 2019		As at 31 March 2018	
	Loss	Expiry	Loss	Expiry
Brought forward losses - allowed to carry forward for specified period	210.65	various dates	197.74	various dates
Brought forward losses from specified business - allowed to carry forward for infinite period	554.10	-	568.06	-
Brought forward losses - allowed to carry forward for infinite period	98.07	-	116.02	-
Total	**862.82**		**881.82**	

30 Income tax asset/ liabilities

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Income tax asset	70.20	50.05
Income tax liabilities	22.95	11.85
	47.25	**38.20**

Notes to the consolidated financial statements (Contd..)

30 Income tax asset/ liabilities (Contd..)

(i) Tax expense recognised in the Statement of Profit and Loss

₹ in crores

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Current tax	8.41	9.76
Foreign income taxes	36.82	19.47
Total (A)	**45.23**	**29.23**

(ii) Reconciliation of effective tax rate

₹ in crores

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax	410.25	307.77
Statutory income tax rate	34.94%	34.61%
Tax expenses /(asset)	143.34	106.52
Income chargeable at special rate	36.82	19.47
Tax on exempt income	(142.10)	(126.46)
Non-deductible expenses / permanent differences	5.69	21.21
Additional deduction on investment allowance	6.44	21.14
Un-recognised deferred tax assets	(4.96)	(12.65)
Income tax expense	**45.23**	**29.23**

31 Segment information

Ind AS 108 'Operating Segment' ('Ind AS 108') establishes standards for the way that business enterprises report information about operating segments and related disclosures about products and services, geographic areas and major customers. Based on the "management approach" as defined in Ind AS 108, operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Group's performance and allocates resources on overall basis.

The Group has structured its business broadly into four verticals – Hospitals, clinics, retail pharmacies and others. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Income and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as unallocable and directly charged against total income.

The assets of the Group are used interchangeably between segments and the management believes that it is currently not practical to provide segment disclosures relating to certain assets and liabilities since a meaningful segregation is not possible.

A. Business segments :

The Group has the following business segments based on the information reviewed by Group's CODM :

i) Hospitals - comprises of hospitals and in-house pharmacies at the hospitals

ii) Clinics - comprises of clinics and in-house pharmacies at the clinics

iii) Retail Pharmacies - comprises standalone retail pharmacies

iv) Others - comprises of healthcare consultancy services and others

Notes to the consolidated financial statements (Contd..)

31 Segment information (Contd..)

₹ in crores

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Segment revenue		
Hospitals	3,950.29	3,226.70
Clinics	1,978.09	1,776.92
Retail Pharmacies	2,020.72	1,715.13
Others	13.61	2.41
Total	**7,962.71**	**6,721.16**
Segment results before income tax		
Hospitals	270.22	183.85
Clinics	258.94	157.96
Retail Pharmacies	199.98	160.03
Others	1.39	0.18
Total	**730.53**	**502.02**
Segment results before income tax includes :		
Depreciation, amortisation and impairment		
Hospitals	222.70	190.31
Clinics	48.19	73.18
Retail Pharmacies	23.96	25.89
Total	**294.85**	**289.38**
Other income, excluding finance income		
Hospitals	19.58	29.96
Clinics	-	1.01
Total	**19.58**	**30.97**

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Segment assets		
Hospitals	5,475.01	4,896.63
Clinics	1,557.80	1,220.21
Retail Pharmacies	1,179.67	972.56
Others	1.78	1.06
Unallocated	722.15	393.78
Total	**8,936.41**	**7,484.24**
Segment liabilities		
Hospitals	1,472.99	1,424.45
Clinics	626.31	476.58
Retail Pharmacies	713.94	591.52
Unallocated	1,429.28	1,801.66
Total	**4,242.52**	**4,294.21**
Capital expenditure		
Hospitals	524.46	458.71
Clinics	30.21	40.72
Retail Pharmacies	22.83	18.19
Others	0.35	1.99
Unallocated	-	-
Total	**577.85**	**519.61**

Notes to the consolidated financial statements (Contd..)

31 Segment information (Contd..)

B. Reconciliation of information on reportable segments to Ind AS measures

₹ in crores

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit before tax		
Total profit before tax for reportable segments	730.53	502.02
Unallocated amounts :		
Other income, excluding finance income	15.04	9.66
Depreciation, amortisation and impairment	(11.61)	(8.37)
Finance income	10.54	4.80
Finance charges	(179.18)	(184.64)
Exceptional items	(1.52)	129.64
Unallocated expenses (net of unallocated income)	(153.30)	(147.63)
Profit before share of equity accounted investees and tax	**410.50**	**305.48**
Share of profit/ (loss) of equity accounted investees	(0.25)	2.29
Profit before tax	**410.25**	**307.77**
Tax expense	(42.94)	(26.08)
Profit for the year	**367.31**	**281.69**
Less : Non controlling interest	(34.20)	(12.81)
Profit attributable to the owners of the Company	**333.11**	**268.88**

C. Geographical segment information :

The Group operates in three principal geographical areas which have been identified based on the location of the customers.

The geographical segments of the Company as identified above are as follows:

i) GCC States - United Arab Emirates, Qatar, Oman, Kingdom of Saudi Arabia, Jordan, Kuwait and Bahrain

ii) India

iii) Rest of the world (including Philippines)

₹ in crores

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Segment revenue		
GCC States	6,643.39	5,550.64
India	1,314.02	1,166.51
Rest of the world	5.30	4.01
Total	**7,962.71**	**6,721.16**

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Segment assets		
GCC States	6,254.83	4,847.15
India	2,659.12	2,617.37
Rest of the world	22.46	19.72
Total	**8,936.41**	**7,484.24**
Capital expenditure		
GCC States	356.51	369.25
India	221.34	142.89
Rest of the world	-	7.47
Total	**577.85**	**519.61**

Notes to the consolidated financial statements (Contd..)

31 Segment information (Contd..)

D. 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

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Defined benefit liability - Gratuity plan (Plan A)	18.13	12.95
Plan assets	4.48	4.24
Net defined benefit liability	**13.65**	**8.71**
Net defined benefit liability - End of service benefits (Plan B)	298.91	211.80
Liability for compensated absences	5.50	5.86
Total employee benefit liability	**318.06**	**226.37**
Non-current	266.65	191.05
Current	51.41	35.32

For details about related employee benefit expenses, see note 24

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:

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation as at beginning of the year	12.95	10.86
Benefits paid	(1.42)	(1.23)
Current service cost	3.53	3.17
Interest cost	0.95	0.76
Past Service Cost	2.36	0.16
Gain on settlement	-	(0.12)
Actuarial (gains)/ losses recognised in other comprehensive income		
-changes in demographic assumptions	(0.01)	-
-changes in financial assumptions	(3.83)	(0.43)
-experience adjustments	3.60	(0.22)
Defined benefit obligations as at end of the year	**18.13**	**12.95**

Notes to the consolidated financial statements (Contd..)

32 Employee benefits: (Contd..)

b) Reconciliation of the present values of plan assets

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Plan assets at beginning of the year	4.24	3.73
Contributions paid into the plan	0.82	0.74
Interest income	0.31	0.27
Benefits paid	(0.80)	(0.52)
Return on plan assets recognised in other comprehensive income	(0.09)	0.02
Acquisition/(disposal) during the year	-	
Plan assets at the end of the year	**4.48**	**4.24**
Net defined benefit liability	**13.65**	**8.71**

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:

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Defined benefit obligation as at beginning of the year	211.80	185.82
Benefits paid	(32.31)	(21.72)
Current service cost	62.51	48.82
Interest cost	7.98	6.48
Actuarial (gains) losses recognised in other comprehensive income		
-changes in demographic assumptions	-	-
-changes in financial assumptions	4.77	-
-experience adjustments	29.95	(8.10)
Effect of changes in foreign exchange rates	14.21	0.50
Defined benefit obligations as at end of the year	**298.91**	**211.80**

c) Expense recognised in consolidated statement of profit and loss

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
i) Expense recognised in consolidated statement of profit and loss		
Current service cost	66.04	51.99
Interest cost	8.93	7.24
Interest income	(0.31)	(0.27)
Past service cost	2.36	0.16
Loss (gain) on settlement	-	(0.12)
	77.02	**59.00**

Notes to the consolidated financial statements (Contd..)

32 Employee benefits: (Contd..)

ii) Remeasurements recognised in other comprehensive income (excluding tax)

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
Actuarial (gain)/ loss on defined benefit obligation	34.48	(8.75)
Return on plan assets excluding interest income	0.09	(0.02)
	34.57	**(8.77)**

d) Plan assets comprises the following

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Insurance policy	4.48	4.24

e) Defined Benefit obligation

i) Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted average):

₹ in crores

	As at 31 March 2019	As at 31 March 2018
Plan A		
Attrition rate	Below 35 years -30% - 35% Above 35 years 3%-6%	Below 35 years -30% - 35% Above 35 years 3%-6%
Discount rate	7% - 8%	7% - 8%
Future salary increases	3% - 7%	4.5% - 12%
Plan B		
Attrition rate	15%	15%
Discount rate	3.20%	3.50%
Future salary increases	2.75% - 3.50%	2.75% - 3.50%

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.

	31 March 2019		31 March 2018	
	Increase	Decrease	Increase	Decrease
Plan A				
Discount rate (0.5% - 1% movement)	(6.11)	6.57	(5.28)	6.04
Future salary increase (0.5% - 1% movement)	6.81	(6.54)	6.04	(5.28)
Attrition rate (0.5% - 1% movement)	(3.35)	3.37	(5.07)	5.28
Plan B				
Discount rate (1% movement)	(16.06)	17.96	(11.80)	13.23
Future salary increase (1% movement)	17.85	(16.27)	13.19	(11.98)
Attrition rate (1% movement)	0.25	(0.28)	0.36	(0.42)

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.

Notes to the consolidated financial statements (Contd..)

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) Profit attributable to equity share holders (basic)

₹ in crores

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit for the year, attributable to the equity share holders	333.11	268.88

ii) Weighted average number of equity shares (basic)

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
Opening balance	50.15	39.95
Effect of share options exercised*	0.06	-
Effect of fresh issue of shares for cash	-	0.39
Conversion of compulsorily convertible preference shares	-	6.39
Weighted average number of equity shares of ₹ 10 each for the year	50.21	46.73
Earnings per share, basic (₹)	**6.63**	**5.75**

* Amount is below rounding off norms adopted by Company.

B. Diluted earnings per share

The calculation of profit attributable to equity share holders and weighted average number of equity shares, after adjustment for the effects of all dilutive potential equity shares is as follows:

i) Profit attributable to equity share holders (diluted)

₹ in crores

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Profit for the year, attributable to the equity share holders	333.11	268.88

ii) Weighted average number of equity shares (diluted)

₹ in crores

	Year ended 31 March 2019	Year ended 31 March 2018
Weighted average number of equity shares of ₹ 10 each for the year (basic)	50.21	46.73
Effect of exercise of share options	0.08	0.13
Weighted average number of equity shares of ₹ 10 each for the year (diluted)	50.29	46.86
Earnings per share, diluted (₹)	**6.62**	**5.74**

Note : Diluted earnings per share = Profit attributable to equity shareholders / weighted average number of diluted potential shares outstanding during the year.

Notes to the consolidated financial statements (Contd..)

34 Contingent liabilities

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Contingent liabilities:		
Claims against the Group not acknowledged as debts in respect of:		
a) Income tax related matters [see note (a) and (b) below]	20.98	20.89
b) KVAT related matters [see note (c) below]	1.60	1.28
c) Disputed provident fund demand pending before appellate authorities [see note (d) below]	0.88	0.88
d) Other matters including claims relating to employees/ ex-employees etc. [see note (e) below]	1.61	1.61
e) Customer claims	4.56	4.58
Export commitments under EPCG scheme [see note (f)]	179.28	87.16
Letter of credit	51.66	0.53
Guarantees:		
a) Bank guarantee	45.04	34.36
Commitments:		
a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	260.96	295.85

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 claimed amounting to ₹ 20.07 crores as per provisions of Section 90/90A of Income Tax Act 1961 and the disallowance under section 14A. The management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made on the financial statements. The Company has filed an appeal against the demand received.

(b) A subsidiary company has received income tax assessment orders relating to previous years on account of certain disallowances and adjustments made by the Income tax department.

(c) The Company has received a Kerala Value Added Tax (KVAT) demand for the FY 2014-15 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. Accordingly the amount of contingent liability has been revised to ₹ 0.35 crore. 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. The Management believes that the matter is similar to FY 2014-15 where the charges were dropped by the Deputy Commissioner (Appeals) and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demand received.

(d) A subsidiary had received demand from the provident fund authorities for ₹ 0.88 crores on account of provident fund contribution in respect of certain trainees employed by the subsidiary. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The subsidiary has filed an appeal against the demands received.

(e) Employee bonus refers to amount payable to employees as per Payment of Bonus (Amendment) Act 2015 vis-à-vis retrospective application from 1 April 2014 to 31 March 2015. The subsidiary has relied on stay petition granted by the Honorable High Court of Kerala and Honorable High Court Madras against retrospective application of Payment of Bonus (Amendment) Act 2015 from 1 April 2014. Pending disposal of the case, no provision has been made in the books of accounts. The subsidiary has relied on the independent legal opinion in support its position.

(f) 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 2019, export obligations remaining to be fulfilled amounts to ₹ 176.49 (31 March 2018: ₹ 87.16). 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 ₹ 25.01 (31 March 2018: ₹ 25.16) to the customs authorities in this regard.

Notes to the consolidated financial statements (Contd..)

34 Contingent liabilities (Contd..)

(g) In the past, one of the subsidiary Company made certain allotment of shares in violation of provisions of section 67(3) of the Companies Act, 1956. Pursuant to a press release dated November 30, 2015 and circular no. CIR/CFD/DIL3/18/2015 dated December 31, 2015 (the press release and the circular, the "SEBI Circular"), the SEBI provided an opportunity to companies to avoid penal action in case of such violations subject to fulfillment of certain conditions. The Company had compounded the offence based on the order received from National Company Law Tribunal. On 16 November 2017, the Company received a fresh notice from SEBI on the matter. Based on a legal advice obtained, the Company filed a 'settlement application' with the SEBI, the outcome of which is awaited.

(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 for the month of March 2019. 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.

(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.

35 Operating lease commitments – leases as lessee

The Company is obligated under cancellable operating leases for office, hospital premises and residential premises which are renewable at the option of both the lessor and lessee.

The Company is obliged under non-cancellable operating leases for hospital operations and management fees (revenue share) and operating leases for office and residential premises . Future minimum lease payments due under non-cancellable operating leases are as follows:

(i) Future minimum lease payments

The future minimum lease payments to be made under non-cancellable operating lease are as follows.

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Payable in less than one year	306.27	256.97
Payable between one to five years	736.38	548.22
Payable after more than five years	3,023.97	1,536.17

(ii) Amounts recognised in the Statement or Profit and Loss

₹ in crores

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Non-cancellable	314.98	304.52
Cancellable	38.71	15.14

Notes to the consolidated financial statements (Contd..)

36 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 2019 and 31 March 2018 was as follows:

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Total equity attributable to the equity shareholders of the Company	3,679.82	3,190.03
As a percentage of total capital	57%	58%
Long-term borrowings including current maturities	2,146.59	1,717.05
Short-term borrowings	641.85	634.52
Total borrowings	**2,788.44**	**2,351.57**
As a percentage of total capital	43%	42%
Total capital (equity and borrowings)	**6,468.26**	**5,541.60**

37 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.

₹ in crores

As at 31 March 2019	Note	Carrying amount				Fair value			
Particulars		Financial assets at amortised cost	FVTPL	Other financial liabilities at amortised cost	Total Carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value*									
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 receivable	7	68.61	-	-	68.61	-	-	-	-
Other financial assets	8	204.08	-	-	204.08	-	-	-	-
Financial assets measured at fair value									
Other financial assets	8	-	-	-	-	-	-	-	-
Investments	6	-	2.33	-	2.33	2.33	-	-	2.33
Total		**2,642.53**	**2.33**	**-**	**2,644.86**	**2.33**	**-**	**-**	**2.33**
Liabilities					-				
Financial liabilities not measured at fair value*									
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	-	-	-	-
Financial liabilities measured at fair value									
Payable to minority shareholders towards acquisitions (note A.1 below)	16		20.80	-	20.80	-	-	20.80	20.80
Derivatives- put option (note A.2 below)		-	88.95	-	88.95	-	-	88.95	88.95
Total		**-**	**109.75**	**4,493.46**	**4,603.21**	**-**	**-**	**109.75**	**109.75**

Notes to the consolidated financial statements (Contd..)

37 Financial Instruments- Fair values and risk management (Contd..)

₹ in crores

As at 31 March 2018	Note	Carrying amount				Fair value			
Particulars		Financial assets at amortised cost	FVTPL	Other financial liabilities at amortised cost	Total Carrying value	Level 1	Level 2	Level 3	Total
Assets									
Financial assets not measured at fair value*									
Cash and cash equivalents	12	204.17	-	-	204.17	-	-	-	-
Other bank balances	13	95.61	-	-	95.61	-	-	-	-
Trade receivables	11	1,546.39	-	-	1,546.39	-	-	-	-
Loans	7	56.93	-	-	56.93	-	-	-	-
Other financial assets	8	194.89	-	-	194.89	-	-	-	-
Financial assets measured at fair value									
Other financial assets	8	-	5.97	-	5.97	-	5.97	-	5.97
Investments	6	-	24.69	-	24.69	24.69	-	-	24.69
Total		**2,097.99**	**30.66**	**-**	**2,128.65**	**24.69**	**5.97**	**-**	**30.66**
Liabilities					-				
Financial liabilities not measured at fair value*									
Trade payables	19	-	-	845.69	845.69	-	-	-	-
Borrowings (including current maturities of borrowings)	15	-	-	2,351.57	2,351.57	-	-	-	-
Other financial liabilities	16	-	-	501.48	501.48	-	-	-	-
Financial liabilities measured at fair value									
Payable to minority shareholders towards acquisitions (Note A.1 below)	16	-	19.46	-	19.46	-	-	19.46	19.46
Derivatives- put option (Note A.2 below)		-	86.30	-	86.30	-	-	86.30	86.30
Total		**-**	**105.76**	**3,698.74**	**3,804.50**	**-**	**-**	**105.76**	**105.76**

*The Group has not disclosed the fair values for financial instruments such as cash and cash equivalents, trade receivables, trade payables etc., because their carrying amounts are a reasonable approximation of fair value.

Note A.1 - During the year 2016, the Group acquired additional 56.2% stake in its subsidiary Sanad Al Rahma for Medical Care LLC ('Sanad") thereby increasing the Group's ownership from 40.8% to 97%. The purchase consideration includes contingent consideration payable as per terms of the contract. The Group has agreed to pay the selling shareholders in three years' time, an additional consideration, based on the EBITDA margins. The fair value of contingent consideration is determined using Monte Carlo Simulation model and is valued at ₹ 20.80 and ₹ 19.46 as at 31 March 2019 and 31 March 2018 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.

B Measurement of fair values

The following methods and assumptions were used to estimate fair values:

a) The fair values of the units of mutual fund schemes are based on net asset value at the reporting date.

b) The fair value of the put option and contingent consideration payable to non-controlling shareholders is determined using Monte Carlo simulation valuation model.

c) The fair value of the remaining financial instruments is determined using discounted cash flow analysis. The discount rates used is based on management estimates

Notes to the consolidated financial statements (Contd..)

37 Financial Instruments- Fair values and risk management (Contd..)

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 2019 and 31 March 2018 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.

₹ in crores

Particulars	Derivatives-put option	Contingent consideration
Balance at 1 April 2017	(86.13)	(64.92)
Loss included in "Other expenses"		
Net change in fair value (unrealised) (refer note 27)	(0.17)	-
Gain included in exceptional item		
Net change in fair value (unrealised) (refer note 28 A)	-	45.09
Gain included in OCI		
Exchange difference in translating financial statements of foreign operations	-	0.37
Balance as at 31 March 2018	**(86.30)**	**(19.46)**
Balance at 1 April 2018	(86.30)	(19.46)
Gain included in "other non-operating income"		
Net change in fair value (unrealised) (refer note 21)	2.70	-
Gain included in OCI		
Exchange difference in translating financial statements of foreign operations	-	(1.34)
Balance as at 31 March 2019	**(83.60)**	**(20.80)**

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

₹ in crores

As at 31 March 2019	As at 31 March 2019	
	Increase	Decrease
Volatility (10% movement)	(0.47)	0.58
EBITDA growth rates (10% movement)	14.01	(13.54)
Risk free rate (1% movement)	6.73	2.57

₹ in crores

As at 31 March 2018	As at 31 March 2018	
	Increase	Decrease
Volatility (10% movement)	0.23	0.40
EBITDA growth rates (10% movement)	17.46	(16.14)
Risk free rate (1% movement)	(4.77)	6.56

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

Notes to the consolidated financial statements (Contd..)

37 Financial Instruments- Fair values and risk management (Contd..)

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.

₹ in crores

Allowance for credit loss	As at 31 March 2019	As at 31 March 2018
Balance at the beginning	329.46	336.51
Provision created during the year	188.23	25.03
Impairment loss recognised/(reversed)	(38.80)	(32.08)
Balance at the end	**478.89**	**329.46**

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 is sufficient to meet its current requirements. Accordingly, no liquidity risk is perceived.

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2019.

₹ in crores

Particulars	Payable within 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	62.61	**711.75**

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2018:

₹ in crores

Particulars	Payable within 1 year	More than 1 year	Total
Trade payables	845.69	-	**845.69**
Current borrowings	634.52	-	**634.52**
Non current borrowings (including current maturities)	139.20	1,577.85	**1,717.05**
Derivatives	-	86.30	**86.30**
Other financial liabilities	502.80	18.14	**520.94**

Notes to the consolidated financial statements (Contd..)

37 Financial Instruments- Fair values and 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 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 ₹. The currencies in which these transactions are primarily denominated is AED, OMR QAR SAR and USD.

The summary quantitative data about the Group's exposure to currency risk (based on notional amounts) as reported to the management is as follows.

₹ in crores

As at 31 March 2019	AED	OMR	QAR	SAR	USD	Others
Financial Assets						
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
Financial Liabilities					-	
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

₹ in crores

As at 31 March 2018	AED	OMR	QAR	SAR	USD	Others
Financial Assets						
Investments	3.14	-	-	-	-	-
Other financial assets (current and non-current)	170.23	-	0.01	34.35	-	1.88
Trade Receivables	1,110.33	131.37	93.33	103.92	-	8.77
Cash and Cash Equivalents and Bank balances	85.15	4.16	1.60	29.34	3.95	6.58
Financial Liabilities						
Borrowings (current and non-current)	374.00	36.23	161.51	-	1,406.31	14.28
Trade payables	631.15	34.63	42.20	39.34	-	21.84
Other financial liabilities (current and non-current)	320.50	15.33	17.75	23.83	0.08	11.38

Sensitivity analysis

The sensitivity of profit or loss and the impact on the other components of equity to changes in exchange rates arising mainly from foreign currency denominated financial instruments is as follows:

₹ in crores

Particulars	Impact on profit or loss		Impact on net assets	
	Year ended 31 March 2019	Year ended 31 March 2018	As at 31 March 2019	As at 31 March 2018
AED Sensitivity				
₹/AED - Increase by 1%	3.82	2.49	(5.33)	31.99
₹/AED - Decrease by 1%	(3.82)	(2.49)	5.33	(31.99)
OMR Sensitivity				
₹/OMR - Increase by 1%	0.33	0.19	0.80	0.33
₹/OMR - Decrease by 1%	(0.33)	(0.19)	(0.80)	(0.33)
QAR Sensitivity				
₹/QAR - Increase by 1%	0.14	(0.36)	1.10	0.99
₹/QAR - Decrease by 1%	(0.14)	0.36	(1.10)	(0.99)
SAR Sensitivity				
₹/SAR - Increase by 1%	(0.36)	1.61	5.02	4.81
₹/SAR - Decrease by 1%	0.36	(1.61)	(5.02)	(4.81)

Notes to the consolidated financial statements (Contd..)

37 Financial Instruments- Fair values and risk management (Contd..)

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The interest rate on the Group's financial instruments is based on market rates. The Group monitors the movement in interest rates on an ongoing basis.

(a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Financial liabilities (bank borrowings)		
Variable rate long term borrowings including current maturities	2,130.99	2,130.72
Derivative financial instrument		
Interest rate swap	902.11	-

(b) Sensitivity

A reasonably possible change of 100 basis points (BP) in interest rates at the reporting date would have increased / (decreased) equity and profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant.

₹ in crores

Particulars	Impact on profit or loss		Impact on equity	
	As at 31 March 2019	As at 31 March 2018	As at 31 March 2019	As at 31 March 2018
Sensitivity				
100 BP increase in interest rate	(21.31)	(21.31)	(21.31)	(21.31)
100 BP decrease in interest rate	21.31	21.31	21.31	21.31

The interest rate sensitivity is based on the closing balance of secured term loans from banks.

38 Non-controlling interest

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements'.

₹ in crores

	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
Name of the entity	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
Parent								
Aster DM Healthcare Limited	80.99%	2,980.26	13.09%	48.07	0.92%	0.57	11.32%	48.64
Subsidiaries and step down subsidiaries								
India								
Aster DM Healthcare (Trivandrum) Private Limited	(0.19%)	(7.07)	(0.09%)	(0.33)	0.00%	-	(0.08%)	(0.33)
DM Med City Hospitals India Private Limited	1.84%	67.89	0.07%	0.27	0.01%	0.01	0.06%	0.28
Prerana Hospital Limited	0.75%	27.57	1.36%	4.98	0.00%	-	1.16%	4.98
Ambady Infrastructure Private Limited	1.91%	70.46	(0.01%)	(0.04)	0.00%	-	(0.01%)	(0.04)

Notes to the consolidated financial statements (Contd..)

38 Non-controlling interest (Contd..)

₹ in crores

Name of the entity	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of other comprehensive income	Amount	As a % of total comprehensive income	Amount
Sri Sainatha Multispeciality Hospitals Private Limited	0.99%	36.59	0.60%	2.21	(0.07%)	(0.04)	0.50%	2.17
Malabar Institute of Medical Sciences Limited	11.32%	416.72	1.65%	6.05	(0.50%)	(0.31)	1.34%	5.74
Dr. Ramesh Cardiac and Multispeciality Hospitals Private Limited	3.24%	119.36	1.83%	6.72	(0.50%)	(0.31)	1.49%	6.41
Aster Ramesh Duhita LLP	0.01%	0.33	0.07%	0.27	0.00%	-	0.06%	0.27
Sanghamitra Hospitals Private Limited	0.28%	10.47	0.72%	2.63	0.00%	-	0.61%	2.63
Ramesh Fertility Centre LLP	0.02%	0.64	(0.04%)	(0.16)	0.00%	-	(0.04%)	(0.16)
Foreign								
Affinity Holdings Private Limited	44.50%	1,637.49	17.13%	62.93	0.00%	-	14.64%	62.93
Aster DM Healthcare FZC	52.61%	1,936.08	(35.93%)	(131.97)	(55.63%)	(34.72)	(38.79%)	(166.69)
Aster Day Surgery Centre LLC	(0.34%)	(12.35)	(0.54%)	(1.97)	0.00%	-	(0.46%)	(1.97)
Al Rafa Medical Centre LLC	(0.50%)	(18.52)	(0.53%)	(1.93)	0.00%	-	(0.45%)	(1.93)
Asma Pharmacy LLC	0.05%	1.74	0.01%	0.05	0.00%	-	0.01%	0.05
Dar Al Shifa Medical Centre LLC	(0.00%)	(0.06)	(0.39%)	(1.43)	0.00%	-	(0.33%)	(1.43)
DM Healthcare LLC	7.99%	293.86	50.28%	184.67	0.00%	-	42.97%	184.67
DM Pharmacies LLC	0.39%	14.17	0.31%	1.14	0.00%	-	0.27%	1.14
Dr. Moopens Healthcare Management Services LLC	(1.39%)	(51.28)	(12.19%)	(44.79)	0.00%	-	(10.42%)	(44.79)
Aster Primary Care LLC	(0.02%)	(0.59)	0.03%	0.11	0.00%	-	0.03%	0.11
Eurohealth Systems FZ LLC	0.33%	12.32	1.12%	4.11	0.00%	-	0.96%	4.11
Med Shop Drugs Store LLC	2.19%	80.45	4.64%	17.06	0.00%	-	3.97%	17.06
Medcare Hospital LLC	24.18%	889.74	47.37%	174.01	0.00%	-	40.49%	174.01
Medshop Garden Pharmacy LLC	0.44%	16.27	1.46%	5.35	0.00%	-	1.24%	5.35
Modern Dar Al Shifa Pharmacy LLC	0.16%	5.97	0.05%	0.17	0.00%	-	0.04%	0.17
Rafa Pharmacy LLC	(0.05%)	(1.67)	(0.09%)	(0.32)	0.00%	-	(0.07%)	(0.32)
Shindagha Pharmacy LLC	0.01%	0.21	(0.50%)	(1.83)	0.00%	-	(0.43%)	(1.83)
Union Pharmacy LLC	0.20%	7.32	(0.24%)	(0.87)	0.00%	-	(0.20%)	(0.87)
Aster Pharmacies Group LLC	12.25%	450.67	38.02%	139.65	0.00%	-	32.50%	139.65
Alfa Drug Store LLC	2.32%	85.51	12.65%	46.45	0.00%	-	10.81%	46.45
Aster Al Shafar Pharmacies Group LLC	0.36%	13.31	0.54%	1.97	0.00%	-	0.46%	1.97
New Aster Pharmacy DMCC	0.14%	5.17	0.39%	1.44	0.00%	-	0.34%	1.44
Symphony Healthcare Management Services LLC	(0.61%)	(22.47)	(3.86%)	(14.18)	0.00%	-	(3.30%)	(14.18)
Zabeel Pharmacy LLC	(0.01%)	(0.31)	(0.10%)	(0.36)	0.00%	-	(0.08%)	(0.36)
Aster Pharmacy LLC, AUH	0.03%	1.13	(0.05%)	(0.20)	0.00%	-	(0.05%)	(0.20)
Al Shafar Pharmacy LLC, AUH	(0.03%)	(0.99)	(0.02%)	(0.08)	0.00%	-	(0.02%)	(0.08)
Aster Grace Nursing and Physiotherapy LLC	0.04%	1.57	0.28%	1.03	0.00%	-	0.24%	1.03
Aster Medical Centre LLC**	(0.69%)	(25.26)	(1.94%)	(7.11)	0.00%	-	(1.65%)	(7.11)
Aster Opticals LLC	(0.30%)	(10.97)	(1.64%)	(6.01)	0.00%	-	(1.40%)	(6.01)
Al Rafa Investments Limited	(0.03%)	(1.00)	(0.05%)	(0.17)	0.00%	-	(0.04%)	(0.17)
Al Rafa Holdings Limited	(0.01%)	(0.38)	(0.04%)	(0.14)	0.00%	-	(0.03%)	(0.14)
Harley Street LLC	0.00%	0.18	0.00%	-	0.00%	-	0.00%	-
Harley Street Pharmacy LLC	(0.03%)	(1.05)	0.21%	0.76	0.00%	-	0.18%	0.76
Harley Street Medical Centre LLC	0.77%	28.38	1.64%	6.02	0.00%	-	1.40%	6.02
Al Raffah Hospital LLC	1.96%	72.19	8.62%	31.65	0.00%	-	7.37%	31.65
Al Raffah Medical Centre LLC	(0.12%)	(4.56)	0.19%	0.71	0.00%	-	0.17%	0.71

Notes to the consolidated financial statements (Contd..)

38 Non-controlling interest (Contd..)

₹ in crores

	Net assets		Share in profit or loss		Share in other comprehensive income		Share in total comprehensive income	
Name of the entity	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
Dr. Moopen's Healthcare Management Services WLL	5.22%	192.27	7.26%	26.68	0.00%	-	6.21%	26.68
Welcare Polyclinic W.L.L	(0.07%)	(2.75)	0.14%	0.50	0.00%	-	0.12%	0.50
Dr. Moopens Aster Hospital WLL	(2.17%)	(80.01)	(3.73%)	(13.71)	0.00%	-	(3.19%)	(13.71)
Sanad Al Rahma for Medical Care LLC	13.64%	501.83	(9.63%)	(35.38)	0.00%	-	(8.23%)	(35.38)
Aster Kuwait Pharmaceuticals and Medical Equipment Company W.L.L	(0.72%)	(26.58)	(2.09%)	(7.69)	0.00%	-	(1.79%)	(7.69)
Orange Pharmacies LLC	(0.61%)	(22.47)	(0.90%)	(3.32)	0.00%	-	(0.77%)	(3.32)
Aster DM Healthcare SPC	(1.23%)	(45.39)	(1.66%)	(6.08)	0.00%	-	(1.41%)	(6.08)
Aster DM Healthcare INC	(0.51%)	(18.86)	(2.28%)	(8.37)	0.00%	-	(1.95%)	(8.37)
Al Raffah Pharmacies Group LLC	0.00%	0.08	0.01%	0.04	0.00%	-	0.01%	0.04
Harley Street Dental LLC	(0.08%)	(3.01)	0.02%	0.09	0.00%	-	0.02%	0.09
Aster DCC Pharmacy LLC	(0.08%)	(2.87)	(0.31%)	(1.14)	0.00%	-	(0.27%)	(1.14)
Noor Al Shefa Clinic LLC	0.18%	6.52	1.09%	4.02	0.00%	-	0.94%	4.02
Zahrath Al Shefa Medical Center LLC	0.00%	0.10	0.08%	0.29	0.00%	-	0.07%	0.29
Zahrath Al Shefa Pharmacy LLC	0.05%	2.02	0.28%	1.02	0.00%	-	0.24%	1.02
Samary Pharmacy LLC	0.19%	6.89	0.77%	2.83	0.00%	-	0.66%	2.83
E-Care International Medical Billing Services Co. LLC	0.15%	5.46	0.18%	0.67	0.00%	-	0.16%	0.67
Metro Meds Pharmacy L.L.C	0.06%	2.36	0.49%	1.79	0.00%	-	0.42%	1.79
Metro Medical Center L.L.C	0.08%	2.86	0.23%	0.84	0.00%	-	0.20%	0.84
Aster Hospital Sonapur L.L.C	0.02%	0.57	0.00%	-	0.00%	-	0.00%	-
Oman Al Khair Hospital L.L.C	0.34%	12.63	0.04%	0.13	0.00%	-	0.03%	0.13
Radiant Healthcare L.L.C	0.87%	31.91	(0.41%)	(1.51)	0.00%	-	(0.35%)	(1.51)
Alfa Investments Limited #	0.01%	0.31	(0.01%)	(0.04)	0.00%	-	(0.01%)	(0.04)
Active Holdings Limited	0.01%	0.31	(0.01%)	(0.04)	0.00%	-	(0.01%)	(0.04)
Ibn Alhaitham Pharmacy LLC **	0.00%	-	0.00%	-	0.00%	-	0.00%	-
Maryam Pharmacy LLC **	0.00%	-	0.00%	-	0.00%	-	0.00%	-
		9,689.67		**498.21**		**(34.80)**		**463.41**
Associates (Investment as per equity method) (Refer note 40)	0.54%	19.78	(0.07%)	(0.25)	0.00%	-	(0.06%)	(0.25)
Adjustment arising out of consolidation	(176.52%)	(6,495.69)	(44.88%)	(164.85)	146.68%	91.54	(17.06%)	(73.30)
Non controlling interest in subsidiaries	12.67%	466.06	9.31%	34.20	9.09%	5.67	9.28%	39.87
Consolidated net assets/ Profit after tax	**100.00%**	**3,679.82**	**100.00%**	**367.31**	**100.00%**	**62.41**	**100.00%**	**429.72**

Notes to the consolidated financial statements (Contd..)

38 Non-controlling interest (contd..)

The following table summarises the financial information relating to subsidiaries which have material non-controlling interest:

(i) Malabar Institute of Medical Sciences Limited

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current assets	664.18	549.01
Current assets	70.70	49.55
Non-current liabilities	(194.80)	(147.51)
Current liabilities	(114.23)	(75.49)
Net assets	**425.85**	**375.56**
NCI	**27.32%**	**29.32%**
Carrying amount of non-controlling interests	**116.34**	**110.11**

₹ in crores

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	345.47	323.61
Profit for the year	6.06	12.63
Other comprehensive income/ (loss) for the year	(0.31)	0.23
Total comprehensive income for the year	**5.75**	**12.86**
Attributable to non-controlling interest		
Profit for the year	1.66	3.70
Other comprehensive income/ (loss) for the year	(0.09)	0.07
Cash flows from/ (used in) :		
Operating activities	23.04	36.56
Investing activities	(98.15)	(34.07)
Financing activities	89.13	(3.67)
Net increase/ (decrease) in cash and cash equivalents	**14.02**	**(1.18)**

(ii) Dr. Ramesh Cardiac and Multispeciality Hospitals Private Limited

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current assets	157.12	128.93
Current assets	41.28	59.14
Non-current liabilities	(40.32)	(41.02)
Current liabilities	(38.71)	(34.09)
Net assets	**119.37**	**112.96**
NCI	**49%**	**49%**
Carrying amount of non-controlling interests	**58.49**	**55.35**

₹ in crores

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	208.42	191.07
Profit for the year	6.73	10.69
Other comprehensive income for the year	(0.31)	(0.32)
Total comprehensive income for the year	**6.42**	**10.37**
Attributable to non-controlling interest		
Profit for the year	3.30	5.24

Notes to the consolidated financial statements (Contd..)

38 Non-controlling interest (Contd..)

₹ in crores

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Other comprehensive income for the year	(0.15)	(0.16)
Cash flows from:		
Operating activities	12.99	18.19
Investing activities	(11.01)	(8.82)
Financing activities	(4.74)	(9.19)
Net increase in cash and cash equivalents	**(2.76)**	**0.18**

(iii) Medcare Hospital LLC

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current assets	445.50	449.86
Current assets	905.28	754.94
Non-current liabilities	(83.13)	(64.81)
Current liabilities	(372.09)	(470.41)
Net assets	**895.56**	**669.58**
NCI	**20%**	**20%**
Carrying amount of non-controlling interests	**179.11**	**133.92**

₹ in crores

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue from operations	1,633.00	1,345.04
Profit for the year	174.01	63.18
Other comprehensive income for the year	-	-
Total comprehensive income for the year	**174.01**	**63.18**
Attributable to non-controlling interest		
Profit for the year	34.80	12.64
Other comprehensive income for the year	-	-
Cash flows from/ (used in) :		
Operating activities	130.35	224.48
Investing activities	(13.56)	(46.52)
Financing activities	(92.98)	(114.10)
Net increase in cash and cash equivalents	**23.81**	**63.86**

39 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:

Sl No	Entity	Country of incorporation	31 March 2019		31 March 2018	
			Beneficial	Legal *	Beneficial	Legal *
Direct subsidiaries						
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	85%	85%	81%	81%
4	Ambady Infrastructure Private Limited	India	100%	100%	100%	100%

Notes to the consolidated financial statements (Contd..)

39 Group information(Contd..)

Sl No	Entity	Country of incorporation	31 March 2019 Beneficial	31 March 2019 Legal *	31 March 2018 Beneficial	31 March 2018 Legal *
5	Affinity Holdings Private Limited	Mauritius	100%	100%	100%	100%
6	Sri Sainatha Multispeciality Hospitals Private Limited	India	58%	58%	58%	58%
7	Malabar Institute of Medical Sciences Limited	India	73%	73%	71%	71%
8	Dr. Ramesh Cardiac and Multispecialty Hospitals Private Limited	India	51%	51%	51%	51%
Step down subsidiaries						
9	Aster Ramesh Duhita LLP	India	50%	50%	50%	50%
10	Sanghamitra Hospitals Private Limited	India	51%	51%	NA	NA
11	Ramesh Fertility Centre LLP	India	50%	50%	NA	NA
12	Aster DM Healthcare FZC	UAE	100%	100%	100%	100%
13	Aster Day Surgery Centre LLC	UAE	82%	49%	82%	49%
14	Al Rafa Medical Centre LLC	UAE	51%	40%	51%	40%
15	Asma Pharmacy LLC	UAE	50%	0%	50%	0%
16	Dar Al Shifa Medical Centre LLC	UAE	51%	40%	51%	40%
17	DM Healthcare LLC	UAE	100%	49%	100%	49%
18	DM Pharmacies LLC	UAE	100%	49%	100%	49%
19	Dr. Moopens Healthcare Management Services LLC	UAE	100%	49%	100%	49%
20	Aster Primary Care LLC	UAE	71%	40%	71%	40%
21	Eurohealth Systems FZ LLC	UAE	100%	95%	100%	95%
22	Med Shop Drugs Store LLC	UAE	100%	49%	100%	49%
23	Medcare Hospital LLC	UAE	80%	30%	80%	30%
24	Medshop Garden Pharmacy LLC	UAE	100%	49%	100%	49%
25	Modern Dar Al Shifa Pharmacy LLC	UAE	51%	40%	51%	40%
26	Rafa Pharmacy LLC	UAE	100%	49%	100%	49%
27	Shindagha Pharmacy LLC	UAE	90%	49%	90%	49%
28	Union Pharmacy LLC	UAE	75%	37%	75%	37%
29	Aster Pharmacies Group LLC	UAE	100%	49%	100%	49%
30	Alfa Drug Store LLC	UAE	100%	49%	100%	49%
31	Aster Al Shafar Pharmacies Group LLC	UAE	51%	49%	51%	49%
32	New Aster Pharmacy DMCC	UAE	100%	100%	100%	100%
33	Symphony Healthcare Management Services LLC	UAE	100%	0%	100%	0%
34	Zabeel Pharmacy LLC	UAE	51%	49%	51%	49%
35	Aster Pharmacy LLC, AUH	UAE	100%	49%	100%	49%
36	Al Shafar Pharmacy LLC, AUH **	UAE	51%	49%	51%	49%
37	Aster Grace Nursing and Physiotherapy LLC	UAE	60%	29%	60%	29%
38	Aster Medical Centre LLC**	UAE	90%	39%	90%	39%
39	Aster Opticals LLC	UAE	60%	49%	60%	49%
40	Al Rafa Investments Limited	UAE	100%	0%	100%	0%
41	Al Rafa Holdings Limited	UAE	100%	0%	100%	0%
42	Harley Street LLC	UAE	60%	9%	60%	9%
43	Harley Street Pharmacy LLC	UAE	60%	9%	60%	9%
44	Harley Street Medical Centre LLC	UAE	60%	9%	60%	9%
45	Al Raffah Hospital LLC	Oman	100%	70%	100%	70%
46	Al Raffah Medical Centre LLC	Oman	100%	70%	100%	70%
47	Dr. Moopen's Healthcare Management Services WLL	Qatar	99%	49%	99%	49%
48	Welcare Polyclinic W.L.L	Qatar	50%	45%	50%	45%
49	Dr. Moopens Aster Hospital WLL	Qatar	99%	49%	99%	49%
50	Sanad Al Rahma for Medical Care LLC	Kingdom of Saudi Arabia	97%	97%	97%	97%
51	Aster Kuwait Pharmaceuticals and Medical Equipment Company W.L.L	Kuwait	54%	2%	54%	2%
52	Orange Pharmacies LLC	Jordan	51%	0%	51%	0%
53	Aster DM Healthcare SPC	Bahrain	100%	100%	100%	100%

Notes to the consolidated financial statements (Contd..)

39 Group information(Contd..)

Sl No	Entity	Country of incorporation	31 March 2019		31 March 2018	
			Beneficial	Legal *	Beneficial	Legal *
54	Aster DM Healthcare INC	Philippines	90%	90%	90%	90%
55	Al Raffah Pharmacies Group LLC	Oman	100%	70%	100%	70%
56	Harley Street Dental LLC	UAE	50%	74%	50%	74%
57	Aster DCC Pharmacy LLC	UAE	70%	70%	70%	70%
58	Noor Al Shefa Clinic LLC	UAE	70%	70%	NA	NA
59	Zahrath Al Shefa Medical Center LLC	UAE	70%	70%	NA	NA
60	Zahrath Al Shefa Pharmacy LLC	UAE	70%	70%	NA	NA
61	Samary Pharmacy LLC	UAE	70%	70%	NA	NA
62	E-Care International Medical Billing Services Co. LLC	UAE	80%	51%	NA	NA
63	Metro Meds Pharmacy L.L.C	UAE	66%	66%	NA	NA
64	Metro Medical Center L.L.C	UAE	66%	66%	NA	NA
65	Aster Hospital Sonapur L.L.C	UAE	90%	90%	NA	NA
66	Oman Al Khair Hospital L.L.C	Oman	60%	42%	NA	NA
67	Radiant Healthcare L.L.C	UAE	76%	76%	NA	NA
68	Alfa Investments Limited #	UAE	0%	0%	NA	NA
69	Active Holdings Limited	UAE	0%	99%	NA	NA
70	Ibn Alhaitham Pharmacy LLC **	UAE	100%	49%	100%	49%
71	Maryam Pharmacy LLC **	UAE	100%	0%	100%	0%

* 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 susbstantially 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.

(b) Associates

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

Sl No	Entity	Country of incorporation	31 March 2019		31 March 2018	
			Beneficial	Legal *	Beneficial	Legal *
1	EMED Human Resources (India) Private Limited	India	33%	33%	33%	33%
2	MIMS Infrastructure and Properties Private Limited	India	35%	35%	35%	35%
3	Aries Holdings FZC	UAE	25%	25%	25%	25%
4	AAQ Healthcare Investments LLC	UAE	33%	33%	33%	33%
5	Al Mutamaizah Medcare Healthcare Investment Co. LLC	UAE	49%	49%	NA	NA

40 Acquisition of Subsidiaries and Non-Controlling Interests (NCI)

Acquisition of subsidiary

i) 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.

Notes to the consolidated financial statements (Contd..)

40 Acquisition of Subsidiaries and Non-Controlling Interests (NCI)(Contd..)

A Consideration transferred

The following table summarises the acquisition date fair value of consideration transferred:

Particulars	₹ (in Crore)
Total consideration	36.27

B Identifiable assets acquired and liabilties assumed

Particulars	₹ (in Crore)
Property, plant and equipment	2.66
Intagible assets including payor relationships and trade name	15.19
Other assets	11.29
Cash and cash equivalent	2.28
Total assets	**31.42**
Other liabilities	(9.50)
Total liabilities	**(9.50)**
Net identifiable assets acquired	**(21.92)**

C Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	₹ (in Crore)
Consideration transferred	36.27
Fair value of non controlling interest	13.10
Fair value of net identifiable assets acquired	(21.92)
Goodwill	**27.45**

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 indcations developed in applying the method are weighted and reconciled with other facts with regards to the type of assets being appraised and the quantitty and quality of the data available in order to form a conclusive opinion of fair market value.
Payor relationships	The fair value of existing Payor Relationships was estimated using a form of the income approach known as the contributory asset charges ('CAC") method or multi-period excess earnings ('MEEM").Under MEEM, value is estimated as the present value of the benefits anticipated from ownership of the subject intangible asset in excess of the returns required on the investment in the contributory assets necessary to realize those benefits. It is based on the theory that all operating assets contribute to the profitability of an enterprise. Therefore, if the estimated earnings associated with a specific asset of the Company rely on the use of other company assets, then the estimated excess earnings of the subject asset must include appropriate charges for the use of these contributory assets.
Trade name	The Fair Value of an acquired Trade Name is established using a form of the income approach known as the relief from-royalty method. This method recognizes that because a company owns the Trade Name rather than licensing it a company does not have to pay royalty; usually expressed as a percentage of sales, for their use. The present value of the after-tax cost savings (i.e. royalty relief) at an appropriate discount rate indicates the value of the Trade Name.

Notes to the consolidated financial statements (Contd..)

40 Acquisition of Subsidiaries and Non-Controlling Interests (NCI)(Contd..)

ii) 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	₹ (in Crore)
Cash	11.39

B Identifiable assets acquired and liabilties assumed

Particulars	₹ (in Crore)
Property, plant and equipment	0.69
Intagible assets including license	1.67
Other assets	5.04
Total assets	**7.40**
Provision for terminal benefits	(0.13)
Other liabilities	(0.78)
Total liabilities	**(0.91)**
Net identifiable assets acquired	**6.49**

C Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	₹ (in Crore)
Consideration transferred	11.39
Fair value of non controlling interest	1.40
Fair value of net identifiable assets acquired	(6.49)
Goodwill	**6.30**

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 indcations developed in applying the method are weighted and reconciled with other facts with regards to the type of assets being appraised and the quantitty 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.

Notes to the consolidated financial statements (Contd..)

40 Acquisition of Subsidiaries and Non-Controlling Interests (NCI)(Contd..)

iii) 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	₹ (in Crore)
Cash	24.60

B Identifiable assets acquired and liabilties assumed

Particulars	₹ (in Crore)
Property, plant and equipment	2.66
Intagible assets including payor relationships	8.17
Other assets	10.37
Cash and cash equivalent	0.76
Total assets	**21.96**
Other liabilities	(11.77)
Total liabilities	**(11.77)**
Net identifiable assets acquired	**10.19**

C Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	₹ (in Crore)
Consideration transferred / transferable	24.60
Fair value of non controlling interest	10.44
Fair value of net identifiable assets acquired	(10.19)
Goodwill	**24.85**

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 indcations developed in applying the method are weighted and reconciled with other facts with regards to the type of assets being appraised and the quantitty and quality of the data available in order to form a conclusive opinion of fair market value.

Notes to the consolidated financial statements (Contd..)

40 Acquisition of Subsidiaries and Non-Controlling Interests (NCI)(Contd..)

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.

iv) 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	₹ (in Crore)
Cash	19.05

B Identifiable assets acquired and liabilties assumed

Particulars	₹ (in Crore)
Property, plant and equipment	12.01
Intagible assets including payor relationships	2.04
Other assets	4.64
Cash and cash equivalent	0.88
Total assets	**19.57**
Other liabilities	(4.95)
Total liabilities	**(4.95)**
Net identifiable assets acquired	**14.62**

C Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	₹ (in Crore)
Consideration transferred / transferable	19.05
Fair value of non controlling interest	11.20
Fair value of identifiable assets acquired	(14.62)
Goodwill	**15.63**

Notes to the consolidated financial statements (Contd..)

40 Acquisition of Subsidiaries and Non-Controlling Interests (NCI)(Contd..)

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 indcations developed in applying the method are weighted and reconciled with other facts with regards to the type of assets being appraised and the quantitty 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.

v) Acquisition of Radiant Healthcare L.L.C

On 6 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	₹ (in Crore)
Total consideration	57.73

B Identifiable assets acquired and liabilties assumed

Particulars	₹ (in Crore)
Property, plant and equipment	33.23
Intangible assets including favorable lease	35.89
Other assets	0.40
Total assets	**69.52**
Other liabilities	-
Total liabilities	**-**
Net identifiable assets acquired	**69.52**

C Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	₹ (in Crore)
Consideration transferred / transferable	57.73
Fair value of non controlling interest	14.24
Fair value of net identifiable assets	(69.52)
Goodwill	**2.45**

Notes to the consolidated financial statements (Contd..)

40 Acquisition of Subsidiaries and Non-Controlling Interests (NCI)(Contd..)

vi) 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	₹ (in Crore)
Cash	29.08

B Identifiable assets acquired and liabilties assumed

Particulars	₹ (in Crore)
Property, plant and equipment	26.53
Intangible assets including payor relationships and trade name	5.40
Other assets	6.77
Cash and cash equivalent	0.76
Total assets	**39.46**
Other liabilities	(19.69)
Total liabilities	**(19.69)**
Net identifiable assets acquired	**19.77**

C Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	₹ (in Crore)
Consideration transferred / transferable	29.08
Fair value of non controlling interest	13.03
Fair value of identifiable assets acquired	(19.77)
Goodwill	**22.34**

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.

Notes to the consolidated financial statements (Contd..)

40 Acquisition of Subsidiaries and Non-Controlling Interests (NCI)(Contd..)

Assets acquired	Valuation technique
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.

vii) Acquisition of Harley Street Dental LLC ("Entity").

On 1 October 2017, the Group entered into Share Purchase Agreement to acquire 50% beneficial ownership in Harley Street Dental Centre LLC for a purchase consideration amounting to ₹ 17.53 million thereby giving it control over the Entity.

The Entity operates a dental clinic in Abu Dhabi. Upon transfer of control, the Group owns economic and beneficial interest in 60% of the net worth and profit/(loss) of the Entity.

A Consideration transferred

The following table summarises the acquisition date fair value of consideration transferred:

Particulars	₹ (in Crore)
Cash	1.75

B Identifiable assets acquired and liabilties assumed

Particulars	₹ (in Crore)
Property, plant and equipment	2.09
Other assets	0.47
Cash and cash equivalent	0.19
Total assets	**2.75**
Other liabilities	(6.06)
Total liabilities	**(6.06)**
Net identifiable assets acquired	**(3.31)**

C Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	₹ (in Crore)
Consideration transferred	1.75
Fair value of non controlling interest	1.88
Fair value of net identifiable assets acquired	3.31
Goodwill	**6.94**

viii) Harley Street Pharmacy LLC, Harley Street LLC and Harley Street Medical Center LLC ("Harley Group").

On 28 July 2016, the Group entered into a Share Purchase Agreement to acquire 60 % voting shares in Harley Street Pharmacy LLC, Harley Street LLC and Harley Street Medical Center LLC, giving it control over the Harley Group. Harley Group is engaged in the business of running clinics, pharmacies and other healthcare services. Upon transfer of control, the Group owns economic and beneficial interest in 60% of the net worth and profit/(loss) of the Harley Group. The acquisition is expected to provide the Group with an increased share of medical and healthcare sector through access to the subsidiary's customer base and market share. The Group also expects to reduce costs through economies of scale.

Notes to the consolidated financial statements (Contd..)

40 Acquisition of Subsidiaries and Non-Controlling Interests (NCI)(Contd..)

A Consideration transferred

The following table summarises the acquisition date fair value of consideration transferred:

Particulars	₹ (in Crore)
Cash	76.56

B Identifiable assets acquired and liabilties assumed

Particulars	₹ (in Crore)
Property, plant and equipment	48.85
Intangible assets including payor relationships and trade name	18.41
Other assets	23.51
Cash and cash equivalent	9.66
Total assets	**100.43**
Borrowings	(28.25)
Trade payable	**(23.33)**
Total liabilities	**(51.58)**
Net identifiable assets acquired	**48.85**

C Goodwill

Goodwill arising from acquisition has been determined as follows:

Particulars	₹ (in Crore)
Consideration transferred	76.56
Fair value of non controlling interest	40.10
Fair value of net identifiable assets	(48.85)
Goodwill	**67.81**

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..)

40 Acquisition of Subsidiaries and Non-Controlling Interests (NCI)(Contd..)

ix) 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 ₹ 44.79 crore in cash, increasing its ownership interest from 70.68 % to 73.22 %. The Group consequently recognised a increase in NCI of ₹ 2.37 crore. Excess of investments over net assets acquired amounting to ₹ 1.75 crores have been debited to retained earnings.

x) 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 ₹ 1.92 crore. Excess of investments over net assets acquired amounting to ₹ 1.92 crores have been debited to retained earnings.

xi) Acquisition of Pharmacies (Al Hayat Pharmacy, Al Ola Pharmacy LLC and Mankhool Pharmacy LLC)

During the year ended 31 March 2018, the Group acquired standalone pharmacy outlets based in Dubai, UAE for a total consideration of ₹ 38.49 crore and upon acquisition the entities was converted as a branch of one of the subsidiary. The total goodwill recognised amounts to ₹ 26.39 crore on acquisition.

xii) Acquisition of NCI in Sri Sainatha Multispecialty Hospitals Private Limited

During the year ended 31 March 2018, the Group acquired additional 11.14% stake in Sri Sainatha Multispecialty Hospitals Private Limited for ₹ 8.05 crore in cash, increasing its ownership interest from 46.9 % to 58.04 %. The Group consequently recognised a decrease in NCI of ₹ 3.87 crore. The difference of ₹4.18 crore represents a decrease in retained earnings.

Particulars	₹ (in Millions)
Carrying amount of non controlling interest acquired	3.87
Consideration paid to non controlling interest	8.05
Decrease in equity attributable to owners of the Company	**(4.18)**

41 Investment in equity accounted investees

The Group has interest in the following companies listed below. The Group's interest in these companies is accounted for using equity method in the consolidated financial statements. The Group has significant influence either by virtue of shareholding being more than 20%, provision of essential technical service or Board representation. However the Group does not have control or joint control over any of these entities.

Name	Country	Legal and beneficial holding	Share of profits/ (losses)		Investment	
			Year ended 31 March 2019	Year ended 31 March 2018	As at 31 March 2019	As at 31 March 2018
AAQ Healthcare Investments LLC	UAE	33%	5.96	(0.53)	5.59	(0.37)
Aries Holdings FZC	UAE	25%	0.40	2.48	3.90	3.50
Al Mutamaizah Medcare Healthcare Investment Co. LLC	UAE	49%	(6.79)	-	0.18	-
EMED Human Resources (India) Private Limited	India	33%	0.06	0.04	0.12	0.05
MIMS Infrastructure and Properties Private Limited	India	35%	0.12	0.30	9.99	9.87
Total			**(0.25)**	**2.29**	**19.78**	**13.05**

Notes to the consolidated financial statements (Contd..)

41 Investment in equity accounted investees (Contd..)

Summarised financial information :

(i) MIMS Infrastructure and Properties Private Limited

The Group has a 35% interest in MIMS Infrastructure And Properties Private Limited, an entity which is not listed on any public exchange. The table below also reconciles the summarised financial information to the carrying amount of the Group's interest in MIMS Infrastructure and Properties Private Limited.

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current assets	25.11	22.67
Current assets	2.14	2.17
Non-current liabilities	(2.08)	-
Current liabilities	(0.83)	(0.65)
Net assets	**24.34**	**24.19**
Ownership held by the group	35%	35%
Group's share of net assets	**8.52**	**8.46**

₹ in crores

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue	1.14	1.87
Profit before tax	0.48	1.19
Income tax	(0.13)	(0.33)
Profit after tax	0.35	0.86
Other comprehensive income	-	-
Total comprehensive income	**0.35**	**0.86**
Ownership held by the group	35%	35%
Group's share of total comprehensive income	**0.12**	**0.30**

(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.

₹ in crores

Particulars	As at 31 March 2019	As at 31 March 2018
Non-current assets	339.68	321.37
Current assets	28.80	16.57
Non-current liabilities	(143.05)	(146.09)
Current liabilities	(213.90)	(178.27)
Net assets	**11.53**	**13.58**
Group's share of net assets	**3.91**	**3.31**

₹ in crores

Particulars	Year ended 31 March 2019	Year ended 31 March 2018
Revenue	53.87	16.45
Profit before tax	6.06	8.48
Income tax	(0.06)	(0.03)
Profit after tax	6.00	8.45
Other comprehensive income	-	-
Total comprehensive income	**6.00**	**8.45**
Group's share of total comprehensive income	**(0.37)**	**1.99**

Notes to the consolidated financial statements (Contd..)

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 market price of the shares at respective date of grant of options. The Compensation Committee granted the options on the basis of performance, criticality and potential of the employees as identified by the management.

The Company has issued different categories of options on 2 March 2013, 1 April 2014, 1 April 2015, 22 November 2016, 7 June 2017, 01 March 2018, 30 April 2018 and 12 February 2019 on different terms viz; incentive options, milestone options, performance options and loyalty options. The Company has computed the fair value of the options for the purpose of accounting of employee compensation cost/ expense over the vesting period of the options.

The fair value of the option is calculated using the Black-Scholes Option Pricing model. Accordingly fair value of the various options granted is stated below:

Option Type	Grant date	Number of instruments	Exercise price	Vesting conditions	Contractual life of options
Incentive option	2 March 2013	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	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.	
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.	
Loyalty option	2 March 2013	4,20,000	10	100% vesting at the end of 1 year from date of grant.	5 years from the date of vesting
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.	
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.	

Notes to the consolidated financial statements (Contd..)

42 Share based payments (Contd..)

Option Type	Grant date	Number of instruments	Exercise price	Vesting conditions	Contractual life of options
Loyalty option	30 April 2018	71,000	10	At the end of 1 year from the date of grant.	5 years from the date of vesting
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.	

* 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%

Option Type	Performance options			
Date of grant	12 February 2019	12 February 2019	1 March 2018	1 March 2018
Fair value at grant date	₹71.55	₹65.16	₹133.44	₹61.55
Share price at grant date	₹157.85	₹157.85	₹173.10	₹173.10
Exercise Price	₹116.00	₹116.00	₹50.00	₹142.00
Expected volatility	39.950%	39.950%	16.380%	16.380%
Expected life	2.75 years	2 years	2.50 years	2.50 years
Expected dividends	Nil	Nil	Nil	Nil
Risk- free interest rate	6.78%	6.78%	7.76%	7.76%

Notes to the consolidated financial statements (Contd..)

42 Share based payments (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
Fair value at grant date	₹162.48	₹129.61	₹149.41
Share price at grant date	₹170.95	₹157.85	₹157.85
Exercise Price	₹10.00	₹10.00	₹10.00
Expected volatility	48.990%	39.950%	39.950%
Expected life	2.50 years	2.50 years	2.50 years
Expected dividends	Nil	Nil	Nil
Risk- free interest rate	6.63%	6.78%	6.78%

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

C Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option plans are as follows:

₹ in crores

Particulars	31 March 2019	31 March 2018
Outstanding as on 1 April	0.26	0.17
Granted during the year	0.04	0.14
Lapsed / forfeited during the year	0.05	0.05
Exercised during the year	0.07	*
Expired during the year	0.01	*
Options outstanding at the end of the year	0.17	0.26
Options exercisable at the end of the year	0.04	0.10
Weighted average share price at the date of exercise (in ₹)	70.29	68.60

* Amount is below the rounding off norms adopted by the Company.

The options outstanding at 31 March 2019 have an exercise price in the range of ₹ 10 to ₹ 116 (31 March 2018: ₹ 10 to ₹ 175) and a weighted average remaining contractual life of 4.13 years (31 March 2018: 3.60 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..)

43 Related party disclosures

(i) Names of related parties and description of relationship with the company

A) Enterprises where control exists

a) Holding and ultimate holding company	Union Investments Private Limited, Mauritius (till 22 February 2018)
b) Subsidiaries and step down subsidiaries	Refer note 39

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 Pvt Ltd
	Equity accounted investees (Refer note 41)
b) Key managerial personnel and their relatives	Dr. Azad Moopen (Chairman and Managing Director)
	Sreenath Reddy (Chief Financial Officer)
	Puja Aggarwal (Company Secretary)
	Daniel James Snyder (Independent Director)
	Harsh C Mariwala (Independent Director) (till 13 February 2019)
	Biju Varkey (Independent Director) (from 14 August 2018)
	Layla Mohamad Hassan Ali Almarzooqi (Independent Director) (from 28 March 2019)
	M Madhavan Nambiar (Independent Director)
	Ravi Prasad (Independent Director)
	Suresh M. Kumar (Independent Director)
	Alisha Moopen (Director)
	T J Wilson (Director)
	Anoop Moopen (Director)
	Mintz Daniel Robert (Director)
	Rajagopal Sukumar (Director) (till 14 August 2018)
	Shamsudheen Bin Mohideen Mammu Haji (Director)

ii) Related party transactions

₹ in crores

Nature of transactions	Year ended 31 March 2019	Year ended 31 March 2018
EMED Human Resources (India) Private Limited		
Short-term loans and advances given	-	0.03
Short-term loans and advance repayment received	0.33	0.62
Expenses incurred on behalf of associates	0.27	0.18
Repayment to associates	0.07	-
Interest on loan to related parties	0.03	0.07
Staff recruitment services rendered by associates	0.12	0.27
Union Investments Private Limited		
Repayment of offer proceeds	1.66	-
DM Education & Research Foundation		
Income from consultancy services	1.81	1.18
Income from hospital services	-	1.27
Interest income under the effective interest method on lease deposit	0.61	0.57
Operating lease- Hospital operation and management expense	0.74	0.74
Shared service expenses	4.76	5.49
Expenses incurred by associates	-	0.06
Collection by associates	3.60	1.87

Notes to the consolidated financial statements (Contd..)

43 Related party disclosures (Contd..)

₹ in crores

Nature of transactions	Year ended 31 March 2019	Year ended 31 March 2018
Wayanad Infrastructure Pvt Ltd		
Expenses incurred by subsidiaries / associates	-	0.07
Other expenses	0.02	-
Aster DM Foundation India		
Income from hospital services	-	0.60
Donation given	2.53	0.42
MIMS Infrastructure and Properties Private Limited		
Advances received	2.90	-
Expenses reimbursement	-	0.03
Aries Holdings FZC		
Advance given during the year/ repaid	-	21.00
Repayment of advances	4.45	-
AAQ Healthcare Investment LLC		
Advance given during the year	5.77	33.26
Repayment of advances	-	-
Al Mutamaizah Medcare Healthcare Investment Co. LLC		
Advance given to equity accounted investees (net)	14.16	-
Managerial remuneration		
Short-term employee benefits		
- Salaries and allowances*	33.85	23.64

*The aforesaid amount does not include provision for gratuity and leave encashment as the same is determined for the Company as a whole based on an actuarial valuation.

iii) Balance receivable / (payable)

₹ in crores

Nature of transactions	Related party transactions	
	As at 31 March 2019	As at 31 March 2018
EMED Human Resources (India) Private Limited		
Financial assets- loans (current) - Dues from related parties	0.47	0.51
Other financial liabilities (current) - Dues to creditors for expenses	(0.06)	(0.01)
Wayanad Infrastructure Pvt Ltd		
Other financial liabilities (current) - Dues to creditors for expenses	(0.08)	(0.07)
Union Investments Private Limited		
Other financial liabilities (current)-Dues to holding company	(1.04)	(2.70)
DM Education & Research Foundation		
Other financial liabilities (current) - Dues to creditors for expenses	-	(0.30)
Other non current assets - deferred lease expenses	4.37	5.11
Other current assets - deferred lease expenses	0.74	0.74
Other financial assets (current)	0.35	-
Other financial assets- (non current) rent and other deposits	9.39	8.77
Aries Holdings FZC		
Advance given to equity accounted investees	68.99	73.44
AAQ Healthcare Investment LLC		
Advance given to equity accounted investees	45.81	40.04
Al Mutamaizah Medcare Healthcare Investment Co. LLC		
Advance given to equity accounted investees	14.16	-
MIMS Infrastructure and Properties Private Limited		
Other current assets	0.02	0.02
Key managerial remuneration payable	6.79	16.75

Notes to the consolidated financial statements (Contd..)

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 ₹ 10 each were allotted/ allocated, at an issue price of ₹ 190 , consisting of fresh issue of 38,157,894 equity shares and an offer for sale of 13,428,251 equity shares by selling shareholders. The equity shares of the Company were listed on National Stock Exchange of India Limited (NSE) 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. The Company's share of fresh issue related expenses of ₹ 44.32 crore has been adjusted against securities premium. Details of utilisation of IPO proceeds are as follows:

₹ in crores

Particulars	Objects of issue as per prospectus	Utilised upto 31 March 2019	Unutilised amount as at 31 March 2019
Repayment/ prepayment of debt	564.16	564.16	-
Purchase of medical equipment	110.31	38.44	71.87
Fresh issue related expenses	44.32	44.32	-
General corporate purposes*	6.21	6.21	-
Total	**725.00**	**653.13**	**71.87**

*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 The previous year figures have been reclassified/ regrouped wherever necessary to align with current year presentation.

for **B S R and Associates**
Chartered Accountants
Firm registration number: 128901W

Rushank Muthreja
Partner
Membership No.: 211386

Bengaluru
28 May 2019

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
28 May 2019

T J Wilson
Director
DIN 02135108
Dubai
28 May 2019

Sreenath Reddy
Chief Financial Officer

Dubai
28 May 2019

Puja Aggarwal
Company Secretary
Membership no. : ACS49310

Bengaluru
28 May 2019

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