

Aster DM Healthcare Limited and its subsidiaries and associates
Consolidated balance sheet as at 31 March 2017
 (All amounts in Indian rupees millions, except share data and where otherwise stated)

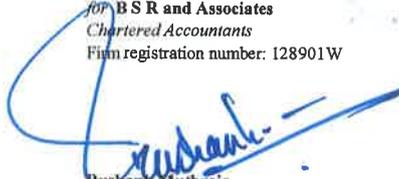
| | Note | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|--------------------------------------|------|------------------------|------------------------|-----------------------|
| Assets | | | | |
| Non-current assets | | | | |
| Property, plant and equipment | 4 | 27,668.09 | 20,374.03 | 17,852.26 |
| Capital work-in-progress | 4 | 2,897.60 | 3,581.29 | 1,973.64 |
| Goodwill | 5 | 6,739.84 | 4,418.86 | 4,328.78 |
| Other intangible assets | 5 | 788.95 | 281.87 | 188.47 |
| Equity accounted investees | 40 | 107.60 | 110.98 | 116.20 |
| Financial assets | | | | |
| Investments | 6 | 0.01 | 10.17 | 0.01 |
| Other financial assets | 7 | 2,219.97 | 985.23 | 841.18 |
| Deferred tax assets | 28 | 30.30 | 18.25 | 26.82 |
| Other non-current assets | 8 | 2,523.28 | 2,443.77 | 709.28 |
| Income tax assets | 29 | 372.57 | 167.92 | 76.34 |
| Total non-current assets | | 43,348.21 | 32,392.37 | 26,112.98 |
| Current assets | | | | |
| Inventories | 9 | 5,255.39 | 4,107.03 | 3,108.17 |
| Financial assets | | | | |
| Investments | 6 | 215.61 | 377.43 | 27.16 |
| Trade receivables | 10 | 12,876.18 | 15,224.21 | 9,549.77 |
| Cash and cash equivalents | 11 | 1,373.21 | 2,573.59 | 2,497.68 |
| Other bank balances | 12 | 147.48 | 93.08 | 544.07 |
| Other financial assets | 7 | 2,328.60 | 1,727.14 | 1,260.72 |
| Other current assets | 8 | 2,528.09 | 2,755.11 | 1,726.37 |
| Total current assets | | 24,724.56 | 26,857.59 | 18,713.94 |
| Total assets | | 68,072.77 | 59,249.96 | 44,826.92 |
| Equity and liabilities | | | | |
| Equity | | | | |
| Equity share capital | 13 | 4,032.22 | 4,030.52 | 3,886.38 |
| Other equity | | 14,721.89 | 1,135.03 | 11,248.00 |
| Total equity | | 18,754.11 | 5,165.55 | 15,134.38 |
| Non-controlling interest | | | | |
| Total equity | | 22,506.77 | 7,658.78 | 23,167.96 |
| Liabilities | | | | |
| Non-current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 14 | 18,905.06 | 25,774.13 | 6,118.34 |
| Derivatives | 36 | 861.30 | - | - |
| Other financial liabilities | 15 | 158.56 | 3,040.23 | 616.43 |
| Provisions | 16 | 1,748.13 | 1,474.01 | 1,052.82 |
| Deferred tax liabilities | 28 | 1,436.61 | 1,320.11 | 1,313.92 |
| Other non-current liabilities | 17 | 444.10 | 317.24 | 168.15 |
| Total non-current liabilities | | 23,553.76 | 31,925.72 | 9,269.66 |
| Current liabilities | | | | |
| Financial liabilities | | | | |
| Borrowings | 14 | 8,304.44 | 5,841.40 | 2,893.71 |
| Trade payables | 18 | 7,824.95 | 6,970.31 | 4,324.19 |
| Other financial liabilities | 15 | 5,003.08 | 5,835.67 | 4,503.78 |
| Provisions | 16 | 297.16 | 403.96 | 385.35 |
| Income tax liabilities | 29 | 253.03 | 238.67 | 34.82 |
| Other current liabilities | 17 | 329.58 | 375.45 | 247.45 |
| Total current liabilities | | 22,012.24 | 19,665.46 | 12,389.30 |
| Total equity and liabilities | | 68,072.77 | 59,249.96 | 44,826.92 |

Significant accounting policies

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

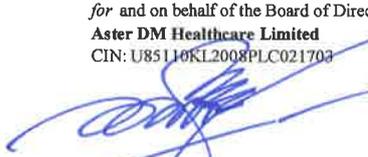
As per our report of even date attached

for **BSR and Associates**
 Chartered Accountants
 Firm registration number: 128901W


Rishank Muthreja
 Partner
 Membership No.: 211386

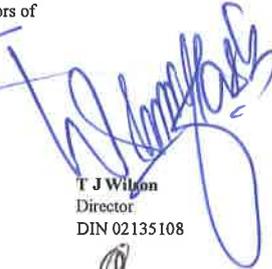
Bangalore
 8 June 2017

for and on behalf of the Board of Directors of
Aster DM Healthcare Limited
 CIN: U85110KL2008PLC021703


Dr. Azad Moopen
 Chairman and Managing Director
 DIN 00159403


Sreenath Reddy
 Chief Financial Officer

Dubai
 7 June 2017


T J Wilson
 Director
 DIN 02135108


Rajesh A
 Company Secretary
 Membership no.: F7106

Aster DM Healthcare Limited and its subsidiaries and associates
Consolidated statement of profit and loss for the year ended 31 March 2017
(All amounts in Indian rupees millions, except share data and where otherwise stated)

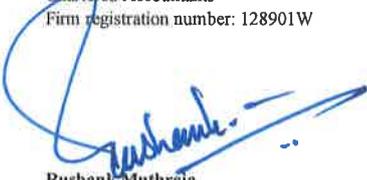
| | Note | For the year ended 31 March 2017 | For the year ended 31 March 2016 |
|---|------|-------------------------------------|-------------------------------------|
| Revenue | | | |
| Revenue from operations | 19 | 59,312.87 | 52,498.90 |
| Other income | 20 | 366.15 | 252.73 |
| Total income | | 59,679.02 | 52,751.63 |
| Expenses | | | |
| Purchase of medicines and consumables | 21 | 20,021.63 | 17,230.35 |
| Changes in inventories | 22 | (1,148.36) | (998.86) |
| Employee benefits expenses | 23 | 20,545.01 | 16,289.78 |
| Finance costs | 24 | 3,535.99 | 1,894.08 |
| Depreciation and amortisation expense | 25 | 3,224.44 | 2,430.02 |
| Other expenses | 26 | 16,573.39 | 14,427.01 |
| Total expenses | | 62,752.10 | 51,272.38 |
| Profit/ (loss) before exceptional items and tax | | (3,073.08) | 1,479.25 |
| Exceptional items | 27 | 4,159.06 | - |
| Profit before share of loss of equity accounted investees and tax | | 1,085.98 | 1,479.25 |
| Share of loss of equity accounted investees | 40 | (2.29) | (7.96) |
| Profit before tax | | 1,083.69 | 1,471.29 |
| Current tax (including MAT) | 29 | (106.04) | (391.73) |
| Deferred tax (including MAT credit entitlement) | 28 | (2.33) | (11.95) |
| Profit for the year | | 975.32 | 1,067.61 |
| Other comprehensive income | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | |
| Remeasurement of net defined benefit liability/ (asset), net of tax | | (61.53) | (56.89) |
| <i>Items that will be reclassified subsequently to profit or loss</i> | | | |
| Exchange difference in translating financial statements of foreign operations | | (262.04) | 738.42 |
| Other comprehensive income for the year, net of income tax | | (323.57) | 681.53 |
| Total comprehensive income for the year | | 651.75 | 1,749.14 |
| Profit attributable to | | | |
| Owners of the Company | | 1,017.60 | 88.85 |
| Non-controlling interests | | (42.28) | 978.76 |
| Profit for the year | | 975.32 | 1,067.61 |
| Other comprehensive income attributable to | | | |
| Owners of the Company | | (281.17) | 437.32 |
| Non-controlling interests | | (42.40) | 244.21 |
| Other comprehensive income for the year | | (323.57) | 681.53 |
| Total comprehensive income attributable to | | | |
| Owners of the Company | | 736.43 | 526.17 |
| Non-controlling interests | | (84.68) | 1,222.97 |
| Total comprehensive income for the year | | 651.75 | 1,749.14 |
| Earnings per share (equity share of face value of Rs.10 each) | | | |
| Basic earnings per share | 32 | 2.20 | 0.20 |
| Diluted earnings per share | | 2.19 | 0.20 |

Significant accounting policies

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

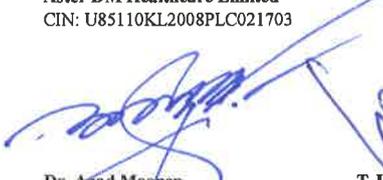
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for **B S R and Associates**
Chartered Accountants
Firm registration number: 128901W

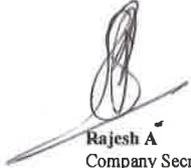

Rushank Muthreja
Partner
Membership No.: 211386

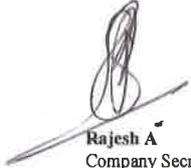
Bangalore
8 June 2017

for and on behalf of the Board of Directors of
Aster DM Healthcare Limited
CIN: U85110KL2008PLC021703


Dr. Azad Moopen
Chairman and Managing Director
DIN 00159403


T J Wilson
Director
DIN 02135108


Sreenath Reddy
Chief Financial Officer


Rajesh A
Company Secretary
Membership no. : F7106

Dubai
7 June 2017

Aster DM Healthcare Limited and its subsidiaries and associates
 Consolidated statement of changes in equity for the year ended 31 March 2017
 (All amounts in Indian rupees millions, except share data and where otherwise stated)

A. Equity share capital

| | Note | Equity shares | Amount |
|--|------|---------------|----------|
| Balance as at 1 April 2015 | 13 | 388.64 | 3,886.38 |
| Changes in equity share capital during 2015-16 | | 14.41 | 144.14 |
| Balance as at 31 March 2016 | | 403.05 | 4,030.52 |
| Changes in equity share capital during 2016-17 | | 0.17 | 1.70 |
| Balance as at 31 March 2017 | | 403.22 | 4,032.22 |

B Other equity

| Particulars | Attributable to owners of the Company | | | | | | | | | | Total | | |
|---|--|----------------------------|----------------------|-----------------|-----------------|-----------------|-------------------------------------|-------------------|--------------------------------------|---|-------------|---|-------------|
| | Compulsory convertible preference shares | 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 | Foreign currency translation reserve | | | Remeasurement of net defined benefit plan | |
| Balance as at 1 April 2015 | - | 456.23 | 2,139.13 | 987.12 | 70.40 | (293.13) | 479.17 | 7,409.08 | - | - | 11,248.00 | 8,033.58 | 19,281.58 |
| Total comprehensive income for the year ended 31 March 2016 | - | - | - | 19.20 | - | - | - | 88.85 | 455.61 | (37.49) | 437.32 | 244.21 | 1,067.61 |
| Profit for the year | - | - | - | - | - | - | - | 88.85 | - | - | - | - | 88.85 |
| Other comprehensive income (net of tax) | - | - | - | 19.20 | - | - | - | - | 455.61 | (37.49) | 437.32 | 244.21 | 1,067.61 |
| Total comprehensive income | - | 456.23 | 2,139.13 | 1,006.32 | 70.40 | (293.13) | 479.17 | 7,497.93 | 455.61 | (37.49) | 11,774.17 | 9,256.55 | 21,030.72 |
| Transferred to retained earnings | - | - | - | - | - | - | - | (37.49) | - | 37.49 | - | - | - |
| Transactions with owners, recorded directly in equity | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Contributions by and distributions to owners | - | - | - | - | - | - | - | - | - | - | - | - | - |
| Shares issued for cash | - | - | 768.74 | - | - | - | - | - | - | - | 768.74 | - | 768.74 |
| Shares issued on share swap [refer Note 39 (iii)] | - | - | 603.68 | - | - | - | - | - | - | - | 603.68 | - | 603.68 |
| Equity component relating to the issue of convertible preference shares | - | 3,287.53 | - | - | - | - | - | - | - | - | 3,287.53 | - | 3,287.53 |
| Addition/ transfer during the year | - | - | - | - | - | - | 1.86 | (1.86) | - | - | - | - | - |
| Balance transferred pursuant to amalgamation (refer Note 44) | - | - | 551.73 | - | - | - | (326.38) | - | - | - | 225.35 | (345.68) | (120.33) |
| Share based payment | - | - | - | - | - | - | 87.04 | - | - | - | 87.04 | - | 87.04 |
| Share options exercised | - | - | 6.20 | - | - | - | (15.97) | - | - | - | (9.77) | - | (9.77) |
| Change in reserve of ESOP Trust | - | - | - | - | - | 12.69 | - | - | - | - | 12.69 | - | 12.69 |
| Share issue expenses | - | - | (3.79) | - | - | - | - | - | - | - | (3.79) | - | (3.79) |
| Acquisition of non-controlling interest (refer Note 39) | - | - | - | - | - | - | (15,588.06) | - | - | - | (15,588.06) | (5,891.99) | (21,480.05) |
| Dividend paid to minority shareholders by subsidiaries | - | - | - | - | - | - | (15.60) | (15.60) | - | - | (15.60) | (525.65) | (541.25) |
| Dividend tax | - | - | - | - | - | - | (6.95) | (6.95) | - | - | (6.95) | - | (6.95) |
| Total contributions by and distributions to owners | - | 3,287.53 | 1,926.56 | - | - | 12.69 | 72.93 | (15,976.34) | - | 37.49 | (10,639.14) | (6,763.32) | (17,402.46) |
| Balance as at 31 March 2016 | - | 3,743.76 | 4,065.69 | 1,006.32 | 70.40 | (280.44) | 552.10 | (8,478.41) | 455.61 | - | 1,135.03 | 2,493.23 | 3,628.26 |



Handwritten signatures and initials in blue ink.

Aster DM Healthcare Limited and its subsidiaries and associates
Consolidated statement of changes in equity for the year ended 31 March 2017
 (All amounts in Indian rupees millions, except share data and where otherwise stated)

B Other equity (continued)

| Particulars | Attributable to owners of the Company | | | | | | | | | | Total | | | |
|--|--|----------|----------------------------|-----------------|----------------------|----------------|-------------------|--------------------------------------|---|-------------------------------------|----------|---|--|--|
| | Compulsory convertible preference shares | | Other components of equity | | Reserves and surplus | | | | | Items of other comprehensive income | | Total attributable to owners of the Company | Attributable to Non-controlling Interest | |
| | | | Capital Reserve | General Reserve | Treasury shares | Other Reserves | Retained earnings | Foreign currency translation reserve | Remeasurement of net defined benefit plan | | | | | |
| Balance as at 1 April 2016 | - | 3,743.76 | 1,006.32 | 70.40 | (280.44) | 552.10 | (8,478.41) | 455.61 | - | 1,135.03 | 2,493.23 | 3,628.26 | | |
| Total comprehensive income for the year ended 31 March 2017 | - | - | - | - | - | - | 1,017.60 | (219.62) | - | (54.15) | (42.28) | 975.32 | | |
| Profit for the year | - | - | (7.40) | - | - | - | 1,017.60 | (219.62) | - | (54.15) | (42.28) | (323.57) | | |
| Other comprehensive income | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Total comprehensive income | - | 3,743.76 | 998.92 | 70.40 | (280.44) | 552.10 | (7,460.81) | 235.99 | - | (54.15) | 2,408.55 | 4,280.01 | | |
| Transferred to retained earnings | - | - | - | - | - | - | (54.15) | - | - | 54.15 | - | - | | |
| Transactions with owners, recorded directly in equity | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Contributions by and distributions to owners | 638.62 | - | - | - | - | - | - | - | - | - | - | 13,304.59 | | |
| Conversion of financial liability to equity [refer Note 13 A(a)] | - | - | - | - | - | - | - | - | - | - | - | - | | |
| Shares issued for cash | - | - | - | - | - | - | - | - | - | - | - | 52.31 | | |
| Addition/ transfer during the year | - | - | - | - | - | 6.80 | (6.80) | - | - | - | - | - | | |
| Share based payment | - | - | - | - | - | 50.66 | - | - | - | - | - | 50.66 | | |
| Share options exercised | - | - | - | - | - | (54.64) | - | - | - | - | - | (18.85) | | |
| Change in reserve of ESOP Trust | - | - | - | - | 43.78 | - | - | - | - | - | - | 43.78 | | |
| Acquisition of non-controlling interest (refer Note 39) | - | - | - | - | - | - | (563.57) | - | - | - | 1,428.82 | 865.25 | | |
| Dividend paid to minority shareholders by subsidiaries | - | - | - | - | - | - | (18.49) | - | - | - | (84.71) | (103.20) | | |
| Total contributions by and distributions to owners | 638.62 | - | - | - | 43.78 | 2.82 | (643.01) | - | - | 54.15 | 1,344.11 | 14,194.54 | | |
| Balance as at 31 March 2017 | 638.62 | 3,743.76 | 998.92 | 70.40 | (236.66) | 554.92 | (8,103.82) | 235.99 | - | 14,721.89 | 3,752.66 | 18,474.55 | | |

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

Capital reserve

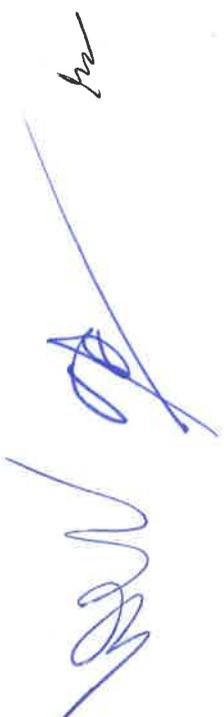
This reserve represents the difference between the value of net asset transferred to the Group in the course of business combinations and the consideration paid for such business combinations

General reserve

General reserve is used from time to time to transfer profits from retained earnings for appropriate purposes.

Foreign currency translation reserve

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.




Aster DM Healthcare Limited and its subsidiaries and associates
Consolidated statement of changes in equity for the year ended 31 March 2017
(All amounts in Indian rupees millions, except share data and where otherwise stated)

B Other equity (continued)

Treasury shares

The Company has created the DM Healthcare Employees Welfare Trust ("the Trust") for providing share based payment to its employees. The Company treats the Trust as its extension and shares held by the Trust are treated as treasury shares. When the treasury shares are issued to the employees by the Trust, the amount received is recognised as an increase in equity and the resultant gain / (loss) is transferred to / from securities premium.

Other reserves include :

Share options outstanding account

The Company has established share based payment for eligible employees of the Company and its subsidiaries. Also refer Note 41 for further details on these plans. (31 March 2017: 136.72; 31 March 2016: 140.70 ;1 April 2015 : 69.63)

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 2017: 418.20; 31 March 2016: 411.40 ; 1 April 2015 : 409.54)

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


Kushal K. Vathureja

Partner

Membership No.: 211386

for and on behalf of the Board of Directors of

Aster DM Healthcare Limited

CIN: U85110KL2008PLC021703



Dr. Azad Meopen

Chairman and Managing Director

DIN 00159403



T J Wilson

Director

DIN 00135108



Sreenath Reddy

Chief Financial Officer



Registrar

Company Secretary

Membership no. : F7106

Dubai

7 June 2017

Bangalore

8 June 2017

Aster DM Healthcare Limited and its subsidiaries and associates
Consolidated statement of cash flow for the year ended 31 March 2017
 (All amounts in Indian rupees millions, except share data and where otherwise stated)

| | For the year ended 31 March 2017 | For the year ended 31 March 2016 |
|---|-------------------------------------|-------------------------------------|
| Cash flows from operating activities | | |
| Profit/ (loss) before exceptional items and tax | (3,073.08) | 1,479.25 |
| <i>Adjustments for</i> | | |
| Depreciation and amortisation | 3,224.44 | 2,430.02 |
| Impairment loss on non-current assets | 4.56 | 72.69 |
| (Profit)/ loss on sale of property, plant and equipment | (0.72) | 3.47 |
| Gain on sale of investment | (1.82) | - |
| Allowance for credit loss on financial assets | 1,947.68 | 3,251.54 |
| Dividend income | (7.34) | (9.53) |
| Equity settled share based payments | 50.66 | 87.04 |
| Mark to market loss and premium on derivative contracts | - | 6.10 |
| Finance costs | 3,535.99 | 1,894.08 |
| Unrealised foreign exchange loss | 0.22 | 3.82 |
| Interest income under the effective interest method on lease deposit | (16.63) | (5.65) |
| Interest income on bank deposits | (23.00) | (34.27) |
| Operating profit before working capital changes | 5,640.96 | 9,178.56 |
| <i>Working capital changes</i> | | |
| Increase in inventories | (1,240.43) | (823.46) |
| Increase in trade receivable | (2,164.11) | (7,829.74) |
| (Increase)/decrease in other financial asset and other assets | 107.32 | (1,975.13) |
| Increase in trade payable, provisions and other financial and other liabilities | 1,760.99 | 3,814.18 |
| Cash generated from operations | 4,104.73 | 2,364.41 |
| Income tax paid | (442.66) | (337.86) |
| Net cash generated from operating activities (A) | 3,662.07 | 2,026.55 |
| Cash flows from investing activities | | |
| Acquisition of property, plant and equipment | (9,246.26) | (7,440.48) |
| Acquisition of other intangible assets | (73.24) | (162.15) |
| Proceeds from sale of property, plant and equipment | 58.94 | 152.18 |
| Interest received | 39.00 | 66.06 |
| Investments in liquid mutual fund units | (368.59) | (960.00) |
| Proceeds from sale of liquid mutual fund units | 571.59 | 612.56 |
| Investment/ advance for investment in shares of associates and others | (887.43) | (136.44) |
| Dividend received | 3.18 | 9.53 |
| Acquisition of subsidiary, net of cash and cash equivalents acquired | (1,624.52) | - |
| Net cash used in investing activities (B) | (11,527.33) | (7,858.74) |
| Cash flows from financing activities | | |
| Proceeds from issue of equity share capital (net of share issue expenses) | 78.10 | 792.61 |
| Proceeds from issue of compulsorily convertible preference shares | - | 16,402.91 |
| Secured loans availed, net | 8,763.97 | 7,812.26 |
| Acquisition of non-controlling interest | (456.60) | (17,842.33) |
| Dividend paid to non-controlling interest by subsidiaries, including tax | (157.36) | (493.96) |
| Finance charges paid | (1,744.29) | (894.17) |
| Net cash generated from financing activities (C) | 6,483.82 | 5,777.32 |
| Net increase / (decrease) in cash and cash equivalents (A+B+C) | (1,381.44) | (54.87) |
| Cash and cash equivalents at the beginning of the year* | 2,526.71 | 2,476.64 |
| Effect of exchange rate changes on cash and cash equivalents | 164.85 | 104.94 |
| Cash and cash equivalents at the end of the year* | 1,310.12 | 2,526.71 |

* Cash and cash equivalents includes bank overdrafts that are repayable on demand and form an integral part of Group's cash management.

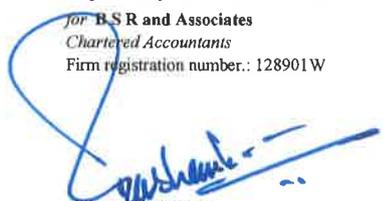
Significant accounting policies

3

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As per our report of even date attached

for **BSR and Associates**
 Chartered Accountants
 Firm registration number.: 128901W


Rushank Muthreja
 Partner
 Membership No.: 211386

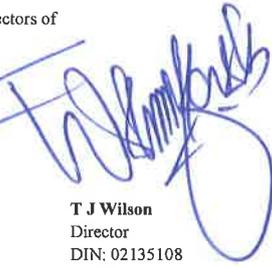
Bangalore
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 Chairman and Managing Director
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 Chief Financial Officer

Dubai
 7 June 2017


T J Wilson
 Director
 DIN: 02135108


Rajesh A
 Company Secretary
 Membership No. : F7106

Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements

1. Company overview

Aster DM Healthcare Limited (“the Company”) primarily carries on the business of rendering healthcare and allied services in India. The Company was converted into a public limited company with effect from 1 January 2015. The Company is a subsidiary of Union Investments Private Limited, Mauritius which is also the ultimate holding company. These consolidated financial statements of the Company as at and for the year ended 31 March 2017 comprise the Company and its subsidiaries (collectively referred to as “Group”) and the Group’s interest in Associates. The group is primarily involved in the operations of healthcare facilities, retail pharmacies, and providing consultancy in areas relating to healthcare. The group has operations in UAE, Oman, Kingdom of Saudi Arabia (KSA), Qatar, Kuwait, Jordan, Philippines, Bahrain and India.

2. Basis of preparation

A. Statement of compliance

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the ‘Act’) and other relevant provisions of the Act.

The Group’s consolidated financial statements up to and for the year ended 31 March 2016 were prepared in accordance with the Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act.

As these are the Group’s first consolidated financial statements prepared in accordance with Indian Accounting Standards (Ind AS), Ind AS 101, *First-time Adoption of Indian Accounting Standards* has been applied. An explanation of how the transition to Ind AS has affected the previously reported financial position, financial performance and cash flows of the Company is provided in Note 47.

The consolidated financial statements were authorised for issue by the Company’s Board of Directors on 7 June 2017.

Details of the Group’s accounting policies are included in Note 3.

B. Functional and presentation currency

These consolidated financial statements are presented in Indian Rupees (INR), which is also the Company’s functional currency, and have been rounded off to nearest millions, unless otherwise indicated.

C. Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis except for the following items:

| Items | Measurement basis |
|--|--|
| Certain financial assets and liabilities (including derivatives instruments) | Fair value |
| Contingent consideration in business combination | Fair value |
| Liabilities for equity-settled share-based payment arrangements | Fair value |
| Net defined benefit liability | Fair value of plan asset less present value of defined benefit obligations |

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Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

2. Basis of preparation (continued)

D. Use of estimates and judgements

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

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

Judgements

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

- Note 34- lease classification
- Note 38– consolidation: whether the Group has de facto control over an investee

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

- Note 31 – measurement of defined benefit obligations: key actuarial assumptions;
- Note 33 – recognition and measurement of provisions and contingencies: key assumptions about the likelihood and magnitude of an outflow of resources;
- Note 36 – impairment of financial assets;
- Note 39 – acquisition of subsidiary: fair value of consideration transferred (including contingent consideration)
- Note 26 – Impairment of non-financial assets.

E. Measurement of fair values

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

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)

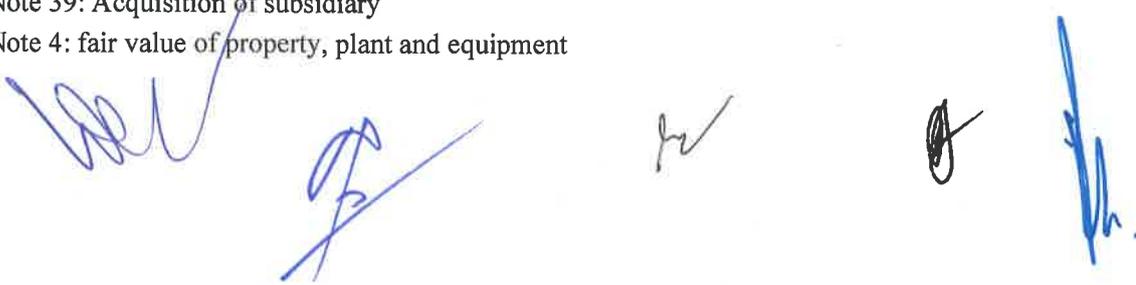
2. Basis of preparation (continued)

E. Measurement of fair values (continued)

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

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

- Note 41: share-based payment arrangements
- Note 36: financial instruments
- Note 39: Acquisition of subsidiary
- Note 4: fair value of property, plant and equipment

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Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)

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 adjusted for the reclassification of certain intangibles.

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.



Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

3.1 Basis of consolidation (continued)

v. Equity accounted investees:

The Group's interest in equity accounted investees comprise interest in associates.

An associate is an entity in which the Group has significant influence, but not control or joint control, over the financial and operating policies.

Interest in associates are accounted for using the equity method. They are initially recognised at cost which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of profit or loss and OCI of equity accounted investment.

vi. Transactions eliminated on consolidation:

Intra group balances and transactions, and any unrealised income and expenses arising from intra group transactions are eliminated. Unrealised gain arising from transaction with equity accounted investees are eliminated against the investment to the extent the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

The subsidiaries and associates consolidated under the Group comprise the entities listed in Note 38.

3.2 Foreign currency

i. Foreign currency transactions:

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

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

ii. Foreign operations:

The assets and liabilities of foreign operations (subsidiaries and associates), including goodwill and fair value adjustments arising on acquisition, are translated into at the exchange rates at the reporting date. The income and expenses of foreign operations are translated into at the exchange rates at the dates of the transactions.

In accordance with Ind AS 101, the Group has elected to deem foreign currency translation differences that arose prior to the date of transition to Ind AS, i.e. 1 April 2015, in respect of all foreign operations to be nil at the date of transition. From 1 April 2015 onwards, such exchange differences are recognised in OCI and accumulated in equity (as exchange difference on translating the financial statements of foreign operations), except to the extent that the exchange differences are allocated to NCI.

When a foreign operation is disposed off in its entirety or partially such that control or significant influence is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to the statement of profit and loss as part of the gain or loss on disposal. If the Group disposes off part of its interest in a subsidiary but retains control, then the relevant proportion of the cumulative amount is reattributed to NCI. When the Group disposes off only part of an associate while retaining significant influence, the relevant proportion of the cumulative amount is reclassified to the statement of profit and loss.



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

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 long-term loans and advances. 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. Transition to Ind AS

On transition to Ind AS, the Group has elected to measure its property, plant and equipment by retrospective application of Ind AS 16 – Property, plant and equipment, except for freehold land which has been measured at its fair value as at 1 April 2015 and use such fair value as the deemed cost of such property, plant and equipment (see Note 47).

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 Group.

iv. Depreciation

Depreciation on property, plant and equipment are provided on the straight-line method over the useful lives of the assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is lower. Freehold land is not depreciated.

The estimated useful lives of items of property, plant and equipment for the current and comparative periods are as follows:

| Class of assets | Years |
|---|--------------|
| Buildings* | 3 to 60 |
| Plant and machinery * | 5 to 15 |
| Medical equipment* | 5 to 10 |
| Motor vehicles * | 5 to 8 |
| Computer equipment | 3 |
| Furniture and fittings * | 5 to 10 |
| Major components of medical equipments* | 3 to 6 |



Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

3.3 Property, plant and equipment (continued)

iv. Depreciation (continued)

*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

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.

For measurement of goodwill that arise on business combination [see note 3.1(i)]. subsequent measurement is at cost less any accumulated impairment loss.

In respect of business combinations that occurred prior to 1 April 2015, goodwill is included on the basis of its deemed cost, which represents the amount recorded under the previous GAAP, adjusted for the reclassification of certain intangibles.

The estimated useful lives 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.



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

3.6 Impairment

i. Impairment of financial instruments

The Group recognises loss allowances for expected credit losses on financial assets measured at amortised cost.

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit impaired. A financial asset is 'credit impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Loss allowances for trade receivables are always measured at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

In all cases, the maximum period considered when estimating expected credit losses is the maximum contractual period over which the Group is exposed to credit risk.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating expected credit losses, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward- looking information.

Measurement of expected credit losses:

Expected credit losses are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the Group in accordance with the contract and the cash flows that the Group expects to receive).

Presentation of allowance for expected credit losses in the balance sheet:

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

Write-off:

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off.

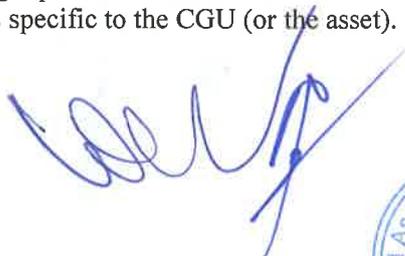
ii. Impairment of non- financial assets

The Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

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

Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

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



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

3.6 Impairment (continued)

ii. Impairment of non- financial assets (continued)

Intangible assets and property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount i.e. the higher of the fair value less cost to sell and the value-in-use is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the CGU to which the asset belongs.

If such assets are considered to be impaired, the impairment to be recognized in the consolidated statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset.

An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortization or depreciation) had no impairment loss been recognized for the asset in prior years.

3.7 Employee benefits

Short-term employee benefits

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

Post-employment benefits

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The Group makes specified monthly contributions towards Government administered provident fund scheme. Obligations for contributions to defined contribution plans are recognised as an employee benefit expense in the statement of profit and loss in the periods during which the related services are rendered by employees.

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.

A defined benefit scheme, is accrued based on an actuarial valuation at the balance-sheet date carried out by an independent actuary. The present value of the obligation under such defined benefit plan is determined based on an actuarial valuation using the projected unit credit method, which recognizes each period of service as giving rise to additional units of employee benefit entitlement and measures each unit separately to build up the final obligation.

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

Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

3.7 Employee benefits (continued)

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 consolidated statement profit and loss in the period in which they arise.

Share-based payment transactions

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

3.8 Provisions (other than employee benefits)

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

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

3.9 Revenue

Revenue from medical and healthcare services to patients is recognised as revenue when the related services are rendered unless significant future uncertainties exist. Revenue is also recognised in relation to the services rendered to the patients who are undergoing treatment/ observation on the balance sheet date to the extent of services rendered.

Revenue is recognised net of discounts given to the patients.

Revenue from sale of medical consumables and drugs within the hospital premises is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the goods and regarding its collection.



Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

3.9 Revenue (continued)

Revenue from sale of pharmacy products is recognised on sale of medicine and similar products to the buyer. The amount of revenue recognised is net of sales returns and exclusive of sales tax and discounts given to patients.

'Unbilled revenue' represents value to the extent of medical and healthcare services rendered to the patients who are undergoing treatment/ observation on the balance sheet date and is not billed as at the balance sheet date.

Income from services rendered is recognised based on agreements / arrangements with the customers as the service is performed in proportion to the stage of completion of the transaction at the reporting date and the amount of revenue can be measured reliably.

3.10 Leases

i. Determining whether an arrangement contains a lease:

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

ii. Asset held under leases:

Assets held under leases that transfers to the Group substantially all the risks and rewards of ownership are classified as finance lease. The leases assets are measured initially at an amount equal to the lower of their fair value and the present value of minimum lease payments. Subsequent to initial recognition, the assets are accounted for in accordance with the accounting policy applicable to similar owned assets.

Assets held under lease that do not transfer to the Group substantially all the risks and rewards of ownership (i.e. operating lease) are not recognised in the Group's balance sheet.

iii. Lease payments

Payments made under operating leases are generally recognised in consolidated statement of profit and loss on a straight- line basis over the term of the lease unless such payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Lease incentives received are recognised as an integral part of the total lease expense over the term of the lease. Minimum lease payments made under finance leases are apportioned between the finance lease charges and the reduction of outstanding liability. The finance charge is allocated to each period during the lease term so as to produce a constant periodic rate of interest on the remaining balance of the liability.

Lease income from operating leases is recognised in the consolidated statement of profit and loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern in which the benefit derived from the leased asset is diminished. Costs, including depreciation, incurred in earning the lease income are recognised as expense.

3.11 Recognition of dividend income, interest income or interest expense

Dividend income is recognised in consolidated statement of profit and loss on the date on which the right to receive payment is established.

Interest on deployment of surplus funds is recognized using the time proportionate method, based on the transactional interest rates.

Interest income or expense is recognised using the effective interest method. The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

3.11 Recognition of dividend income, interest income or interest expense (continued)

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 income 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. 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



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

3.14 Income tax (continued)

ii. Deferred tax (continued)

tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

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

3.15 Financial instruments

i. Recognition and initial measurement

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

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

ii. Classification and subsequent measurement

Financial assets

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

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

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

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect to present 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.

Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

3.15 Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

Financial assets: Business model assessment

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

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

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

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

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

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

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

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



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

3.15 Financial instruments (continued)

ii. Classification and subsequent measurement (continued)

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 at FVTPL if it is classified as held for trading or it is a derivative or it is designated as such on initial recognition. Financial liabilities at FVTPL are measured at fair value and net gains and losses, including any interest expense, are recognised in the statement of profit and loss. Other financial liabilities are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in the statement of profit and loss.

iii. Derecognition

Financial assets

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

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

Financial liabilities

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

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




Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)

3. Significant accounting policies (continued)

3.15 Financial instruments (continued)

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 generally recognised in the statement of profit and loss.

3.16 Cash flow statement

Cash flows are reported using the indirect method, whereby consolidated net 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.

3.17 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand and short-term deposits with an original maturity of three months or less which are subject to insignificant risk of changes in value.

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Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
(All amounts in Indian rupees millions, except share data and where otherwise stated)

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

| Particulars | Freehold land | Buildings | Leasehold improvements | Furniture and fixtures | Plant and machinery | Computer Equipment | Medical equipment | Motor Vehicles | Total (A) | Capital work-in-progress (B) | Total (A+B) |
|---|-----------------|-----------------|------------------------|------------------------|---------------------|--------------------|-------------------|----------------|------------------|------------------------------|------------------|
| Gross carrying value | | | | | | | | | | | |
| Balance at 1 April 2015 | 7,058.73 | 3,251.04 | 2,083.70 | 2,001.79 | 1,008.33 | 290.73 | 5,918.47 | 273.27 | 21,886.06 | 1,973.64 | 23,859.70 |
| Additions/ (transfers) | 293.81 | 474.69 | 985.82 | 601.28 | 286.16 | 144.40 | 1,812.62 | 90.21 | 4,688.99 | 1,542.79 | 6,231.78 |
| Acquisition through business combinations | | | | | | | | | | | |
| Disposals | (47.27) | (75.12) | (10.01) | (19.61) | (16.25) | (9.38) | (127.56) | (5.28) | (310.48) | - | (310.48) |
| Exchange difference on translation | 39.49 | 53.55 | 137.46 | 80.36 | 41.17 | 8.21 | 216.30 | 16.62 | 593.16 | 64.86 | 658.02 |
| Balance at 31 March 2016 | 7,344.76 | 3,704.16 | 3,196.97 | 2,663.82 | 1,319.41 | 433.96 | 7,819.83 | 374.82 | 26,857.73 | 3,581.29 | 30,439.02 |
| Balance at 1 April 2016 | 7,344.76 | 3,704.16 | 3,196.97 | 2,663.82 | 1,319.41 | 433.96 | 7,819.83 | 374.82 | 26,857.73 | 3,581.29 | 30,439.02 |
| Additions/ (transfers) | 835.09 | 951.70 | 2,611.67 | 706.15 | 452.74 | 320.19 | 2,976.34 | 44.88 | 8,898.76 | (644.51) | 8,254.25 |
| Acquisition through business combinations | - | 603.93 | 285.70 | 41.05 | 188.21 | 3.39 | 639.00 | 25.86 | 1,787.14 | - | 1,787.14 |
| Disposals | - | - | (5.64) | (0.18) | (11.19) | (0.40) | (40.68) | (9.79) | (67.88) | - | (67.88) |
| Exchange difference on translation | (15.23) | (21.07) | (162.16) | (60.14) | (27.28) | (14.80) | (160.98) | (8.57) | (470.23) | (39.18) | (509.41) |
| Balance at 31 March 2017 | 8,164.62 | 5,238.72 | 5,926.54 | 3,350.70 | 1,921.89 | 742.34 | 11,233.51 | 427.20 | 37,005.52 | 2,897.60 | 39,903.12 |
| Accumulated depreciation | | | | | | | | | | | |
| Balance at 1 April 2015 | - | 239.22 | 721.43 | 729.44 | 437.79 | 122.95 | 1,665.45 | 117.52 | 4,033.80 | - | 4,033.80 |
| Depreciation for the year | - | 111.32 | 553.76 | 387.26 | 184.56 | 93.56 | 994.67 | 30.75 | 2,355.88 | - | 2,355.88 |
| Disposals | - | (9.93) | (9.69) | (13.64) | (10.34) | (8.38) | (104.05) | (0.69) | (156.72) | - | (156.72) |
| Exchange difference on translation | - | 11.11 | 57.16 | 39.27 | 24.47 | 5.72 | 104.93 | 8.08 | 250.74 | - | 250.74 |
| Balance at 31 March 2016 | - | 351.72 | 1,322.66 | 1,142.33 | 636.48 | 213.85 | 2,661.00 | 155.66 | 6,483.70 | - | 6,483.70 |
| Balance at 1 April 2016 | - | 351.72 | 1,322.66 | 1,142.33 | 636.48 | 213.85 | 2,661.00 | 155.66 | 6,483.70 | - | 6,483.70 |
| Depreciation for the year | - | 171.10 | 655.72 | 575.06 | 274.60 | 163.24 | 1,170.35 | 94.08 | 3,104.15 | - | 3,104.15 |
| Disposals | - | - | (5.64) | (0.13) | (7.69) | (0.40) | (33.75) | (8.81) | (56.42) | - | (56.42) |
| Exchange difference on translation | - | (7.02) | (52.41) | (31.60) | (14.52) | (7.06) | (75.29) | (6.10) | (194.00) | - | (194.00) |
| Balance at 31 March 2017 | - | 515.80 | 1,920.33 | 1,685.66 | 888.87 | 369.63 | 3,722.31 | 234.83 | 9,337.43 | - | 9,337.43 |
| Carrying amounts (net) | | | | | | | | | | | |
| At 31 March 2016 | 8,164.62 | 4,722.92 | 4,006.21 | 1,665.04 | 1,033.02 | 372.71 | 7,511.20 | 192.37 | 27,668.09 | 2,897.60 | 30,565.69 |
| At 31 March 2016 | 8,164.62 | 4,722.92 | 4,006.21 | 1,665.04 | 1,033.02 | 372.71 | 7,511.20 | 192.37 | 27,668.09 | 2,897.60 | 30,565.69 |
| At 1 April 2015 | 7,058.73 | 3,352.44 | 1,874.31 | 1,521.4900 | 682.9300 | 220.1100 | 5,138.8300 | 219.1600 | 20,374.03 | 3,581.29 | 23,955.32 |
| At 1 April 2015 | 7,058.73 | 3,011.82 | 1,362.27 | 1,272.3500 | 570.5400 | 167.7800 | 4,233.0200 | 155.7500 | 17,852.26 | 1,973.64 | 19,825.90 |

a) For details of property, plant and equipment pledged, refer Note 14

b) Property, plant and equipment and capital work-in-progress includes borrowing cost capitalised in accordance with Ind AS 23 - Borrowing cost aggregating Rs 133.14 (31 March 2016: Rs. 44.67 and 1 April 2015: Rs 142.96)



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4 Property, plant and equipment and capital work-in-progress (continued)

A Plant and equipment held under finance lease

The group has acquired medical equipment under a 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 acquired under finance lease and included in the above are as follows:

| Particulars | As at | | As at |
|----------------------------|---------------|---------------|--------------|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Cost or deemed cost | 25.00 | 25.00 | 20.21 |
| Accumulated depreciation | 7.57 | 5.06 | 2.11 |
| Net carrying amount | 17.43 | 19.94 | 18.10 |

5 Goodwill and other intangible assets

| | Goodwill on consolidation | Brand name, tradename and trademark | Payor relationship | Software | Other intangibles | Total |
|---|---------------------------|-------------------------------------|--------------------|---------------|-------------------|-----------------|
| Gross carrying value | | | | | | |
| Balance at 1 April 2015 | 4,372.56 | 0.59 | - | 75.14 | 170.60 | 4,618.89 |
| Additions | 6.81 | 0.44 | - | 161.71 | - | 168.96 |
| Acquisition through business combinations (refer note 39) | - | - | - | - | - | - |
| Disposals | (124.57) | - | - | (3.30) | - | (127.87) |
| Exchange difference on translation | 210.33 | - | - | 1.50 | 16.53 | 228.36 |
| Balance at 31 March 2016 | 4,465.13 | 1.03 | - | 235.05 | 187.13 | 4,888.34 |
| Balance at 1 April 2016 | 4,465.13 | 1.03 | - | 235.05 | 187.13 | 4,888.34 |
| Additions | - | 0.14 | - | 26.23 | 46.87 | 73.24 |
| Acquisition through business combinations (refer note 39) | 2,428.00 | 476.06 | 130.05 | 4.08 | - | 3,038.19 |
| Disposals | - | - | - | (1.31) | (46.73) | (48.04) |
| Exchange difference on translation | (103.57) | (5.50) | (0.67) | (3.04) | (6.85) | (119.63) |
| Balance at 31 March 2017 | 6,789.56 | 471.73 | 129.38 | 261.01 | 180.42 | 7,832.10 |
| Accumulated amortisation and impairment losses | | | | | | |
| Balance at 1 April 2015 | 43.78 | 0.41 | - | 10.48 | 46.97 | 101.64 |
| Impairment / Amortisation for the year | 72.69 | 0.18 | - | 45.72 | 28.24 | 146.83 |
| Disposals | (72.69) | - | - | (1.41) | - | (74.10) |
| Exchange difference on translation | 2.49 | - | - | 0.28 | 10.47 | 13.24 |
| Balance at 31 March 2016 | 46.27 | 0.59 | - | 55.07 | 85.68 | 187.61 |
| Balance at 1 April 2016 | 46.27 | 0.59 | - | 55.07 | 85.68 | 187.61 |
| Impairment / Amortisation for the year | 4.56 | 37.11 | 10.50 | 62.27 | 10.41 | 124.85 |
| Disposals | - | - | - | (1.28) | - | (1.28) |
| Exchange difference on translation | (1.11) | (0.37) | (0.04) | (1.50) | (4.85) | (7.87) |
| Balance at 31 March 2017 | 49.72 | 37.33 | 10.46 | 114.56 | 91.24 | 303.31 |
| Carrying amount (net) | | | | | | |
| At 31 March 2017 | 6,739.84 | 434.40 | 118.92 | 146.45 | 89.18 | 7,528.79 |
| At 31 March 2016 | 4,418.86 | 0.44 | - | 179.98 | 101.45 | 4,700.73 |
| At 1 April 2015 | 4,328.78 | 0.18 | - | 64.66 | 123.63 | 4,517.25 |



5 Goodwill and other intangible assets (continued)
Impairment testing for cash-generating units containing goodwill

For the purpose of impairment testing, goodwill is allocated to the Group's operating divisions which represent the lowest level within the Group at which the Goodwill is measured for internal management purposes, which is not higher than the Group's operating segments.

The aggregate carrying amount of goodwill allocated to each unit are as follows :

| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|---|------------------------|------------------------|-----------------------|
| Medcare Hospital LLC, UAE | 1,043.06 | 1,065.19 | 1,007.80 |
| Sanad Al Rahma for Medical Care LLC, KSA | 1,011.94 | 1,033.41 | 977.73 |
| Dr. Ramesh Cardiac and Multispeciality Hospitals Private Limited, India | 1,749.70 | - | - |
| Pharmacies - GCC states | 962.08 | 957.30 | 933.81 |
| Harley Street Group , UAE | 655.19 | - | - |
| Malabar Institute of Medical Sciences Limited, India | 400.59 | 400.59 | 400.59 |
| Al Raffah Hospital, Oman | 390.14 | 398.42 | 376.94 |
| Others | 527.14 | 563.95 | 631.91 |
| | 6,739.84 | 4,418.86 | 4,328.78 |

Goodwill and indefinite life intangible were tested for impairment annually in accordance with the Company'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 Company 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 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.



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
 (All amounts in Indian rupees millions, except share data and where otherwise stated)

| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|--|------------------------|------------------------|-----------------------|
| 6 Investments | | | |
| Non-current investments | | | |
| <i>Unquoted shares</i> | | | |
| <i>Shares at FVTPL</i> | | | |
| Dr Ramesh Cardiac and Multispeciality Hospital Private Limited, India* [Equity shares : 31 March 2017- Nil ; 31 March 2016- 25,000 1 April 2015 - Nil] | - | 10.16 | - |
| Others | 0.01 | 0.01 | 0.01 |
| | <u>0.01</u> | <u>10.17</u> | <u>0.01</u> |
| * The Group acquired 51% stake in Dr Ramesh Cardiac and Multispeciality Hospital Private Limited in financial year 2016-17 resulting in the Company being a consolidated subsidiary from the date of acquisition | | | |
| Current investments | | | |
| Investment in liquid mutual funds, unquoted at FVTPL | | | |
| ICICI Prudential liquid plan- Daily dividend-Regular plan [Nil (31 March 2016: 670,063.97; 1 April 2015: Nil) units] | - | 70.85 | - |
| Birla Sun Life Cash Plus - Daily Dividend- Regular Plan [Nil (31 March 2016: 2,005,734; 1 April 2015: 250,914) units] | - | 200.96 | 25.11 |
| Reliance Liquid Fund -Treasury Plan- Daily dividend plan [Nil (31 March 2016: 69,088; 1 April 2015: Nil) units] | - | 105.62 | - |
| HDFC Liquid fund- Direct plan growth option [Nil (31 March 2016: Nil; 1 April 2015: 74,321) units] | - | - | 2.05 |
| HDFC Floating Rate Income Fund - Short Term Plan [2,133,890 (31 March 2016: Nil; 1 April 2015: Nil)] | 60.32 | - | - |
| Reliance Liquid Fund -Direct Growth [1,266 (31 March 2016: Nil; 1 April 2015: Nil)] | 5.02 | - | - |
| Reliance Liquid Fund-Treasury Plan [11,661 (31 March 2016: Nil; 1 April 2015: Nil)] | 46.11 | - | - |
| Reliance Short Term Fund [1,717,787 (31 March 2016: Nil; 1 April 2015: Nil)] | 52.94 | - | - |
| Reliance Regular Saving Fund-Debt Plan [2,260,490 (31 March 2016: Nil; 1 April 2015: Nil)] | 51.22 | - | - |
| | <u>215.61</u> | <u>377.43</u> | <u>27.16</u> |
| | <u>215.62</u> | <u>387.60</u> | <u>27.17</u> |
| Aggregate book value of quoted and unquoted investments | 215.62 | 387.60 | 27.17 |
| Aggregate market value of quoted and unquoted investments | - | - | - |
| 7 Other financial assets | | | |
| Non-current | | | |
| <i>Unsecured, considered good</i> | | | |
| Rent and other deposits | 380.01 | 207.15 | 123.47 |
| Restricted deposits | 444.63 | 345.01 | 393.44 |
| Interest accrued on fixed deposits with banks | 0.56 | 0.10 | 0.19 |
| Advance given to equity accounted investees | 1,257.27 | 432.97 | 310.08 |
| Other financial assets | 137.50 | - | 14.00 |
| | <u>2,219.97</u> | <u>985.23</u> | <u>841.18</u> |
| Current | | | |
| <i>Unsecured, considered good</i> | | | |
| Rent and other deposits | 278.78 | 262.83 | 240.36 |
| Unbilled revenue (net of impairment) | 2,032.77 | 1,441.50 | 964.13 |
| Interest accrued on fixed deposits with banks | 9.68 | 9.51 | 41.21 |
| Other financial assets | 7.37 | 13.30 | 15.02 |
| | <u>2,328.60</u> | <u>1,727.14</u> | <u>1,260.72</u> |
| | <u>4,548.57</u> | <u>2,712.37</u> | <u>2,101.90</u> |

Note 1: For the details of related party transactions refer Note 42.



Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

(All amounts in Indian rupees millions, except share data and where otherwise stated)

| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|--|------------------------|------------------------|-----------------------|
| 8 Other assets | | | |
| Non-current | | | |
| Advances for capital goods | 1,835.56 | 1,420.80 | 204.16 |
| Deferred lease expense | 359.61 | 371.77 | 321.28 |
| Prepayments | 328.11 | 651.20 | 183.84 |
| | <u>2,523.28</u> | <u>2,443.77</u> | <u>709.28</u> |
| Current | | | |
| Prepayments | 1,233.32 | 972.67 | 613.98 |
| Balances with statutory / government authorities | 6.94 | 3.48 | 4.58 |
| Payment to vendors for supply of goods and services | 100.08 | 595.46 | 303.58 |
| Advance against investment* | 79.80 | 82.28 | 79.80 |
| Deferred lease expense | 26.51 | 22.33 | 14.35 |
| Other loans and advances | 1,081.44 | 1,078.89 | 710.08 |
| | <u>2,528.09</u> | <u>2,755.11</u> | <u>1,726.37</u> |
| | <u>5,051.37</u> | <u>5,198.88</u> | <u>2,435.65</u> |
| * Represents advance given for investment in Sri Sainatha Multi-Speciality Hospital Private Limited in financial year 2015 deposited in an escrow account jointly held by the directors of Sri Sainatha Multi-Speciality Hospital Private Limited and the Company. | | | |
| 9 Inventories | | | |
| <i>(Valued at lower of cost and net realisable value)</i> | | | |
| Stock in trade including medical consumables | 5,085.27 | 3,902.81 | 2,879.42 |
| Stores and spares | 170.12 | 204.22 | 228.75 |
| | <u>5,255.39</u> | <u>4,107.03</u> | <u>3,108.17</u> |
| 10 Trade receivables | | | |
| Current | | | |
| <i>Unsecured</i> | | | |
| considered good | 12,876.18 | 15,224.21 | 9,549.77 |
| considered doubtful | 3,078.40 | 4,390.53 | 2,287.43 |
| | <u>15,954.58</u> | <u>19,614.74</u> | <u>11,837.20</u> |
| Allowances for expected credit loss | (3,078.40) | (4,390.53) | (2,287.43) |
| Net trade receivables | <u>12,876.18</u> | <u>15,224.21</u> | <u>9,549.77</u> |
| a) <i>Of the above, trade receivables from related parties are as below:</i> | | | |
| Total trade receivables from related parties | 1.04 | - | - |
| Loss allowance | - | - | - |
| b) <i>Due date based ageing:</i> | | | |
| Debts outstanding for a period exceeding six months from the date they became due for payment | 4,757.54 | 6,881.56 | 4,852.69 |
| Other debts | 11,197.04 | 12,733.18 | 6,984.51 |
| Total | <u>15,954.58</u> | <u>19,614.74</u> | <u>11,837.20</u> |
| 11 Cash and cash equivalents | | | |
| Balance with banks | | | |
| - in current accounts | 1,248.28 | 1,580.36 | 1,982.96 |
| - in deposit accounts | 26.19 | 919.23 | 436.98 |
| Cash on hand | 98.74 | 74.00 | 77.74 |
| | <u>1,373.21</u> | <u>2,573.59</u> | <u>2,497.68</u> |
| Less : Book overdraft (refer note 15) | (15.80) | (46.88) | (21.04) |
| Less : Bank overdraft used for cash management purposes (refer note 14) | (47.29) | - | - |
| Cash and cash equivalents in the statement of cash flows | <u>1,310.12</u> | <u>2,526.71</u> | <u>2,476.64</u> |
| 12 Other bank balances | | | |
| Balance in banks for margin money | 79.85 | 42.78 | 229.60 |
| In deposit accounts (with original maturity of more than 3 months) | 67.63 | 50.30 | 314.47 |
| | <u>147.48</u> | <u>93.08</u> | <u>544.07</u> |



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
 (All amounts and number of shares in INR millions, except per share data)

13 A. Share capital

| | As at 31 March 2017 | | As at 31 March 2016 | |
|--|---------------------|-----------------|---------------------|-----------------|
| | Number of shares | Amount | Number of shares | Amount |
| Authorised | | | | |
| Equity shares | 550.00 | 5,500.00 | 500.00 | 5,000.00 |
| Compulsory convertible preference shares | 66.20 | 662.00 | 66.20 | 662.00 |
| | 616.20 | 6,162.00 | 566.20 | 5,662.00 |

Issued, subscribed and paid-up

| | | | | |
|---|---------------|-----------------|---------------|-----------------|
| Equity shares | 403.22 | 4,032.22 | 403.05 | 4,030.52 |
| Compulsory convertible preference shares (Refer Note (a) below) | 64.01 | 640.10 | 64.01 | 640.10 |
| | 467.23 | 4,672.32 | 467.06 | 4,670.62 |

Reconciliation of shares outstanding at the beginning and at the end of the reporting period

| | | | | |
|--|---------------|-----------------|---------------|-----------------|
| <i>Equity shares of Rs.10 each fully paid-up</i> | | | | |
| At the beginning of the year | 403.05 | 4,030.52 | 388.64 | 3,886.38 |
| Shares issued for cash | 0.17 | 1.70 | 2.47 | 24.76 |
| Shares issued pursuant to amalgamation (Refer Note 44) | - | - | 7.03 | 70.30 |
| Shares issued on share swap | - | - | 4.91 | 49.08 |
| At the end of the year | 403.22 | 4,032.22 | 403.05 | 4,030.52 |

Preference shares of Rs.10 each fully paid-up

Series A compulsory convertible preference share capital

| | | | | |
|--|--------------|---------------|---|---|
| At the beginning of the year | - | - | - | - |
| Conversion of financial liability to equity (Refer Note (a) below) | 12.76 | 127.63 | - | - |
| At the end of the year | 12.76 | 127.63 | - | - |

RAR compulsory convertible preference share capital

| | | | | |
|--|---------------|-----------------|---------------|-----------------|
| At the beginning of the year | 51.10 | 510.99 | - | - |
| Conversion of financial liability to equity (Refer Note (a) below) | 51.10 | 510.99 | - | - |
| At the end of the year | 467.08 | 4,670.84 | 403.05 | 4,030.52 |

(a) 13.85 Series A compulsory convertible preference shares of INR 10 each and 50.16 RAR compulsory convertible preference shares of INR 10 each (aggregate face value of INR 640.10) were issued during the year 2014-15 and 2015-16 respectively, were initially classified as financial liabilities (See Note 14). 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. These are convertible into 12.76 and 51.10 equity shares respectively as at 31 March 2017.

(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.








Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
(All amounts and number of shares in INR millions, except per share data)

13 A. Share capital (continued)

(c) Rights, preferences and restrictions attached to series A compulsory convertible preference shares

0.00001% Series A, compulsory convertible preference shares (CCPS) of Rs. 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, i.e. based on the actual number of equity shares which the Series A CCPS will be entitled to upon conversion.

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

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

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

0.00001% RAR, compulsorily convertible preference shares "RAR CCPS" of Rs. 10 each were issued during the year ended 31 March 2016.

The RAR CCPS will compulsorily be converted on the earlier of

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

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

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

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

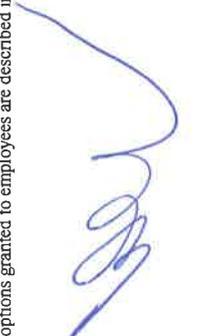
Each holder of a RAR CCPS shall be entitled to convert the RAR CCPS into equity shares as per the terms mentioned in the agreement. The conversion price will be adjusted based on future bonus issue, issuances arising from exercise of any stock options, share splits, consolidation, reorganization and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

(e) Employee stock options

Terms attached to stock options granted to employees are described in Note 41 regarding employee share based payments.







Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

(All amounts and numbers of shares in INR millions, except per share data)

13 A. Share capital (continued)

(f) Shares held by ultimate holding company/ holding company and their subsidiaries/ associates

Equity shares of Rs. 10 each fully paid-up held by

Union Investment Private Limited, Mauritius, ultimate holding company

(g) Shares reserved for issue under options and contracts

Under Employee Stock Option Scheme, 2013 : 1.37 equity shares of INR 10 each, at an exercise price of INR 50 per share (See Note 41)

Under Employee Stock Option Scheme, 2013 : 0.32 equity shares of INR 10 each, at an exercise price of INR 10 per share (See Note 41)

For compulsorily convertible Series A, preference shares of Rs. 10 each (Refer note (a) above)

For compulsorily convertible RAR preference shares of Rs. 10 each (Refer note (a) above)

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

Equity shares of Rs. 10 each fully paid-up held by

Union Investments Private Limited, Mauritius

Olympus Capital Asia Investments Limited, Mauritius

IVF Trustee Company Private Limited

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

- During the financial year 2013-14, 249.69 equity shares and during the financial year 2012-13, 124.72 equity shares of Rs. 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 previous year, 4.91 shares have been allotted as consideration for swap of shares with the shareholders of Malabar Institute of Medical Science Limited.

- During the previous year, 7.03 shares have been allotted as per the scheme of amalgamation with Indogulf Hospitals India Private Limited (Refer Note 44).

(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.

| | As at 31 March 2017 | | As at 31 March 2016 | |
|--|------------------------|----------|------------------------|----------|
| | Number of shares | Amount | Number of shares | Amount |
| | 207.56 | 2,075.55 | 207.56 | 2,075.55 |
| | 1.37 | 68.50 | 1.46 | 73.20 |
| | 0.32 | 3.20 | 0.36 | 3.64 |
| | 12.76 | 127.63 | 12.75 | 127.46 |
| | 51.10 | 510.99 | 51.16 | 511.59 |

| | As at 31 March 2017 | | As at 31 March 2016 | |
|--|------------------------|--------|------------------------|--------|
| | Number of shares | % | Number of shares | % |
| | 207.56 | 51.48% | 207.56 | 51.50% |
| | 105.58 | 26.18% | 105.58 | 26.20% |
| | 46.54 | 11.54% | 46.54 | 11.55% |

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13 B. Analysis of accumulated other comprehensive income, net of tax

a. Items of other comprehensive income

| | For the year ended 31 March 2017 | For the year ended 31 March 2016 |
|---|-------------------------------------|-------------------------------------|
| Remeasurement of net defined benefit liability/ (asset) | (61.53) | (56.89) |
| Exchange difference in translating financial statements of foreign operations | (262.04) | 738.42 |

i) Remeasurement of net defined benefit liability/ (asset)

| | As at 31 March 2017 | As at 31 March 2016 |
|--|------------------------|------------------------|
| Remeasurement of net defined benefit liability/ (asset) | (61.53) | (56.89) |
| Non-controlling share of remeasurement of net defined benefit liability/ (asset) | 7.38 | 19.40 |
| Transferred to retained earnings | 54.15 | 37.49 |
| Closing balance | - | - |

ii) Exchange difference in translating financial statements of foreign operations

| | As at 31 March 2017 | As at 31 March 2016 |
|--|------------------------|------------------------|
| Opening balance | 455.61 | - |
| Exchange difference in translating financial statements of foreign operations | (262.04) | 738.42 |
| Exchange difference in translating financial statements of foreign operations on capital reserve | 7.40 | (19.20) |
| Exchange difference in translating non-controlling interest | 35.02 | (263.61) |
| Closing balance | 235.99 | 455.61 |

b. Disaggregation of changes in items of other comprehensive income

| | Attributable to owners of the Company | | Total attributable to owners of the Company | Attributable to non- controlling interest | Total other comprehensive income |
|---|--|---|---|--|--|
| | Exchange difference in translating financial statements of foreign operations | Remeasurement of net defined benefit liability/ (asset) | | | |
| Year ended 31 March 2016 | | | | | |
| Exchange difference in translating financial statements of foreign operations | 474.81 | - | 474.81 | 263.61 | 738.42 |
| Remeasurement of net defined benefit liability/ (asset) | - | (37.49) | (37.49) | (19.40) | (56.89) |
| | 474.81 | (37.49) | 437.32 | 244.21 | 681.53 |
| Year ended 31 March 2017 | | | | | |
| Exchange difference in translating financial statements of foreign operations | (227.02) | - | (227.02) | (35.02) | (262.04) |
| Remeasurement of net defined benefit liability/ (asset) | - | (54.15) | (54.15) | (7.38) | (61.53) |
| | (227.02) | (54.15) | (281.17) | (42.40) | (323.57) |

Notes:

i) Exchange difference in translating financial statements of foreign operations

These comprise of all exchange differences arising from the translation of financial statements of foreign operations.

ii) Remeasurement of net defined benefit liability/ (asset)

Remeasurement of net defined benefit liability/ (asset) comprises actuarial gains and losses and return on plan asset (excluding interest income).



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
 (All amounts in Indian rupees millions, except share data and where otherwise stated)

14 Borrowings

| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|---|------------------------|------------------------|-----------------------|
| Non-current | | | |
| <i>Secured</i> | | | |
| Term loans from banks | 18,892.59 | 10,583.12 | 4,979.03 |
| Term loans from others | - | 23.19 | 53.65 |
| Long-term maturities of finance lease obligations | 12.47 | 15.50 | 12.24 |
| <i>Unsecured</i> | | | |
| Compulsory convertible preference shares | - | 15,152.32 | 1,073.42 |
| | 18,905.06 | 25,774.13 | 6,118.34 |
| Current | | | |
| <i>Unsecured</i> | | | |
| Temporary overdraft from a bank | 47.29 | - | - |
| Cash credit and overdraft facilities from banks | 489.35 | - | - |
| Commercial paper | 94.27 | - | - |
| | 7,322.70 | 4,418.17 | 2,869.68 |
| <i>Secured</i> | | | |
| Cash credit and overdraft facilities from banks | 345.17 | 101.25 | 24.03 |
| Short term loans | 5.66 | 1,321.98 | - |
| Loan from others | 8,304.44 | 5,841.40 | 2,893.71 |
| | 367.42 | 1,590.18 | 1,894.52 |
| | 27,576.92 | 33,205.71 | 10,906.57 |

Amount included under other financial liabilities

Information about the Company's exposure to interest rate and liquidity risks are included in Note 36

The bank facilities have the following securities:

- a) **Parent**
 - Equitable mortgage on certain immovable properties of the Company and of certain Indian subsidiaries of the Company
 - Corporate guarantee of DM Med City Hospitals India Private Limited and Ambady Infrastructures Private Limited
 - Charge on movable properties (comprising plant and machinery, furniture and fittings, vehicles and other movable assets), present and future, of the Company
 - First charge on entire cashflows of the Aster Medcity project (to be routed through the escrow account).
 - Assignment of contractor guarantees, liquidated damages, letter of credit, guarantee or performance bonds that may be provided by any counter party under any project agreement or contract in favour of the borrower and insurance policies
 - Hypothecation of all kind of current assets, book debts, outstanding moneys
 - Charge by way of fixed deposit as continuing security
 - Demand promissory note provided as continuing security
 - Commercial mortgage on immovable assets, medical equipments, machineries, tools / accessories, furniture and fixtures, inventories and receivables of Aster CMI, Bangalore
 - First and exclusive charge on current assets, operating cash flows, receivable, commissions, revenues of whatsoever nature and wherever arising, present and future, intangible, goodwill, uncalled capital, present and future of Aster CMI, Bangalore
 - There is no continuing default in the repayment of the principal loan and interest amounts
- b) **Indian subsidiaries**
 - Commercial mortgage on immovable assets, medical equipments, machineries, tools / accessories, furniture and fixtures, inventories and receivables of certain subsidiaries of the Company
 - First, fixed and exclusive charge on the medical equipments, vehicles, fixed deposits, post dated cheques and present and future receivables
 - Equitable mortgage on certain immovable properties, leasehold rights of the Company, fixed deposits and of certain Indian subsidiaries of the Company
 - Corporate guarantee of the holding company
 - Charge on movable properties (comprising plant and machinery, furniture and fittings, vehicles and other movable assets), present and future, of the Company and of its Indian Subsidiaries
 - Assignment of receivables from insurance companies of certain foreign subsidiaries of the Company in favor of the bank
 - Personal guarantees of shareholders / directors and equitable mortgage of two properties belonging to a director of one of the subsidiaries
 - There is no continuing default in the repayment of the principal loan and interest amounts



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Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)

(All amounts in Indian rupees millions, except share data and where otherwise stated)

14 Borrowings (continued)

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 Holding Company and security cheque;
- Corporate guarantee of subsidiary companies Medicare Hospital LLC, DM Healthcare LLC and Dr. Moopen's Healthcare Management Services LLC;
- 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;
- Mortgage of office premise and hospital building at the Kingdom of Saudi Arabia;
- Pledge of 51% of equity interest held by Affinity Holdings Private Limited in the Holding Company.

A Terms and conditions of non-current borrowings (including current maturities) are as follows

| Particulars | Borrowed by | | Maturity period | Interest rate | Currency | As at | | As at |
|-------------------------|--------------|--------------|-----------------|-----------------|----------|---------------|---------------|----------|
| | Parent/ | Subsidiaries | | | | 31 March 2017 | 31 March 2016 | |
| Secured loan from banks | Parent | | 2018-2028 | 8.95% to 10.75% | INR | 5,480.63 | 3,892.81 | 2,748.83 |
| Secured loan from banks | Subsidiaries | | 2018-2031 | 8.35% to 12.25% | INR | 2,389.19 | 890.98 | 814.13 |
| Secured loan from banks | Subsidiaries | | 2021-2024 | 4.30% to 4.85% | USD | 10,027.11 | 7,005.96 | 3,229.55 |
| Secured loan from banks | Subsidiaries | | 2018-2021 | 3.23% to 6.00% | QAR | 501.94 | 250.71 | 8.49 |
| Secured loan from banks | Subsidiaries | | 2018-2019 | 4.25% to 4.75% | OMR | 38.59 | 69.51 | 8.84 |
| Secured loan from banks | Subsidiaries | | 2018-2024 | 2.25% to 6.50% | AED | 817.71 | 84.04 | 111.72 |
| Finance lease | Subsidiary | | 2020 | 11.52% | INR | 17.31 | 17.98 | 17.88 |
| | | | | | | 19,272.48 | 12,211.99 | 6,939.44 |

B Terms and conditions of current borrowings are as follows:

| Particulars | Borrowed by | | Maturity period | Interest rate | Currency | As at | | As at |
|---------------------------|--------------|--------------|-----------------|-----------------|----------|---------------|---------------|----------|
| | Parent/ | Subsidiaries | | | | 31 March 2017 | 31 March 2016 | |
| Unsecured loan from banks | Parent | | 2017-2018 | 8.95% to 18.00% | INR | 630.91 | - | - |
| Secured loan from banks | Parent | | 2017-2018 | 8.95% to 10.70% | INR | 341.79 | 98.95 | 21.41 |
| Secured loan from banks | Subsidiaries | | 2017-2018 | 9.21% to 12.25% | INR | 108.74 | 96.54 | 111.60 |
| Secured loan from banks | Subsidiaries | | 2017-2018 | 3.23% | QAR | 1.49 | - | - |
| Secured loan from banks | Subsidiaries | | 2017-2018 | 4.25% to 4.50% | OMR | 413.78 | 351.31 | 252.49 |
| Secured loan from banks | Subsidiaries | | 2017-2018 | 3.25% | USD | 642.21 | 3,033.38 | - |
| Secured loan from banks | Subsidiaries | | 2017-2018 | 2.84% to 4.92% | AED | 6,165.51 | 2,261.22 | 2,508.20 |
| | | | | | | 8,304.43 | 5,841.40 | 2,893.70 |

C Compulsorily convertible preference shares

| Particulars | As at | | As at | As at |
|--|---------------|---------------|------------|----------|
| | 31 March 2017 | 31 March 2016 | | |
| Opening carrying amount of liability | - | - | 1,073.42 | - |
| Proceeds from issue of convertible preference shares | - | - | 16,402.91 | 1,424.87 |
| Amount classified as equity | - | - | (3,287.53) | (456.23) |
| Accrued interest | - | - | 963.52 | 1,04.78 |
| Carrying amount of liability | - | - | 15,152.32 | 1,073.42 |



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| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|---|------------------------|------------------------|-----------------------|
| 15 Other financial liabilities | | | |
| Non-current | | | |
| Dues to creditors for capital goods | - | - | 616.43 |
| Payable to non-controlling interest on account of business combination (refer Note 39) | - | 3,040.23 | - |
| Other financial liabilities | 158.56 | - | - |
| | <u>158.56</u> | <u>3,040.23</u> | <u>616.43</u> |
| Current | | | |
| Current maturities of non-current borrowings | 362.58 | 1,587.70 | 1,888.88 |
| Current maturities of finance lease obligations (refer Note 14) | 4.84 | 2.48 | 5.64 |
| Book Overdraft | 15.80 | 46.88 | 21.04 |
| Interest accrued but not due on borrowings* | 60.50 | 12.94 | 4.98 |
| Dues to holding company | 10.37 | 10.37 | 10.37 |
| Derivative contracts | - | 14.83 | 18.57 |
| Payable to non controlling interest towards account of business combination (refer Note 39) | 649.21 | 31.53 | 34.04 |
| Payable to partners in clinics | 171.76 | 294.01 | 128.52 |
| Accrued salaries and benefits | 1,489.23 | 1,486.13 | 417.37 |
| Dues to creditors for expenses and others | 1,772.06 | 1,350.93 | 1,624.04 |
| Dues to creditors for capital goods | 434.80 | 972.65 | 327.82 |
| Security deposits from employees and from others | 31.93 | 25.22 | 22.51 |
| | <u>5,003.08</u> | <u>5,835.67</u> | <u>4,503.78</u> |
| | <u>5,161.64</u> | <u>8,875.90</u> | <u>5,120.21</u> |

* The details of interest rates, repayment and other terms are disclosed in Note 14

The Company's exposure to currency and liquidity risk related to the above financial liabilities is disclosed in Note 36

| | | | |
|--|-----------------|-----------------|-----------------|
| 16 Provisions | | | |
| Non-current | | | |
| <i>Provision for employee benefits</i> | | | |
| Net defined benefit liability - Gratuity | 59.52 | 44.44 | 34.92 |
| Leave encashment [refer note (a) below] | 27.03 | 16.60 | 12.10 |
| Net defined benefit liability - post employment benefits | <u>1,661.58</u> | <u>1,412.97</u> | <u>1,005.80</u> |
| | <u>1,748.13</u> | <u>1,474.01</u> | <u>1,052.82</u> |
| Current | | | |
| <i>Provision for employee benefits</i> | | | |
| Net defined benefit liability - gratuity | 11.75 | 6.12 | 2.31 |
| Leave encashment [refer note (a) below] | 10.89 | 7.54 | 1.55 |
| Net defined benefit liability - end of services benefits | 196.57 | 160.72 | 108.91 |
| <i>Other provision</i> | | | |
| Zakat payable* [refer note (b) below] | 77.95 | 229.58 | 272.58 |
| Total current provisions | <u>297.16</u> | <u>403.96</u> | <u>385.35</u> |
| Total Provisions | <u>2,045.29</u> | <u>1,877.97</u> | <u>1,438.17</u> |

* Zakat payable is the amount provided for in accordance with the Saudi Arabian Zakat and Income Tax regulations.

| | As at 31 March 2017 | As at 31 March 2016 |
|---|------------------------|------------------------|
| (a) Movement of leave encashment | | |
| Balance at the beginning | 24.14 | 13.65 |
| Provision made during the year (net of benefits paid) | 13.78 | 10.49 |
| Balance at the end | <u>37.92</u> | <u>24.14</u> |
| (b) Movement of zakat payable | | |
| Balance at the beginning | 229.58 | 272.58 |
| Zakat charges | - | 41.77 |
| Payment made during the year | (151.63) | (84.77) |
| Balance at the end | <u>77.95</u> | <u>229.58</u> |

| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|----------------------------------|------------------------|------------------------|-----------------------|
| 17 Other liabilities | | | |
| Non-current | | | |
| Lease equalisation reserve | 444.10 | 317.24 | 168.15 |
| | <u>444.10</u> | <u>317.24</u> | <u>168.15</u> |
| Current | | | |
| Advances received from customers | 204.12 | 290.49 | 205.34 |
| Statutory dues payables | 106.15 | 75.03 | 41.73 |
| Others | 19.31 | 9.93 | 0.38 |
| | <u>329.58</u> | <u>375.45</u> | <u>247.45</u> |
| | <u>773.68</u> | <u>692.69</u> | <u>415.60</u> |

| | | | |
|-------------------------------------|-----------------|-----------------|-----------------|
| 18 Trade payables | | | |
| Dues to micro and small enterprises | 0.79 | 0.86 | 0.54 |
| Dues to trade creditors | 7,824.16 | 6,969.45 | 4,323.65 |
| | <u>7,824.95</u> | <u>6,970.31</u> | <u>4,324.19</u> |

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:

| | | | |
|---|------|------|------|
| The principal amount remaining unpaid to any supplier as at the end of the year | 0.79 | 0.86 | 0.54 |
| The interest due on the principal remaining outstanding as at the end of the year | 0.02 | 0.01 | 0.01 |
| The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year | - | - | - |
| The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act | 0.11 | 0.01 | 0.01 |
| The amount of interest accrued and remaining unpaid at the end of the year | 0.43 | 0.01 | 0.01 |
| 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 | - | - | - |

Note: All trade payables are 'current'








Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
 (All amounts in Indian rupees millions, except share data and where otherwise stated)

| | For the year ended 31 March 2017 | For the year ended 31 March 2016 |
|--|-------------------------------------|-------------------------------------|
| 19 Revenue from operations | | |
| Income from hospital services | 41,697.58 | 36,505.57 |
| Sale of medicines | 16,452.51 | 15,221.79 |
| Income from healthcare consultancy | 33.31 | 17.97 |
| Other operating revenue | 1,129.47 | 753.57 |
| | <u>59,312.87</u> | <u>52,498.90</u> |
| 20 Other income | | |
| Recurring | | |
| Interest income under the effective interest method on | | |
| Fixed deposits with banks | 23.00 | 34.27 |
| Lease deposits | 16.63 | 5.65 |
| Rental income | 36.65 | 21.79 |
| Income from hospital canteen | 30.65 | 37.39 |
| Dividend on non-current investments | 3.18 | 4.65 |
| Non-recurring | | |
| Profit on sale of property, plant and equipment | 0.72 | - |
| Dividend income from mutual funds | 4.16 | 4.88 |
| Gain on sale of investment | 1.82 | - |
| Other non-operating income | 249.34 | 144.10 |
| | <u>366.15</u> | <u>252.73</u> |
| 21 Purchase of medicines and consumables | | |
| Medicines and consumables | 20,021.63 | 17,230.35 |
| | <u>20,021.63</u> | <u>17,230.35</u> |
| 22 Change in inventories | | |
| <i>Medicines and medical consumables:</i> | | |
| Opening stock | 4,107.03 | 3,108.17 |
| Closing stock | 5,255.39 | 4,107.03 |
| | <u>(1,148.36)</u> | <u>(998.86)</u> |
| 23 Employee benefits expenses | | |
| Salaries and allowances | 19,752.64 | 15,717.34 |
| Contribution to provident and other funds | 166.66 | 112.43 |
| Equity settled share based payments | 50.66 | 87.04 |
| Staff welfare expenses | 575.05 | 372.97 |
| | <u>20,545.01</u> | <u>16,289.78</u> |
| 24 Finance costs | | |
| Interest expense on borrowings from banks | 1,434.91 | 826.38 |
| Interest expense on financial liabilities measured at amortised cost | 1,599.88 | 834.71 |
| Other borrowing costs / amortised processing charges | 501.20 | 232.99 |
| | <u>3,535.99</u> | <u>1,894.08</u> |



Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

(All amounts in Indian rupees millions, except share data and where otherwise stated)

| | For the year ended 31 March 2017 | For the year ended 31 March 2016 |
|---|-------------------------------------|-------------------------------------|
| 25 Depreciation and amortisation expense | | |
| Depreciation on tangible assets (refer Note 4) | 3,104.15 | 2,355.88 |
| Amortisation on intangible assets (refer Note 5) | 120.29 | 74.14 |
| | <u>3,224.44</u> | <u>2,430.02</u> |
| 26 Other expenses | | |
| Professional fee paid to doctors | 4,362.61 | 3,382.02 |
| Hospital operation and management fees | 139.63 | 37.35 |
| Lab expenses | 195.57 | 150.11 |
| Consumables | 160.71 | 148.26 |
| Power and fuel | 718.38 | 566.33 |
| Housekeeping and security | 739.44 | 506.06 |
| Rent | 2,658.36 | 2,019.73 |
| Insurance | 202.69 | 161.28 |
| Repairs and maintenance: | | |
| - Buildings | 50.86 | 39.90 |
| - Plant and machinery | 149.58 | 110.16 |
| - Others | 571.10 | 452.09 |
| Rates and taxes | 445.35 | 415.02 |
| Advertising and promotional expenses | 1,461.66 | 975.04 |
| Legal, professional and consultancy | 324.52 | 330.17 |
| Loss on sale of property, plant and equipment | - | 3.47 |
| Printing and stationery | 174.19 | 124.46 |
| Mark to market loss and premium on derivative contracts | - | 1.81 |
| Communication expense | 235.15 | 168.30 |
| Canteen expense | 234.13 | 122.79 |
| Travelling expense | 227.27 | 158.62 |
| Allowances for expected credit losses on financial assets | 1,947.68 | 3,251.54 |
| Impairment loss on non-current assets (non-financial) | 4.56 | 72.69 |
| Net loss on account of foreign exchange fluctuations | 0.22 | 3.82 |
| Bank charges | 172.77 | 156.50 |
| Expenditure on corporate social responsibility [see note (i) below] | 7.19 | 7.98 |
| Miscellaneous expenses | 1,389.77 | 1,061.51 |
| | <u>16,573.39</u> | <u>14,427.01</u> |
| (i) Details of corporate social responsibility expenditure | | |
| - Gross amount required to be spent during the year | 7.13 | 6.04 |
| -Amount spent during the year on : | | |
| Construction/acquisition of an asset | - | - |
| On purposes other than above | 7.19 | 7.98 |
| | <u>7.19</u> | <u>7.98</u> |
| 27 Exceptional items | | |
| Net gain on account of extinguishment of financial liabilities (Refer Note A below) | 3,591.89 | - |
| Contingent consideration written back (Refer Note B below) | 2,368.82 | - |
| Allowances for credit losses on prior year receivables (Refer Note C below) | (1,801.65) | - |
| | <u>4,159.06</u> | <u>-</u> |

A. Modification of the terms of Series A and RAR Compulsorily Convertible Preference Shares in March 2017 has led to the extinguishment of the related financial liabilities and the recognition of equity with effect from the date of modification. The difference between the carrying value of the liability and the fair value of the equity instrument at the date of modification, amounting to INR 3,591.89 has been recognized in the statement of profit and loss for the year ended 31 March 2017.

B. During the year ended 31 March 2016, the Company had acquired a portion of the non controlling interest in its controlled subsidiary Sanad Al Rahma for Medical Care LLC, KSA ('Sanad'). The purchase consideration included a contingent consideration payable to the sellers based on future performance of Sanad. The Company carried a liability of INR 3,040.23 as at 31 March 2016 relating to the contingent consideration. Based on the expected performance of Sanad, an independent valuation of the contingent consideration revised the expected liability to INR 671.41 as at 31 March 2017. This downward revision of the expected liability has resulted in a gain of INR 2,368.82 (net of foreign currency translation difference) which has been recognized in the statement of profit and loss for the year ended 31 March 2017.

C. During the year ended 31 March 2017, Sanad has entered into a settlement agreement with a large customer from who significant amounts were due for services provided in earlier years. The settlement has resulted in Sanad writing-off a significant portion of these receivables, resulting in a loss of INR 1,801.65 during the year.

The image shows several handwritten signatures in blue ink. Below the signatures are two circular blue corporate seals. The seal on the left is for 'B S Ram Associates * LTD' with the number '56007'. The seal on the right is for 'ASTER DM HEALTHCARE LIMITED * KOCHI' with the number '682 027'.

Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
 (All amounts in Indian rupees millions, except share data and where otherwise stated)

28 Deferred tax asset/ liabilities

Deferred tax asset
 Deferred tax liabilities

| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|--|------------------------|------------------------|-----------------------|
| | 30.30 | 18.25 | 26.82 |
| | 1,436.61 | 1,320.11 | 1,313.92 |
| | (1,406.31) | (1,301.86) | (1,287.10) |

For the year ended
31 March 2017

For the year ended
31 March 2016

(i) **Deferred tax (charge)/ benefit recognised during the year**
 Origination and reversal of temporary differences

| | | |
|--|---------------|----------------|
| | (2.33) | (11.95) |
| | (2.33) | (11.95) |

(ii) **Deferred tax assets and liabilities are attributable to the followings:**

Particulars

Deferred tax asset

MAT credit entitlement
 Provision for doubtful debts and advances
 Provision for employee benefits
 On current liabilities
 Unabsorbed business loss including from specified business

Total deferred tax asset

Deferred tax liability

On account of fair valuation land *
 Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act
 Other financial assets (Deposit amortisation)

Total deferred tax liability

Deferred tax liability (net)

Deferred tax assets

* The deferred tax liability arising on the fair valuation recognised based on tax rates applicable to the long-term capital gains.

| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|--|------------------------|------------------------|-----------------------|
| | 28.61 | - | - |
| | - | 3.04 | 0.68 |
| | 1.69 | 15.21 | 14.54 |
| | - | - | 11.60 |
| | 1,418.91 | 1,469.64 | 1,240.66 |
| | 1,449.21 | 1,487.89 | 1,267.48 |
| | (1,109.81) | (1,110.90) | (1,108.08) |
| | (1,703.91) | (1,633.14) | (1,399.96) |
| | (41.80) | (45.71) | (46.54) |
| | (2,855.52) | (2,789.75) | (2,554.58) |
| | (1,436.61) | (1,320.11) | (1,313.92) |
| | 30.30 | 18.25 | 26.82 |

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 relate 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.

| Movement during the year ended 31 March 2016 | As at | Credit/ (Charge) in | Credit/ (charge) | On account of | As at |
|---|-------------------|---|-------------------------------------|-------------------------|-------------------|
| | 1 April 2015 | the Statement of Profit and Loss | in other comprehensive income | business combination | 31 March 2016 |
| Provision for doubtful debts and advances | 0.68 | 2.36 | - | - | 3.04 |
| Provision for employee benefits | 14.54 | 0.67 | - | - | 15.21 |
| On current liabilities | 11.60 | (10.97) | (0.63) | - | - |
| Unabsorbed business loss including from specified business | 1,240.66 | 228.98 | - | - | 1,469.64 |
| On account of fair valuation land * | (1,108.08) | (2.82) | - | - | (1,110.90) |
| Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act. | (1,399.96) | (231.00) | (2.18) | - | (1,633.14) |
| Other financial assets (Deposit amortisation) | (46.54) | 0.83 | - | - | (45.71) |
| Allowance for expected credit loss on financial assets | - | - | - | - | - |
| | (1,287.10) | (11.95) | (2.81) | - | (1,301.86) |



28 Deferred tax asset/ liabilities (continued)

| Movement during the year ended 31 March 2017 | As at 31 March 2016 | Credit/ (Charge) in the Statement of Profit and Loss | Credit/ (charge) in other comprehensive income | On account of business combination | As at 31 March 2017 |
|--|---------------------|--|--|------------------------------------|---------------------|
| MAT credit entitlement | - | 28.61 | - | - | 28.61 |
| Provision for doubtful debts and advances | 3.04 | (3.04) | - | - | - |
| Provision for employee benefits | 15.21 | (12.18) | (1.34) | - | 1.69 |
| Unabsorbed business loss including from specified business | 1,469.64 | (50.73) | - | - | 1,418.91 |
| On account of fair valuation land * | (1,110.90) | - | 1.09 | - | (1,109.81) |
| Excess of depreciation on fixed asset under Income Tax Act, 1961 over depreciation under Companies Act | (1,633.14) | 31.10 | - | (101.87) | (1,703.91) |
| Other financial assets (Deposit amortisation) | (45.71) | 3.91 | - | - | (41.80) |
| Allowance for expected credit loss on financial assets | - | - | - | - | - |
| | (1,301.86) | (2.33) | (0.25) | (101.87) | (1,406.31) |

* 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 2017 | | As at 31 March 2016 | | As at 1 April 2015 | |
|--------------------------------------|---------------------|-------------------------|---------------------|-------------------------|--------------------|-------------------------|
| | Gross amount | Unrecognised tax effect | Gross amount | Unrecognised tax effect | Gross amount | Unrecognised tax effect |
| Tax losses (business loss) | 9,039.72 | 3,112.57 | 7,742.60 | 2,666.09 | 5,736.34 | 1,974.18 |
| Tax losses (Capital loss) | 406.20 | 92.04 | 377.68 | 85.58 | 76.22 | 17.27 |
| Tax losses (unabsorbed depreciation) | 560.55 | 185.56 | 255.48 | 81.13 | 185.87 | 57.95 |
| Total | 10,006.47 | 3,390.17 | 8,375.76 | 2,832.80 | 5,998.43 | 2,049.40 |

(iv) Tax losses carried forward

| Particulars | As at 31 March 2017 | | As at 31 March 2016 | | As at 1 April 2015 | |
|---|---------------------|---------------|---------------------|---------------|--------------------|---------------|
| | Loss | Expiry | Loss | Expiry | Loss | Expiry |
| Brought forward losses - allowed to carry forward for specified period | 4,282.87 | various dates | 3,678.71 | various dates | 2,761.03 | various dates |
| Brought forward losses from specified business - allowed to carry forward for infinite period | 5,163.05 | - | 4,441.57 | - | 3,051.53 | - |
| Brought forward losses - allowed to carry forward for infinite period | 560.55 | - | 255.48 | - | 185.87 | - |
| Total | 10,006.47 | | 8,375.76 | | 5,998.43 | |

29 Income tax asset/ liabilities

| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|------------------------|---------------------|---------------------|--------------------|
| Income tax asset | 372.57 | 167.92 | 76.34 |
| Income tax liabilities | 253.03 | 238.67 | 34.82 |
| | 119.54 | (70.75) | 41.52 |

(i) Tax expense recognised in the Statement of Profit and Loss

| | Year ended 31 March 2017 | Year ended 31 March 2016 |
|----------------------|--------------------------|--------------------------|
| Current tax | (77.25) | (122.21) |
| Foreign income taxes | (28.79) | (227.75) |
| Zakat charges* | - | (41.77) |
| Total (A) | (106.04) | (391.73) |

* Zakat payable is the amount provided for in accordance with the Saudi Arabian Zakat and Income Tax regulations.

(ii) Reconciliation of effective tax rate

| Particulars | Year ended 31 March 2017 | Year ended 31 March 2016 |
|---|--------------------------|--------------------------|
| | Profit before tax | 1,083.69 |
| Statutory income tax rate | 34.61% | 34.61% |
| Tax expenses /(asset) | 375.07 | 509.21 |
| Tax at special rate | (132.86) | 269.51 |
| Tax on exempt income | (294.64) | (1,168.60) |
| Non-deductible expenses / permanent differences | (441.24) | (339.72) |
| Additional deduction on investment allowance | (154.64) | (524.50) |
| Un-recognised deferred tax assets | 542.27 | 862.37 |
| Income tax expense | (106.04) | (391.73) |



Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

(All amounts in Indian rupees millions, except share data and where otherwise stated)

30 Segment information

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that business enterprises report information about operating segments and related disclosures about products and services, geographic areas and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Group's performance and allocates resources on overall basis.

The Group has structured its business broadly into four verticals – Hospitals, clinics, retail pharmacies and others. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

Income and direct expenses in relation to segments are categorised based on items that are individually identifiable to that segment, while the remainder of costs are apportioned on an appropriate basis. Certain expenses are not specifically allocable to individual segments as the underlying services are used interchangeably. The Group therefore believes that it is not practical to provide segment disclosures relating to such expenses and accordingly such expenses are separately disclosed as unallocable and directly charged against total income.

The assets of the Group are used interchangeably between segments and the management believes that it is currently not practical to provide segment disclosures relating to certain assets and liabilities since a meaningful segregation is not possible.

A. Business segments :

The Group has the following business segments based on the information reviewed by Group's CODM :

- i) **Hospitals** - comprises of hospitals and in-house pharmacies at the hospitals
- ii) **Clinics** - comprises of clinics and in-house pharmacies at the clinics
- iii) **Retail Pharmacies** - comprises standalone retail pharmacies
- iv) **Others** - comprises of healthcare consultancy services and others

| Particulars | Year ended 31 March 2017 | Year ended 31 March 2016 |
|--|-----------------------------|-----------------------------|
| Segment revenue | | |
| Hospitals | 27,047.32 | 25,729.04 |
| Clinics | 16,229.16 | 12,730.86 |
| Retail Pharmacies | 15,977.65 | 14,018.00 |
| Others | 58.74 | 21.00 |
| Total | 59,312.87 | 52,498.90 |
| Segment profit before income tax | | |
| Hospitals | 777.93 | 2,846.48 |
| Clinics | 315.63 | 832.40 |
| Retail Pharmacies | 1,225.03 | 1,048.60 |
| Total | 2,318.59 | 4,727.48 |
| Segment profit before income tax includes : | | |
| Depreciation, amortisation and impairment | | |
| Hospitals | 1,815.31 | 1,469.74 |
| Clinics | 1,084.35 | 417.26 |
| Retail Pharmacies | 190.45 | 188.35 |
| Total | 3,090.11 | 2,075.35 |
| Other income, excluding finance income | | |
| Hospitals | 297.71 | 170.85 |
| Clinics | 9.75 | - |
| Total | 307.46 | 170.85 |
| Segment assets | | |
| Hospitals | 41,959.37 | 36,553.89 |
| Clinics | 12,473.44 | 9,643.88 |
| Retail Pharmacies | 9,589.24 | 8,657.24 |
| Others | 14.83 | 29.96 |
| Unallocated | 4,035.89 | 4,364.99 |
| Total | 68,072.77 | 59,249.96 |
| Segment liabilities | | |
| Hospitals | 19,256.75 | 16,805.16 |
| Clinics | 4,226.86 | 3,117.91 |
| Retail Pharmacies | 5,242.54 | 5,519.79 |
| Unallocated | 16,839.85 | 26,148.32 |
| Total | 45,566.00 | 51,591.18 |
| Capital expenditure | | |
| Hospitals | 7,926.38 | 4,944.01 |
| Clinics | 831.25 | 1,929.25 |
| Retail Pharmacies | 457.93 | 659.11 |
| Others | 1.40 | - |
| Unallocated | 102.54 | 70.26 |
| Total | 9,319.50 | 7,602.63 |



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
 (All amounts in Indian rupees millions, except share data and where otherwise stated)

30 Segment information (continued)

B. Reconciliation of information on reportable segments to Ind AS measures

| | Year ended 31 March 2017 | Year ended 31 March 2016 |
|--|-----------------------------|-----------------------------|
| Profit before tax | | |
| Total profit before tax for reportable segments | 2,318.59 | 4,727.48 |
| Unallocated amounts : | | |
| Other income, excluding finance income | 19.06 | 41.96 |
| Depreciation, amortisation and impairment | (134.33) | (354.67) |
| Finance income | 39.63 | 39.92 |
| Finance charges | (3,535.99) | (1,894.08) |
| Exceptional items | 4,159.06 | - |
| Unallocated expenses (net of unallocated income) | (1,780.04) | (1,081.36) |
| Profit before share of equity accounted investees and tax | 1,085.98 | 1,479.25 |
| Share of loss of equity accounted investees | (2.29) | (7.96) |
| Profit before tax | 1,083.69 | 1,471.29 |
| Provision for tax | (108.37) | (403.68) |
| Profit before share of equity accounted investees | 975.32 | 1,067.61 |
| Less : Non controlling interest | 42.28 | (978.76) |
| Profit for the year | 1,017.60 | 88.85 |

C. Geographical segment information :

The Group operates in three principal geographical areas which have been identified based on the location of the customers.

The geographical segments of the Company as identified above are as follows:

- i) GCC States - United Arab Emirates, Qatar, Oman, Kingdom of Saudi Arabia, Jordan, Kuwait and Bahrain
- ii) India
- iii) Rest of the world (including Philippines)

| | Year ended 31 March 2017 | Year ended 31 March 2016 |
|----------------------------|-----------------------------|-----------------------------|
| Segment revenue | | |
| GCC States | 49,791.64 | 46,178.27 |
| India | 9,499.99 | 6,318.73 |
| Rest of the world | 21.24 | 1.90 |
| Total | 59,312.87 | 52,498.90 |
| Segment assets | | |
| GCC States | 43,876.86 | 40,276.47 |
| India | 24,059.45 | 18,863.30 |
| Rest of the world | 136.46 | 110.19 |
| Total | 68,072.77 | 59,249.96 |
| Capital expenditure | | |
| GCC States | 5,757.77 | 5,147.85 |
| India | 3,522.65 | 2,383.19 |
| Rest of the world | 39.08 | 71.59 |
| Total | 9,319.50 | 7,602.63 |



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
(All amounts in Indian rupees millions, except share data and where otherwise stated)

31 Employee benefits:

a) Defined benefit plan

The Group operates certain post-employment defined benefit plans which is provided for based on actuarial valuation carried out by an independent actuary using the projected unit credit method. The Group accrues gratuity as per the provisions of the Payment of Gratuity Act, 1972 and end of service benefits based on the labour laws of relevant geography.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the benefit plans and the amounts recognised in the Group's consolidated financial statements as at balance sheet date:

Reconciliation of the projected benefit obligation

| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|---|------------------------|------------------------|-----------------------|
| Defined benefit liability - Gratuity plan (<i>Plan A</i>) | 108.56 | 64.69 | 49.38 |
| Plan assets | 37.28 | 14.14 | 12.15 |
| Net defined benefit liability | 71.28 | 50.55 | 37.23 |
| Net defined benefit liability - End of service benefits (<i>Plan B</i>) | 1,858.15 | 1,573.69 | 1,114.71 |
| Liability for compensated absences | 37.92 | 24.14 | 13.65 |
| Total employee benefit liability | 1,967.35 | 1,648.38 | 1,165.59 |
| <i>Non-current</i> | 1,748.13 | 1,474.01 | 1,052.82 |
| <i>Current</i> | 219.22 | 174.37 | 112.77 |

For details about related employee benefit expenses, see note 23

i) Plan A

b) Reconciliation of net defined benefit (assets)/ liability

i) Reconciliation of present values of defined benefit obligation

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset) liability and its components:

| | As at 31 March 2017 | As at 31 March 2016 |
|---|------------------------|------------------------|
| Defined benefit obligation as at 1 April | 64.70 | 49.38 |
| Benefits paid | (5.81) | (3.07) |
| Current service cost | 17.14 | 13.39 |
| Interest cost | 5.16 | 3.62 |
| Past Service Cost | - | - |
| Acquisition/(disposal) during the year | 21.50 | (1.87) |
| Actuarial (gains) losses recognised in other comprehensive income | | |
| -changes in demographic assumptions | 0.61 | 1.20 |
| -changes in financial assumptions | 1.21 | 5.03 |
| -experience adjustments | 4.05 | (2.99) |
| Defined benefit obligations as at 31 March | 108.56 | 64.69 |

ii) Reconciliation of the present values of plan assets

| | As at 31 March 2017 | As at 31 March 2016 |
|---|------------------------|------------------------|
| Plan assets at beginning of the year | 14.14 | 12.15 |
| Contributions paid into the plan | 1.85 | 1.16 |
| Interest income | 2.34 | 1.00 |
| Benefits paid | (1.56) | (0.22) |
| Return on plan assets recognised in other comprehensive income | 0.41 | 0.01 |
| Acquisition/(disposal) during the year | 20.90 | (0.12) |
| Premium expenses | (0.80) | - |
| Actuarial (gains) losses recognised in other comprehensive income | - | 0.16 |
| Plan assets at the end of the year | 37.28 | 14.14 |
| Net defined benefit liability | 71.28 | 50.55 |

ii) Plan B

i) Reconciliation of present values of defined benefit obligation

The following table shows a reconciliation from the opening balances to the closing balances for net defined benefit (asset)/ liability and its components:

| | As at 31 March 2017 | As at 31 March 2016 |
|---|------------------------|------------------------|
| Defined benefit obligation as at 1 April | 1,573.69 | 1,114.71 |
| Benefits paid | (120.18) | (111.28) |
| Current service cost | 476.30 | 395.30 |
| Interest cost | 55.82 | 52.35 |
| Acquisition/(disposal) during the year | - | - |
| Actuarial (gains) losses recognised in other comprehensive income | | |
| -changes in demographic assumptions | 420.61 | - |
| -changes in financial assumptions | (113.13) | (0.87) |
| -experience adjustments | (389.09) | 56.56 |
| Exchange difference in foreign plans | (45.87) | 66.92 |
| Defined benefit obligations as at 31 March | 1,858.15 | 1,573.69 |








31 Employee benefits (continued)

c) Expense recognised in consolidated statement of profit and loss

i) Expense recognised in consolidated statement of profit and loss

| | For the year ended 31 March 2017 | For the year ended 31 March 2016 |
|----------------------|-------------------------------------|-------------------------------------|
| Current service cost | 493.43 | 408.69 |
| Interest cost | 60.98 | 55.97 |
| Interest income | (2.34) | (1.00) |
| Premium expenses | 0.80 | - |
| | 552.87 | 463.66 |

ii) Remeasurements recognised in other comprehensive income (excluding tax)

| | For the year ended 31 March 2017 | For the year ended 31 March 2016 |
|---|-------------------------------------|-------------------------------------|
| Actuarial (gain) loss on defined benefit obligation | 75.74 | 58.94 |
| Return on plan assets excluding interest income | (0.41) | (0.01) |
| | 75.33 | 58.93 |

d) Plan assets comprises of the following

| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|------------------|------------------------|------------------------|-----------------------|
| Insurance policy | 37.28 | 14.14 | 12.15 |

e) Defined Benefit obligation

i) Actuarial assumptions

The following are the principal actuarial assumptions at the reporting date (expressed as weighted average):

| | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|-------------------------|--|--|-----------------------|
| Plan A | | | |
| Attrition rate | Below 35 years -30% - 35% Above 35 years 3%-6% | Below 35 years - 35% Above 35 years 3% | 20% - 40% |
| Discount rate | 6% - 8% | 7.4% - 7.8% | 7.80% - 7.90% |
| Future salary increases | 5% - 12% | 6% - 8% | 5% - 8.5% |
| Plan B | | | |
| Attrition rate | 15% | 10% - 15% | 6% - 10% |
| Discount rate | 3.50% | 3.50% | 4.50% |
| Future salary increases | 2.75% - 3.5% | 3.50% | 4.50% |

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 2017 | | 31 March 2016 | |
|---|---------------|----------|---------------|----------|
| | Increase | Decrease | Increase | Decrease |
| Plan A | | | | |
| Discount rate (0.5% - 1% movement) | (8.30) | 9.67 | (4.15) | 4.77 |
| Future salary increase (0.5% - 1% movement) | 7.41 | (6.77) | 4.76 | (4.21) |
| Attrition rate (0.5% - 1% movement) | (4.04) | 4.76 | (0.55) | 0.59 |
| Plan B | | | | |
| Discount rate (1% movement) | (104.91) | 117.70 | (123.44) | 144.58 |
| Future salary increase (1% movement) | 117.30 | (106.53) | 143.08 | (124.55) |
| Attrition rate (1% movement) | 2.84 | (3.33) | (1.37) | 1.37 |

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.



Aster DM Healthcare Limited and its subsidiaries and associates**Notes to the consolidated financial statements (continued)**

(All amounts in Indian rupees millions, except share data and where otherwise stated)

32 Earnings per share**A. Basic earnings per share**

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

i) Profit attributable to equity share holders (basic)

| Particulars | Year ended | Year ended |
|---|---------------|---------------|
| | 31 March 2017 | 31 March 2016 |
| Net profit for the year, attributable to the equity share holders | 1,017.60 | 88.85 |

ii) Weighted average number of equity shares (basic)

| Particulars | Year ended | Year ended |
|--|---------------|---------------|
| | 31 March 2017 | 31 March 2016 |
| Opening balance (Refer note 13) | 398.62 | 384.01 |
| Effect of share options exercised | 0.38 | 0.14 |
| Effect of fresh issue of shares for cash | 0.16 | 1.30 |
| Effect of shares issued in business combination | - | 7.03 |
| Stock swap | - | 2.92 |
| Compulsorily convertible preference shares | 63.86 | 41.12 |
| Weighted average number of equity shares of Rs. 10 each for the year | 463.02 | 436.52 |
| Earnings per share, basic | 2.20 | 0.20 |

B. Diluted earnings per share

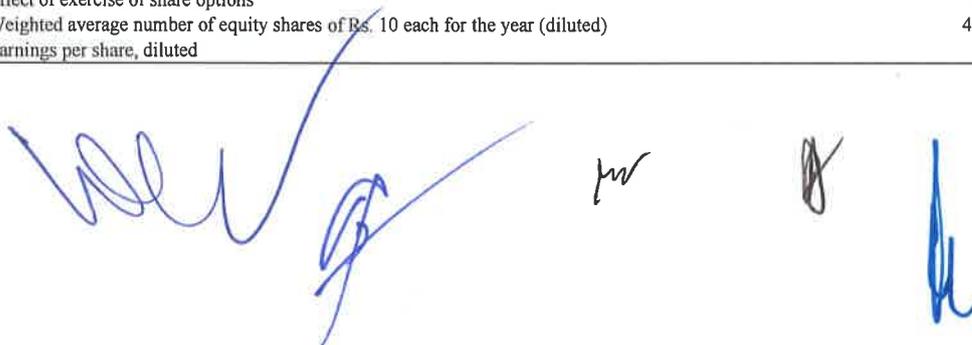
The calculation of profit attributable to equity share holders and weighted average number of equity shares, after adjustment for the effects of all dilutive potential equity shares is as follows:

i) Profit attributable to equity share holders (diluted)

| Particulars | Year ended | Year ended |
|---|---------------|---------------|
| | 31 March 2017 | 31 March 2016 |
| Net profit for the year, attributable to the equity share holders | 1,017.60 | 88.85 |

ii) Weighted average number of equity shares (diluted)

| Particulars | Year ended | Year ended |
|--|---------------|---------------|
| | 31 March 2017 | 31 March 2016 |
| Weighted average number of equity shares of Rs. 10 each for the year (basic) | 463.02 | 436.52 |
| Effect of exercise of share options | 0.93 | 1.83 |
| Weighted average number of equity shares of Rs. 10 each for the year (diluted) | 463.95 | 438.35 |
| Earnings per share, diluted | 2.19 | 0.20 |



Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

(All amounts in Indian rupees millions, except share data and where otherwise stated)

33 Contingent liabilities

| Particulars | As at | As at | As at |
|---|---------------|---------------|--------------|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Contingent liabilities: | | | |
| <i>Claims against the Group not acknowledged as debts in respect of:</i> | | | |
| a) Income tax related matters (see note (a) and (b) below) | 119.27 | 9.61 | 5.69 |
| b) KVAT related matters (see note (c) below) | 12.80 | - | - |
| c) Disputed provident fund demand pending before appellate authorities (see note (d) below) | 8.84 | 8.84 | 8.84 |
| d) Other matters including claims relating to employees/ ex-employees etc. (see note (e) below) | 16.13 | 16.13 | - |
| e) Customer claims (see note (f) below) | 34.33 | 23.92 | 19.29 |
| Export commitments under EPCG scheme** | 991.04 | 1,136.69 | 768.14 |
| Letter of credit | - | - | 1.50 |
| Guarantees: | | | |
| a) Bank guarantee (see note (i) below) | 2,175.64 | 2,957.87 | 2,783.71 |
| Commitments: | | | |
| a) Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for | 1,866.01 | 2,883.87 | 2,673.88 |

**The Company has obtained duty free / concessional duty licenses for import of capital goods by undertaking export obligations under the EPCG scheme. In the event that export obligations are not fulfilled, the Company would be liable to pay the levies. The Company's bankers have provided bank guarantees aggregating Rs 245.83 (31 March 2016: Rs.228.70, 1 April 2015: Rs.156.73) to the customs authorities in this regard.

Notes:

(a) Aster DM, the parent company has received income tax assessment order for AY 2014-15 where in the assessing officer has disallowed Foreign Tax Credit (FTC) claimed amounting to Rs.119.27 as per provisions of Section 90/90A of Income Tax Act 1961. The management has taken a legal opinion for the allowance of FTC and has gone for an appeal for the said matter. Management believes that the position taken by it on the matter is tenable and hence no adjustment has been made to financial statements.

(b) A subsidiary company had received income tax assessment orders relating to previous years on account of certain disallowances and adjustments made by the income tax department. The Management has adequately provided for the demand raised.

(c) Aster DM, the parent company has received a Kerala Value Added Tax (KVAT) demand for the FY 2014-15 where in the assessing officer raised a demand for Rs 12.80 against the Company, on account of difference in returns filed with audited accounts / report. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The Company has filed an appeal against the demand received.

(d) A subsidiary company has received demand from the provident fund authorities wherein demand of Rs. 8.84 has been raised against the subsidiary company on account of PF contribution in respect of certain trainees employed by the subsidiary company. Management believes that the position taken by it on the matter is tenable and hence, no adjustment has been made to the financial statements. The subsidiary company has filed an appeal against the demands received.

(e) Employee bonus refers to amount payable to employees as per Payment of Bonus (Amendment) Act 2015 vis-à-vis retrospective application from 1 April 2014 to 31 March 2015. A subsidiary company has relied on stay petition granted by the Honorable High Court of Kerala and Honorable High Court Madras against retrospective application of Payment of Bonus (Amendment) Act 2015 from 1 April 2014. Pending disposal of the case, no provision has been made in the books of accounts. The subsidiary company has obtained an independent legal opinion in support of this.

(f) These pertains to customer claim, pending before district consumer forum, state consumer forum and high court of Kerala.

(g) It is not practicable for the Group to estimate the timings of the cash outflows, if any, in respect of the above pending resolution of the respective proceedings as it is determinable only on receipt of judgements/decisions pending with various forums/authorities.

(h) The Group has reviewed all its pending litigations and proceedings and has made adequate provisions where required and disclosed contingent liabilities where applicable, in its consolidated financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial statements.

(i) The Group has given Bank Guarantees in respect of certain contingent liabilities listed above .



Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

(All amounts in Indian rupees millions, except share data and where otherwise stated)

34 Operating lease commitments – leases as lessee

The Company is obligated under cancellable operating leases for office, hospital premises and residential premises which are renewable at the option of both the lessor and lessee.

The Company is obliged under non-cancellable operating leases for hospital operations and management fees (revenue share) and operating leases for office and residential premises. Future minimum lease payments due under non-cancellable operating leases are as follows:

(i) Future minimum lease payments

As at 31st March, the future minimum lease payments to be made under non-cancellable operating lease are as follows.

| Particulars | As at | As at | As at |
|------------------------------------|---------------|---------------|--------------|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Payable in less than one year | 1,097.69 | 1,849.45 | 1,589.93 |
| Payable between one to five years | 3,941.21 | 4,073.38 | 3,260.48 |
| Payable after more than five years | 13,066.58 | 10,153.79 | 10,162.80 |

(ii) Amounts recognised in the Statement or Profit and Loss

| Particulars | As at | As at |
|-----------------|---------------|---------------|
| | 31 March 2017 | 31 March 2016 |
| Non-cancellable | 2,645.99 | 2,012.57 |
| Cancellable | 152.00 | 44.51 |

35 Capital Management

The Group's policy is to maintain a stable capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Management monitors capital on the basis of return on capital employed as well as the debt to total equity ratio. For the purpose of debt to total equity ratio, debt considered is long-term and short-term borrowings. Total equity comprise of issued share capital and all other equity reserves.

The capital structure as of 31 March 2017, 31 March 2016 and 1 April 2015 was as follows:

| Particulars | As at | As at | As at |
|---|------------------|------------------|------------------|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| Total equity attributable to the equity shareholders of the Company | 22,506.77 | 7,658.78 | 23,167.96 |
| As a percentage of total capital | 45% | 19% | 68% |
| Long-term borrowings including current maturities* | 19,272.48 | 27,364.31 | 8,012.86 |
| Short-term borrowings | 8,304.44 | 5,841.40 | 2,893.71 |
| Total borrowings | 27,576.92 | 33,205.71 | 10,906.57 |
| As a percentage of total capital | 55% | 81% | 32% |
| Total capital (equity and borrowings) | 50,083.69 | 40,864.49 | 34,074.53 |

*Long term borrowings as at 31 March 2016 and 1 April 2015 include Rs. 15,152.32 and Rs. 1,073.42 relating to preference share capital.



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
(All amounts in Indian rupees millions, except share data and where otherwise stated)

36 Financial Instruments- Fair values and risk management

A Accounting classifications and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 31 March 2017

| Particulars | Note | Carrying value | | | Fair value | | | Total |
|--|------|------------------------------------|-----------------|---|---------------|----------|-----------------|-----------------|
| | | Financial assets at amortised cost | FVTPL | Other financial liabilities at amortised cost | Level 1 | Level 2 | Level 3 | |
| Assets | | | | | | | | |
| Financial assets not measured at fair value* | | | | | | | | |
| Cash and cash equivalents | 11 | 1,373.21 | - | - | - | - | - | - |
| Other bank balances | 12 | 147.48 | - | - | - | - | - | - |
| Trade receivables | 10 | 12,876.18 | - | - | - | - | - | - |
| Other financial assets | 7 | 4,548.57 | - | - | - | - | - | - |
| Financial assets measured at fair value | | | | | | | | |
| Investments | 6 | - | 215.62 | - | 215.62 | - | - | 215.62 |
| Total | | 18,945.44 | 215.62 | - | 215.62 | - | - | 215.62 |
| Liabilities | | | | | | | | |
| Financial liabilities not measured at fair value* | | | | | | | | |
| Trade payables | 18 | - | - | 7,824.95 | - | - | - | - |
| Borrowings | 14 | - | - | 27,209.50 | - | - | - | - |
| Other financial liabilities (including current maturities of borrowings) | 15 | - | - | 4,512.43 | - | - | - | - |
| Financial liabilities measured at fair value | | | | | | | | |
| Payable to minority shareholders towards acquisitions (Note A.1 below) | 15 | - | 649.21 | - | - | - | 649.21 | 649.21 |
| Derivatives- put option (Note A.2 below) | | - | 861.30 | - | - | - | 861.30 | 861.30 |
| Total | | - | 1,510.51 | 39,546.88 | - | - | 1,510.51 | 1,510.51 |

As at 31 March 2016

| Particulars | Note | Carrying value | | | Fair value | | | Total |
|--|------|------------------------------------|-----------------|---|---------------|--------------|-----------------|-----------------|
| | | Financial assets at amortised cost | FVTPL | Other financial liabilities at amortised cost | Level 1 | Level 2 | Level 3 | |
| Assets | | | | | | | | |
| Financial assets not measured at fair value* | | | | | | | | |
| Cash and cash equivalents | 11 | 2,573.59 | - | - | - | - | - | - |
| Other bank balances | 12 | 93.08 | - | - | - | - | - | - |
| Trade receivables | 10 | 15,224.21 | - | - | - | - | - | - |
| Other financial assets | 7 | 2,712.37 | - | - | - | - | - | - |
| Financial assets measured at fair value | | | | | | | | |
| Investments | 6 | - | 387.60 | - | 377.43 | 10.17 | - | 387.60 |
| Total | | 20,603.25 | 387.60 | - | 377.43 | 10.17 | - | 387.60 |
| Liabilities | | | | | | | | |
| Financial liabilities not measured at fair value* | | | | | | | | |
| Trade payables | 18 | - | - | 6,970.31 | - | - | - | - |
| Borrowings | 14 | - | - | 31,615.53 | - | - | - | - |
| Other financial liabilities (including current maturities of borrowings) | 15 | - | - | 5,820.84 | - | - | - | - |
| Financial liabilities measured at fair value | | | | | | | | |
| Derivative contracts | 15 | - | 14.83 | - | - | - | 14.83 | 14.83 |
| Payable to minority shareholders towards acquisitions (Note A.1 below) | 15 | - | 3,040.23 | - | - | - | 3,040.23 | 3,040.23 |
| Total | | - | 3,055.06 | 44,406.68 | - | 14.83 | 3,040.23 | 3,055.06 |



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Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
(All amounts in Indian rupees millions, except share data and where otherwise stated)

36 Financial Instruments- Fair values and risk management (continued)
A Accounting classifications and fair values (continued)

As at 1 April 2015

| Particulars | Note | Carrying value | | | Fair value | | | Total |
|---|------|------------------------------------|--------------|---|------------------|--------------|----------|--------------|
| | | Financial assets at amortised cost | FVTPL | Other financial liabilities at amortised cost | Level 1 | Level 2 | Level 3 | |
| Assets | | | | | | | | |
| Financial assets not measured at fair value* | | | | | | | | |
| Cash and cash equivalents | 11 | 2,497.68 | - | - | - | - | - | - |
| Other bank balances | 12 | 544.07 | - | - | - | - | - | - |
| Trade receivables | 10 | 9,549.77 | - | - | - | - | - | - |
| Other financial assets | 7 | 2,101.90 | - | - | - | - | - | - |
| Financial assets measured at fair value | | - | 27.17 | - | 27.17 | - | - | 27.17 |
| Investments | 6 | - | 27.17 | - | 27.17 | - | - | 27.17 |
| Total | | 14,693.42 | 27.17 | - | 14,720.59 | 27.17 | - | 27.17 |
| Liabilities | | | | | | | | |
| Financial liabilities not measured at fair value* | | | | | | | | |
| Trade payables | 18 | - | - | 4,324.19 | - | - | - | - |
| Borrowings | 14 | - | - | 9,012.05 | - | - | - | - |
| Other financial liabilities | 15 | - | - | 5,101.64 | - | - | - | - |
| Financial liabilities measured at fair value | | | | | | | | |
| Derivative contracts | 15 | - | 18.57 | - | - | 18.57 | - | 18.57 |
| Total | | - | 18.57 | 18,437.88 | - | 18,57 | - | 18.57 |

*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 Rs 649.21 and Rs 3,040.23 as at 31 March 2017 and 31 March 2016 respectively.

Note A.2

The Company has entered into share subscription and share purchase agreement dated 30 April 2016, with Dr. Ramesh Cardiac and Multi Speciality Hospital Private Limited (Dr. Ramesh Hospital) and its promoter group (non-controlling interest). The non-controlling interest has a put option on 49% of the non-controlling interests' equity ownership in Dr. Ramesh Hospital. The option is exercisable from May 2021 onwards. The put option contains an obligation for the Company to acquire 49% of the non-controlling interests and accordingly the fair value of such put option is determined using Monte Carlo simulation model and other valuation techniques.



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
(All amounts in Indian rupees millions, except share data and where otherwise stated)

36 Financial Instruments- Fair values and risk management (continued)
B Measurement of fair values

The following methods and assumptions were used to estimate fair values:

- The fair values of the units of mutual fund schemes are based on net asset value at the reporting date
- The fair value of forward foreign exchange contracts is calculated as the present value determined using forward exchange rates and interest rate curve of the respective currencies
- The fair value of the put option and contingent consideration payable to non-controlling shareholders is determined using Monte Carlo simulation valuation model
- The fair value of the remaining financial instruments is determined using discounted cash flow analysis. The discount rates used is based on management estimates

Level 3 fair values

The significant unobservable inputs used in the fair value measurement of the level 3 fair values together with a quantitative sensitivity analysis as at 31 March 2017, 31 March 2016 and 01 April 2015 are as shown below:
Reconciliation of Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for Level 3 fair values:

| Particulars | Derivatives-put option | Contingent consideration |
|---|------------------------|--------------------------|
| Balance at 1 April 2015 | - | - |
| Assumed in acquisition of NCI | - | (3,040.23) |
| Balance at 31 March 2016 | - | (3,040.23) |
| Balance at 1 April 2016 | - | (3,040.23) |
| Assumed in business combination (refer note 36 (A.2.)) | (861.30) | - |
| Gain included in statement of profit and loss | - | - |
| Net change in fair value (unrealised) (refer note 27) | - | 2,368.82 |
| Gain included in OCI | - | - |
| Exchange difference in translating financial statements of foreign operations | - | 22.20 |
| Balance as at 31 March 2017 | (861.30) | (649.21) |

Sensitivity analysis

For the fair values of put option and contingent consideration, reasonably possible changes at the reporting date to one of the significant unobservable inputs, holding other inputs constant, would have the following effects:

i) Put option

| As at 31 March 2017 | Profit or loss Increase | Decrease |
|------------------------------------|-------------------------|----------|
| Volatility (5% movement) | 7.30 | (11.90) |
| EBITDA growth rates (10% movement) | 260.40 | (220.90) |
| Risk free rate (1% movement) | (74.50) | 75.30 |

ii) Contingent consideration

| As at 31 March 2017 | Profit or loss Increase | Decrease |
|---|-------------------------|----------|
| Volatility (5% movement) | 19.38 | 1.76 |
| EBITDA growth rates (10% movement) | (33.47) | 31.71 |
| Risk free rate (1% movement) | (10.57) | (7.05) |
| Annual revenue growth rate (10% movement) | 7.05 | (14.09) |

C Financial risk management

The Group's activities expose it to a variety of financial risks: credit risk, market risk and liquidity risk

i) Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the risk management framework. The Group's audit and risk management committee oversees how management monitors compliance with the risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit and risk management committee

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Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
(All amounts in Indian rupees millions, except share data and where otherwise stated)

36 Financial Instruments- Fair values and risk management (continued)

C Financial risk management (continued)

ii) Credit risk

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or customer contract, leading to financial loss. The credit risk arises principally from its operating activities (primarily trade receivables) and from its investing activities, including deposits with banks and financial institutions and other financial instruments.
Credit risk is controlled by analysing credit limits and creditworthiness of customers on a continuous basis to whom credit has been granted after obtaining necessary approvals for credit. The collection from the trade receivables are monitored on a continuous basis by the receivables team.

The Group establishes an allowance for credit loss that represents its estimate of expected losses 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 Rs 12,876.18 million (31 March 2016: Rs 15,224.22 million; 1 April 2015: Rs 9,549.77 million) and unbilled revenue amounting to Rs 2,032.77 million (31 March 2016: Rs 1,441.50; Rs 964.13 million). The movement in allowance for credit loss in respect of trade receivable and unbilled revenue during the year was as follows:

| Allowance for credit loss | As at 31 March 2017 | As at 31 March 2016 | As at 1 April 2015 |
|---------------------------------------|------------------------|------------------------|-----------------------|
| Balance at the beginning | 4,905.87 | 2,287.43 | 1,474.37 |
| Provision created during the year | 3,749.33 | 3,251.54 | 1,576.89 |
| Impairment loss recognised/(reversed) | (5,290.07) | (633.10) | (763.83) |
| Balance at the end | 3,365.13 | 4,905.87 | 2,287.43 |

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 2017:

| Particulars | Payable within 1 year | More than 1 year | Total |
|---|--------------------------|---------------------|-----------|
| Trade payables | 7,824.95 | - | 7,824.95 |
| Current borrowings | 8,304.44 | - | 8,304.44 |
| Non current borrowings (including current maturities) | 367.42 | 18,905.06 | 19,272.48 |
| Derivatives | - | 861.30 | 861.30 |
| Other financial liabilities | 4,635.66 | 158.56 | 4,794.22 |

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 31 March 2016:

| Particulars | Payable within 1 year | More than 1 year | Total |
|---|--------------------------|---------------------|-----------|
| Trade payables | 6,970.31 | - | 6,970.31 |
| Current borrowings | 5,841.40 | - | 5,841.40 |
| Non current borrowings (including current maturities) | 1,590.18 | 25,774.13 | 27,364.31 |
| Other financial liabilities | 4,245.49 | 3,040.23 | 7,285.72 |

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities as of 1 April 2015:

| Particulars | Payable within 1 year | More than 1 year | Total |
|---|--------------------------|---------------------|----------|
| Trade payables | 4,324.19 | - | 4,324.19 |
| Current borrowings | 2,893.71 | - | 2,893.71 |
| Non current borrowings (including current maturities) | 1,894.52 | 6,118.34 | 8,012.86 |
| Other financial liabilities | 2,609.26 | 616.43 | 3,225.69 |



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
(All amounts in Indian rupees millions, except share data and where otherwise stated)

36 Financial Instruments- Fair values and risk management (continued)

C Financial risk management (continued)

iv) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign exchange rates, interest rates and equity prices

Foreign currency risk

The Group is exposed to currency risk to the extent that there is a mismatch between the currencies in which transactions are denominated and the respective functional currencies of the Group. The functional currency of company is INR. The currencies in which these transactions are primarily denominated is AED, OMR, QAR and SAR.

The summary quantitative data about the Group's exposure to currency risk (based on notional amounts) as reported to the management is as follows.

| | AED | OMR | QAR | SAR | USD | Others |
|---|----------|----------|--------|----------|-----------|--------|
| As at 31 March 2017 | | | | | | |
| <i>Financial Assets</i> | | | | | | |
| Investments | 10.04 | - | 1.76 | - | - | - |
| Other financial assets (current and non-current) | 2,084.79 | - | 0.07 | 1,906.68 | - | 14.83 |
| Trade Receivables | 8,186.59 | 1,094.70 | 791.69 | 1,994.16 | - | 69.75 |
| Cash and Cash Equivalents and Bank balances | 792.63 | 28.58 | 98.53 | 169.55 | 4.40 | 67.62 |
| <i>Financial Liabilities</i> | | | | | | |
| Borrowings (current and non-current) | 6,607.68 | 451.50 | 383.68 | 345.17 | 10,669.33 | 148.73 |
| Trade payables | 5,863.77 | 326.00 | 240.00 | 419.00 | - | 202.00 |
| Other financial liabilities (current and non-current) | 2,956.65 | 126.67 | 213.18 | 488.36 | 0.78 | 50.05 |
| As at 31 March 2016 | | | | | | |
| <i>Financial Assets</i> | | | | | | |
| Investments | 14.21 | - | - | - | - | - |
| Other financial assets (current and non-current) | 1,935.71 | 35.14 | 590.19 | 35.92 | - | - |
| Trade Receivables | 7,066.72 | 912.21 | 792.30 | 5,729.34 | - | 43.65 |
| Cash and Cash Equivalents and Bank balances | 1,151.06 | 28.25 | 169.07 | 179.30 | 5.21 | 54.15 |
| <i>Financial Liabilities</i> | | | | | | |
| Borrowings (current and non-current) | - | 1,320.37 | 92.90 | 217.72 | 11,361.32 | 63.81 |
| Trade payables | 5,244.47 | 376.07 | 211.43 | 616.85 | - | 184.89 |
| Other financial liabilities (current and non-current) | 3,146.73 | - | 299.23 | 1,585.44 | 23.59 | 849.95 |
| As at 31 March 2015 | | | | | | |
| <i>Financial Assets</i> | | | | | | |
| Other financial assets (current and non-current) | 929.16 | 11.07 | - | 905.67 | - | 8.48 |
| Trade Receivables | 4,612.65 | 701.51 | 647.48 | 3,268.10 | - | 31.95 |
| Cash and Cash Equivalents and Bank balances | 621.82 | 91.16 | 109.36 | 1,026.62 | 5.59 | 149.08 |
| <i>Financial Liabilities</i> | | | | | | |
| Borrowings (current and non-current) | 2,572.06 | 261.13 | 8.49 | - | 3,229.55 | 49.50 |
| Trade payables | 3,147.83 | 380.85 | 197.70 | 222.05 | - | 127.97 |
| Other financial liabilities (current and non-current) | 81.92 | 1,231.49 | 226.63 | 193.11 | 3.30 | 459.07 |

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Aster DMI Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

(All amounts in Indian rupees millions, except share data and where otherwise stated)

36 Financial Instruments- Fair values and risk management (continued)

C Financial risk management (continued)

Sensitivity analysis

The sensitivity of profit or loss to changes in exchange rates arises mainly from foreign currency denominated financial instruments and the impact on other components of equity arises from foreign exchange forward/option contracts designated as cash flow hedges

| Particulars | Impact on profit or loss | | Impact on net assets | |
|------------------------|--------------------------|---------------|------------------------|------------------------|
| | As at 31 March 2017 | 31 March 2016 | As at 31 March 2017 | As at 31 March 2016 |
| AED Sensitivity | | | | |
| ₹/AED - Increase by 1% | 35.72 | 13.45 | 226.79 | 195.78 |
| ₹/AED - Decrease by 1% | (35.72) | (13.45) | (226.79) | (195.78) |
| OMR Sensitivity | | | | |
| ₹/OMR - Increase by 1% | 2.37 | 2.36 | 1.30 | (1.01) |
| ₹/OMR - Decrease by 1% | (2.37) | (2.36) | (1.30) | 1.01 |
| QAR Sensitivity | | | | |
| ₹/QAR - Increase by 1% | 2.05 | 3.83 | 13.60 | 11.86 |
| ₹/QAR - Decrease by 1% | (2.05) | (3.83) | (13.60) | (11.86) |
| SAR Sensitivity | | | | |
| ₹/SAR - Increase by 1% | (28.49) | 14.36 | (107.77) | 77.15 |
| ₹/SAR - Decrease by 1% | 28.49 | (14.36) | 107.77 | (77.15) |

Cash flow and fair value interest rate risk

The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk. The interest rate on the Group's financial instruments is based on market rates. The Group monitors the movement in interest rates on an ongoing basis.

(a) Interest rate risk exposure

The exposure of the Group's borrowing to interest rate changes at the end of the reporting period are as follows:

| Particulars | As at | | As at | | As at 31 March 2015 Proforma |
|---|---------------|---------------|---------------|---------------|------------------------------------|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | |
| Financial liabilities (bank borrowings) | | | | | |
| Variable rate long term borrowings including current maturities | 18,494.64 | 11,835.63 | 11,835.63 | 6,871.55 | |
| Derivative financial instrument | | | | | |
| Interest rate swap | - | 1,533.77 | 1,533.77 | 1,504.32 | |

(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.

| Particulars | Impact on profit or loss | | Impact other components of equity | |
|----------------------------------|--------------------------|---------------|-----------------------------------|------------------------|
| | As at 31 March 2017 | 31 March 2016 | As at 31 March 2017 | As at 31 March 2016 |
| Sensitivity | | | | |
| 100 BP increase in interest rate | (184.95) | (118.36) | (184.95) | (118.36) |
| 100 BP decrease in interest rate | 184.95 | 118.36 | 184.95 | 118.36 |

The interest rate sensitivity is based on the closing balance of secured term loans from banks








Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)

(All amounts in Indian rupees millions, except share data and where otherwise stated)

37 Non-controlling interest

As at / For the year ended 31 March 2017

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013- 'General instructions for the preparation of consolidated financial statements'

| Name of the entity | 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 |
| Parent | 103.44% | 23,280.72 | 47.89% | 467.06 | 0.21% | (0.69) | 71.56% | 466.37 |
| Subsidiaries | | | | | | | | |
| India | | | | | | | | |
| Aster DM Healthcare (Trivandrum) Private Limited | (0.28%) | (63.99) | (0.35%) | (3.41) | 0.00% | - | (0.52%) | (3.41) |
| DM Med City Hospitals India Private Limited | 3.01% | 677.36 | (0.90%) | (8.81) | 0.00% | - | (1.35%) | (8.81) |
| Prerana Hospital Limited | 0.65% | 146.49 | (5.03%) | (49.02) | 0.34% | (1.11) | (7.69%) | (50.13) |
| Ambady Infrastructure Private Limited | 3.13% | 703.97 | (0.18%) | (1.80) | 0.00% | - | (0.28%) | (1.80) |
| Sri Sainatha Multispeciality Hospitals Private Limited | 1.54% | 346.51 | (6.82%) | (66.53) | 0.28% | (0.89) | (10.34%) | (67.42) |
| Malabar Institute of Medical Sciences Limited | 16.36% | 3,681.68 | 10.24% | 99.83 | 0.15% | (0.50) | 15.24% | 99.33 |
| Ramesh Cardiac and Multispeciality Hospitals Private Limited | 4.56% | 1,025.95 | 2.48% | 24.23 | 0.47% | (1.52) | 3.48% | 22.71 |
| Foreign | | | | | | | | |
| Affinity Holdings Private Limited | 4.96% | 1,116.73 | (1.16%) | (11.36) | 0.00% | - | (1.74%) | (11.36) |
| Dar Al Shifa Medical Centre LLC | 0.11% | 23.75 | (1.16%) | (11.35) | 0.00% | - | (1.74%) | (11.35) |
| Al Rafa Medical Centre, LLC | (0.70%) | (157.73) | (2.19%) | (21.41) | 0.00% | - | (3.28%) | (21.41) |
| Dr. Moopert's Medical Clinic LLC (Formerly known as Dr. Moopert's Medical Poly Clinic LLC) | (0.05%) | (11.45) | (0.45%) | (4.42) | 0.00% | - | (0.68%) | (4.42) |
| Union Pharmacy LLC | 0.42% | 94.60 | (0.22%) | (2.10) | 0.00% | - | (0.32%) | (2.10) |
| Shindaga Pharmacy LLC | 0.13% | 28.41 | 0.29% | 2.86 | 0.00% | - | 0.44% | 2.86 |
| Asma Pharmacy LLC | 0.06% | 14.09 | 0.33% | 3.17 | 0.00% | - | 0.49% | 3.17 |
| Rafa Pharmacy LLC | (0.05%) | (12.08) | (0.05%) | (0.48) | 0.00% | - | (0.07%) | (0.48) |
| Modern Dar Al Shifa Pharmacy LLC | 0.36% | 80.75 | 2.18% | 21.23 | 0.00% | - | 3.26% | 21.23 |
| Maryam Pharmacy LLC | (0.19%) | (41.83) | (0.07%) | (0.66) | 0.00% | - | (0.10%) | (0.66) |
| Medshop Garden Pharmacy LLC | 0.49% | 110.98 | 3.91% | 38.18 | 0.00% | - | 5.86% | 38.18 |
| Ibn Alhatham Pharmacy LLC | (0.07%) | (16.71) | (0.02%) | (0.21) | 0.00% | - | (0.03%) | (0.21) |
| Aster Pharmacy (AUH) | 0.06% | 14.50 | 0.43% | 4.19 | 0.00% | - | 0.64% | 4.19 |
| Dr. Moopert's Healthcare Mgt Services LLC | 0.01% | 1.18 | (15.53%) | (151.45) | 0.00% | - | (23.24%) | (151.45) |
| DM Healthcare LLC | 4.00% | 899.69 | 50.32% | 490.75 | 0.00% | - | 75.30% | 490.75 |
| DM Pharmacies LLC | 0.55% | 122.95 | 5.17% | 50.41 | 0.00% | - | 7.73% | 50.41 |

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Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)

(All amounts in Indian rupees millions, except share data and where otherwise stated)

37

Non - controlling interest (continued)

| 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 | | As a % of consolidated profit or loss | | As a % of other comprehensive income | | As a % of total comprehensive income | |
| | Amount | Amount | Amount | Amount | Amount | Amount | Amount | Amount |
| Medsnop Drug Stores LLC | 2.58% | 580.79 | 16.35% | 159.48 | 0.00% | - | 24.47% | 159.48 |
| Eurohealth Systems FZ LLC | 0.32% | 73.01 | 2.29% | 22.36 | 0.00% | - | 3.43% | 22.36 |
| Aster DM Healthcare FZC | 81.05% | 18,240.80 | 174.38% | 1,700.81 | 15.80% | (51.14) | 253.11% | 1,649.67 |
| Medicare Hospital LLC | 28.66% | 6,449.69 | 75.53% | 736.69 | 0.00% | - | 113.03% | 736.69 |
| Aster IVF & Women Care Clinic LLC (formerly known as Aster Milann Fertility & Women's Wellness Center LLC) | (0.15%) | (33.61) | (13.50%) | (131.71) | 0.00% | - | (20.21%) | (131.71) |
| Al Rafiah Hospital LLC - Oman | 0.83% | 187.47 | 23.47% | 228.93 | 0.00% | - | 35.13% | 228.93 |
| Dr. Moopens Healthcare Management Services WLL, Qatar | 6.12% | 1,377.24 | 20.58% | 200.76 | 0.00% | - | 30.80% | 200.76 |
| Weilcare Polyclinic WLL | (0.07%) | (15.14) | 0.51% | 4.96 | 0.00% | - | 0.76% | 4.96 |
| Sanaid Al Rahma for Medical Care LLC | 19.74% | 4,443.51 | (298.54%) | (2,911.73) | 0.00% | - | (446.76%) | (2,911.73) |
| New Aster Pharmacy DMCC (formerly known as New Aster Pharmacy JLT) | 0.14% | 32.34 | 1.20% | 11.74 | 0.00% | - | 1.80% | 11.74 |
| Zabeel Pharmacy LLC | 0.00% | 0.47 | 0.00% | - | 0.00% | - | 0.00% | - |
| Aster Al Shaifā Pharmacies Group LLC | 0.62% | 139.66 | 5.21% | 50.77 | 0.00% | - | 7.79% | 50.77 |
| Symphony Healthcare Management Services LLC | (1.12%) | (253.08) | 0.21% | 2.00 | 0.00% | - | 0.31% | 2.00 |
| Aster Pharmacies Group LLC | 11.06% | 2,489.14 | 92.05% | 897.83 | 0.00% | - | 137.76% | 897.83 |
| Alpha Drug Store LLC | 1.36% | 307.16 | 18.78% | 183.14 | 0.00% | - | 28.10% | 183.14 |
| Al Rafiah Medical Centre LLC | (0.25%) | (56.11) | 1.01% | 9.89 | 0.00% | - | 1.52% | 9.89 |
| Aster Kuwait General Trading Co WLL | (0.37%) | (82.45) | (8.18%) | (79.83) | 0.00% | - | (12.25%) | (79.83) |
| AL Shaifā Pharmacy LLC (AUH) | (0.03%) | (6.12) | (0.13%) | (1.27) | 0.00% | - | (0.19%) | (1.27) |
| Orange Pharmacies LLC | (0.63%) | (140.85) | (4.42%) | (43.12) | 0.00% | - | (6.62%) | (43.12) |
| Aster DM Healthcare SPC | (1.33%) | (299.04) | (17.76%) | (173.19) | 0.00% | - | (26.57%) | (173.19) |
| Aster DM Healthcare INC | (0.19%) | (42.92) | (6.95%) | (67.82) | 0.00% | - | (10.41%) | (67.82) |
| Aster Opticals LLC | (0.03%) | (6.35) | (1.23%) | (12.04) | 0.00% | - | (1.85%) | (12.04) |
| Al Rafia Investments Limited | (0.02%) | (3.92) | (0.15%) | (1.51) | 0.00% | - | (0.23%) | (1.51) |
| Al Rafia Holdings Limited | (0.00%) | (0.57) | (0.07%) | (0.68) | 0.00% | - | (0.10%) | (0.68) |
| Aster Grace Nursing & Physiotherapy LLC | (0.09%) | (20.55) | (1.99%) | (19.43) | 0.00% | - | (2.98%) | (19.43) |
| Aster Medical Centre LLC | (0.56%) | (126.19) | (9.77%) | (95.30) | 0.00% | - | (14.62%) | (95.30) |
| Harley Street Medical Center LLC | 0.79% | 177.36 | (6.21%) | (60.61) | 0.00% | - | (9.30%) | (60.61) |
| Harley street Pharmacy LLC | (0.08%) | (18.27) | (0.48%) | (4.73) | 0.00% | - | (0.73%) | (4.73) |
| Harley Street LLC | 0.01% | 1.67 | 0.00% | - | 0.00% | - | 0.00% | - |
| Al Rafiah Pharmacies Group LLC | 0.00% | 65,461.66 | 0.00% | 1,475.29 | 0.00% | (55.85) | 0.00% | 1,419.44 |
| Associates (Investment as per equity method) (Refer Note 40) | 0.48% | 107.60 | (0.23%) | (2.29) | 0.00% | - | (0.35%) | (2.29) |
| Adjustment arising out of consolidation | (208.00%) | (46,815.15) | (46.69%) | (455.40) | 69.63% | (225.32) | (104.44%) | (680.72) |
| Minority interest in subsidiaries | 16.67% | 3,752.66 | (4.33%) | (42.28) | 13.10% | (42.40) | (12.99%) | (84.68) |
| Consolidated net assets/ Profit after tax | 100.00% | 22,506.77 | 100.00% | 975.32 | 100.00% | (323.57) | 100.00% | 651.75 |



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Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

(All amounts in Indian rupees millions, except share data and where otherwise stated)

37 Non-controlling interest (continued):

Additional information pursuant to paragraph 2 of Division II of Schedule III to the Companies Act 2013 - 'General instructions for the preparation of consolidated financial statements'

| Name of the entity | 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 | |
| | | | | | | | | |
| Parent | | | | | | | | |
| Aster DM Healthcare Limited | 122.48% | 9,380.22 | (158.97%) | (1,697.17) | 0.74% | 5.02 | (96.74%) | (1,692.15) |
| Subsidiaries | | | | | | | | |
| India | | | | | | | | |
| Aster DM Healthcare (Trivandrum) Private Limited | (1.84%) | (140.58) | (0.62%) | (6.59) | 0.00% | - | (0.38%) | (6.59) |
| DM Med City Hospitals India Private Limited | 8.96% | 686.16 | (0.18%) | (1.91) | 0.00% | - | (0.11%) | (1.91) |
| Prerana Hospital Limited | 1.01% | 77.19 | (4.30%) | (45.87) | (0.28%) | (1.91) | (2.73%) | (47.78) |
| Amraby Infrastructure Private Limited | 9.21% | 705.71 | 0.07% | 0.71 | 0.00% | - | 0.04% | 0.71 |
| Medipoint Hospitals Private Limited | 0.00% | - | (1.67%) | (17.87) | 0.00% | - | (1.02%) | (17.87) |
| Sri Samatha Multispeciality Hospitals Private Limited | 5.39% | 413.03 | (1.76%) | (18.79) | 0.05% | 0.31 | (1.06%) | (18.48) |
| Malabar Institute of Medical Sciences Limited | 46.75% | 3,580.26 | 24.36% | 260.04 | (0.68%) | (4.62) | 14.60% | 255.42 |
| Foreign | | | | | | | | |
| Affinity Holdings Private Limited | 7.79% | 596.87 | (2.03%) | (21.71) | 0.00% | - | (1.24%) | (21.71) |
| Aster DM Healthcare FZC | 212.80% | 16,297.59 | (64.13%) | (684.61) | (5.77%) | (39.33) | (41.39%) | (723.94) |
| Al Ehsan Pharmacy LLC | 0.00% | - | 0.69% | 7.35 | 0.00% | - | 0.42% | 7.35 |
| Al Jumia Pharmacy LLC | 0.00% | - | 0.88% | 9.38 | 0.00% | - | 0.54% | 9.38 |
| Al Musalla Pharmacy LLC | 0.00% | - | (0.12%) | (1.30) | 0.00% | - | (0.07%) | (1.30) |
| Aster IVF and Women Clinic LLC | 1.25% | 95.67 | (1.26%) | (13.43) | 0.00% | - | (0.77%) | (13.43) |
| Al Rafaa Medical Centre LLC | (1.83%) | (139.95) | (0.77%) | (8.24) | 0.00% | - | (0.47%) | (8.24) |
| Al Raha Pharmacy LLC | 0.00% | - | 0.30% | 3.18 | 0.00% | - | 0.18% | 3.18 |
| Al Shifa Pharmacy LLC | 0.00% | - | 4.66% | 49.70 | 0.00% | - | 2.84% | 49.70 |
| Al Warqa Pharmacy LLC | 0.00% | - | (0.02%) | (0.25) | 0.00% | - | (0.01%) | (0.25) |
| Alfa Pharmacy LLC | 0.00% | - | 2.54% | 27.17 | 0.00% | - | 1.55% | 27.17 |
| Asma Pharmacy LLC | 0.15% | 11.27 | 0.16% | 1.71 | 0.00% | - | 0.10% | 1.71 |
| Aster Grand Pharmacy LLC | 0.00% | - | 1.44% | 15.34 | 0.00% | - | 0.88% | 15.34 |
| Aster JBR Pharmacy LLC | 0.00% | - | 0.34% | 3.68 | 0.00% | - | 0.21% | 3.68 |
| Aster Jebel Ali Pharmacy LLC | 0.00% | - | 1.80% | 19.24 | 0.00% | - | 1.10% | 19.24 |
| Aster Pharmacy LLC | 0.00% | - | 24.21% | 258.48 | 0.00% | - | 14.78% | 258.48 |
| Avenue Pharmacy LLC | 0.00% | - | 0.85% | 9.07 | 0.00% | - | 0.52% | 9.07 |
| Dar Al Shifa Medical Centre LLC | 0.46% | 35.46 | 1.23% | 13.18 | 0.00% | - | 0.75% | 13.18 |
| DM Group FZ LLC | 0.16% | 12.49 | (0.04%) | (0.46) | 0.00% | - | (0.03%) | (0.46) |
| DM Healthcare LLC | 7.82% | 599.07 | 29.59% | 315.88 | 0.00% | - | 18.06% | 315.88 |



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Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
 (All amounts in Indian rupees millions, except share data and where otherwise stated)

37 Non-controlling interest (continued)

| 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 | | As a % of consolidated profit or loss | | As a % of other comprehensive income | | As a % of total comprehensive income | |
| | Amount | | Amount | | Amount | | Amount | |
| DM Pharmacies LLC | 0.99% | 75.80 | 3.28% | 34.99 | 0.00% | 34.99 | 2.00% | 34.99 |
| Dr Moopens Healthcare Management Services LLC | 1.97% | 150.68 | 0.66% | 7.03 | 0.00% | 7.03 | 0.40% | 7.03 |
| Dr. Moopens Medical Clinic LLC | (0.10)% | (7.33) | (0.10)% | (1.03) | 0.00% | (1.03) | (0.06)% | (1.03) |
| Eurohealth Systems FZ LLC | 0.69% | 52.49 | 1.68% | 17.97 | 0.00% | 17.97 | 1.03% | 17.97 |
| Golden Sands Pharmacy LLC | 0.00% | - | 0.22% | 2.33 | 0.00% | 2.33 | 0.13% | 2.33 |
| Ibn Al Azwar Pharmacy LLC | 0.00% | - | 0.34% | 3.58 | 0.00% | 3.58 | 0.20% | 3.58 |
| Ibn Alhatham Pharmacy LLC | (0.22)% | (16.86) | (1.44)% | (15.38) | 0.00% | (15.38) | (0.88)% | (15.38) |
| Iqra Pharmacy LLC | 0.00% | - | 0.04% | 0.42 | 0.00% | 0.42 | 0.02% | 0.42 |
| Marina Pearl Pharmacy LLC | (0.09)% | (6.55) | (0.32)% | (3.42) | 0.00% | (3.42) | (0.20)% | (3.42) |
| Maryam Pharmacy LLC | (0.55)% | (42.07) | (2.52)% | (26.92) | 0.00% | (26.92) | (1.54)% | (26.92) |
| Med Save Pharmacy LLC | 0.23% | 17.69 | 0.29% | 3.13 | 0.00% | 3.13 | 0.18% | 3.13 |
| Med Shop Drugs Store LLC | 5.69% | 435.71 | 9.26% | 98.81 | 0.00% | 98.81 | 5.65% | 98.81 |
| Medicare Hospital LLC | 80.21% | 6,142.80 | 128.59% | 1,372.87 | 0.00% | 1,372.87 | 78.49% | 1,372.87 |
| Medicine Shoppe Micro Pharmacy LLC | 0.00% | - | 0.25% | 2.67 | 0.00% | 2.67 | 0.15% | 2.67 |
| Medicine Shoppe Pharmacy LLC | (0.11)% | (8.34) | (0.03)% | (0.34) | 0.00% | (0.34) | (0.02)% | (0.34) |
| Medshop Garden Pharmacy LLC | 0.99% | 75.66 | 3.59% | 38.34 | 0.00% | 38.34 | 2.19% | 38.34 |
| Modern Dar Al Shifa Pharmacy LLC | 0.80% | 61.51 | 2.48% | 26.43 | 0.00% | 26.43 | 1.51% | 26.43 |
| New Al Qouz Pharmacy LLC | 0.00% | - | 4.89% | 52.25 | 0.00% | 52.25 | 2.99% | 52.25 |
| Rafa Pharmacy LLC | (0.15)% | (11.86) | 0.02% | 0.19 | 0.00% | 0.19 | 0.01% | 0.19 |
| Shindagha Pharmacy LLC | 0.34% | 26.21 | 0.33% | 3.48 | 0.00% | 3.48 | 0.20% | 3.48 |
| Union Pharmacy LLC | 1.29% | 98.67 | 2.30% | 24.59 | 0.00% | 24.59 | 1.41% | 24.59 |
| Yacoub Pharmacy LLC | 0.00% | - | (0.10)% | (1.04) | 0.00% | (1.04) | (0.06)% | (1.04) |
| Aster DIP Pharmacy LLC | 0.00% | - | 1.02% | 10.89 | 0.00% | 10.89 | 0.62% | 10.89 |
| Al Faisal Pharmacy LLC | 0.00% | - | 0.82% | 8.74 | 0.00% | 8.74 | 0.50% | 8.74 |
| Aster Pharmacies Group LLC | 21.39% | 1,638.13 | 28.59% | 305.27 | 0.00% | 305.27 | 17.45% | 305.27 |
| Alfa Drug Stores LLC | 1.74% | 132.92 | 9.08% | 96.98 | 0.00% | 96.98 | 5.54% | 96.98 |
| Aster Al Shafar Pharmacies Group LLC | 1.21% | 92.52 | 2.95% | 31.51 | 0.00% | 31.51 | 1.80% | 31.51 |
| New Aster Pharmacy DMCC (Formerly known as New Aster Pharmacy JLT) | 0.28% | 21.44 | 1.01% | 10.80 | 0.00% | 10.80 | 0.62% | 10.80 |
| Aster Al Shafar Pharmacy LLC (Lamcy) | 0.00% | - | 0.01% | 0.11 | 0.00% | 0.11 | 0.01% | 0.11 |
| Sara Pharmacy LLC | 0.00% | - | 0.30% | 3.18 | 0.00% | 3.18 | 0.18% | 3.18 |
| Symphony Healthcare Management Services LLC | (3.40)% | (260.43) | (9.33)% | (99.57) | 0.00% | (99.57) | (5.69)% | (99.57) |
| Vitamin World LLC | (0.02)% | (1.25) | (0.24)% | (2.56) | 0.00% | (2.56) | (0.15)% | (2.56) |
| Zabeel Pharmacy LLC | 0.01% | 0.48 | (0.00)% | (0.05) | 0.00% | (0.05) | (0.00)% | (0.05) |
| Aster Pharmacy LLC, AUH | 0.14% | 10.67 | 0.47% | 5.03 | 0.00% | 5.03 | 0.29% | 5.03 |
| Al Shafar Pharmacy LLC (AUH) | (0.07)% | (4.99) | (0.50)% | (5.29) | 0.00% | (5.29) | (0.30)% | (5.29) |
| Aster Grace Nursing and Physiotherapy LLC | (0.02)% | (1.81) | (0.67)% | (7.13) | 0.00% | (7.13) | (0.41)% | (7.13) |



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Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

(All amounts in Indian rupees millions, except share data and where otherwise stated)

37 Non - controlling interest (continued)

| 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 |
| Aster Medical Centre LLC | (0.45%) | (34.81) | (3.72%) | (39.74) | 0.00% | - | (2.27%) | (39.74) |
| Aster Opticals LLC | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| Al Rafa Investments Limited | (0.03%) | (2.51) | (0.54%) | (5.75) | 0.00% | - | (0.33%) | (5.75) |
| Al Rafa Holdings Limited | 0.00% | 0.08 | (0.30%) | (3.18) | 0.00% | - | (0.18%) | (3.18) |
| Rashid Pharmacy LLC | 0.00% | - | 1.29% | 13.78 | 0.00% | - | 0.79% | 13.78 |
| Al Raffah Hospital LLC | (0.45%) | (34.50) | 21.23% | 226.65 | 0.00% | - | 12.96% | 226.65 |
| Al Raffah Medical Centre LLC | (0.88%) | (67.06) | 1.06% | 11.37 | 0.00% | - | 0.65% | 11.37 |
| Dr. Moopen's Healthcare Management Services WLL | 15.78% | 1,208.32 | 31.70% | 338.38 | 0.00% | - | 19.35% | 338.38 |
| Welcare Polyclinic W.L.L | (0.27%) | (20.36) | 4.24% | 45.29 | 0.00% | - | 2.59% | 45.29 |
| Sanad for Healthcare Co LLC | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| Sanad Al Rahma for Medical Care LLC | 96.77% | 7,411.46 | 180.33% | 1,925.19 | 0.00% | - | 110.06% | 1,925.19 |
| Dr. Moopen Hospital Co Limited | 0.00% | - | 0.00% | - | 0.00% | - | 0.00% | - |
| Aster Kuwait General Trading Co WLL | (0.07%) | (5.42) | (7.94%) | (84.80) | 0.00% | - | (4.85%) | (84.80) |
| Orange Pharmacies LLC | (1.32%) | (101.28) | (2.61%) | (27.84) | 0.00% | - | (1.59%) | (27.84) |
| Aster DM Healthcare SPC | (1.76%) | (134.45) | (13.28%) | (141.77) | 0.00% | - | (8.11%) | (141.77) |
| Aster DM Healthcare INC | 0.26% | 19.57 | (4.85%) | (51.78) | 0.00% | - | (2.96%) | (51.78) |
| | | 49,121.39 | | 2,680.57 | | (40.53) | | 2,640.04 |
| Associates (Investment as per equity method) (Refer Note 40) | 1.45% | 110.98 | (0.75%) | (7.96) | 0.00% | - | (0.46%) | (7.96) |
| Adjustment arising out of consolidation | (575.38%) | (44,066.82) | (242.01%) | (2,583.76) | 70.11% | 477.85 | (120.40%) | (2,105.91) |
| Minority interest in subsidiaries | 32.55% | 2,493.23 | 91.68% | 978.76 | 35.83% | 244.21 | 69.92% | 1,222.97 |
| Consolidated net assets/ Profit after tax | 100.00% | 7,658.78 | 100.00% | 1,067.61 | 100.00% | 681.53 | 100.00% | 1,749.14 |

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Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

(All amounts in Indian rupees millions, except share data and where otherwise stated)

38 Group information

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

(a) Subsidiaries and step-down subsidiaries

The consolidated financial statements of the Group includes subsidiaries listed in the table below:

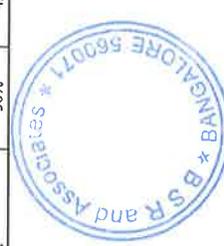
| Sl No | Entity | Country of incorporation | Ownership interest held by Group | | | | | |
|-------------------------------|--|--------------------------|----------------------------------|---------|---------------|---------|--------------|---------|
| | | | 31 March 2017 | | 31 March 2016 | | 1 April 2015 | |
| | | | Beneficial | Legal * | Beneficial | Legal * | Beneficial | Legal * |
| Direct Subsidiaries | | | | | | | | |
| 1 | Aster DM Healthcare (Trivandrum) Private Limited (formerly known as DM Eye Care (Delhi) Private Limited) | India | 100% | 100% | 100% | 100% | 100% | |
| 2 | DM Med City Hospitals India Private Limited | India | 100% | 100% | 100% | 100% | 100% | |
| 3 | Prerana Hospital Limited | India | 81% | 81% | 81% | 81% | 81% | |
| 4 | Ambady Infrastructure Private Limited | India | 100% | 100% | 100% | 100% | 100% | |
| 5 | Affinity Holdings Private Limited | Mauritius | 100% | 100% | 100% | 100% | 100% | |
| 6 | Medipoint Hospitals Private Limited | India | NA | NA | NA | 51% | 51% | |
| 7 | Indogulf Hospitals Private Limited | India | NA | NA | NA | 65% | 65% | |
| 8 | Sri Sainatha Multispeciality Hospitals Private Limited | India | 51% | 51% | 51% | 51% | 51% | |
| 9 | Malabar Institute of Medical Sciences Limited | India | 71% | 71% | 71% | 39% | 39% | |
| 10 | Ramesh Cardiac and Multispeciality Hospitals Private Limited | India | 51% | 51% | NA | NA | NA | |
| Step down subsidiaries | | | | | | | | |
| 11 | Aster DM Healthcare FZC | UAE | 100% | 100% | 100% | 100% | 100% | |
| 12 | Al Ehsan Pharmacy LLC | UAE | NA | NA | NA | 77% | 0% | |
| 13 | Al Juma Pharmacy LLC | UAE | NA | NA | NA | 43% | 49% | |
| 14 | Al Musalla Pharmacy LLC | UAE | NA | NA | NA | 100% | 49% | |
| 15 | Aster IVF and Women Clinic LLC (formerly known as Aster Millam Fertility & Women's Wellness Centre LLC) | UAE | 82% | 49% | 82% | 82% | 49% | |
| 16 | Al Rafa Medical Centre LLC | UAE | 51% | 40% | 51% | 50% | 40% | |
| 17 | Al Raha Pharmacy LLC | UAE | NA | NA | NA | 100% | 49% | |
| 18 | Al Shifa Pharmacy LLC | UAE | NA | NA | NA | 87% | 49% | |
| 19 | Al Warqa Pharmacy LLC | UAE | NA | NA | NA | 93% | 49% | |
| 20 | Alfa Pharmacy LLC | UAE | NA | NA | NA | 100% | 49% | |
| 21 | Asma Pharmacy LLC | UAE | 50% | 0% | 50% | 50% | 0% | |
| 22 | Aster Grand Pharmacy LLC | UAE | NA | NA | NA | 100% | 49% | |
| 23 | Aster JBR Pharmacy LLC | UAE | NA | NA | NA | 100% | 49% | |
| 24 | Aster Jebel Ali Pharmacy LLC | UAE | NA | NA | NA | 100% | 49% | |
| 25 | Aster Pharmacy LLC | UAE | NA | NA | NA | 100% | 49% | |
| 26 | Avenue Pharmacy LLC | UAE | NA | NA | NA | 100% | 49% | |
| 27 | Dar Al Shifa Medical Centre LLC | UAE | 51% | 40% | 51% | 50% | 40% | |
| 28 | DM Group FZ LLC | UAE | NA | NA | NA | 60% | 60% | |
| 29 | DM Healthcare LLC | UAE | 100% | 49% | 100% | 100% | 49% | |
| 30 | DM Pharmacies LLC | UAE | 100% | 49% | 100% | 100% | 49% | |
| 31 | Dr Moopens Healthcare Management Services LLC | UAE | 71% | 40% | 71% | 70% | 40% | |
| 32 | Dr. Moopens Medical Clinic LLC (formerly known as Dr. Moopens Medical Poly Clinic LLC) | UAE | 100% | 95% | 100% | 100% | 0% | |
| 33 | Eurohealth Systems FZ LLC | UAE | NA | NA | NA | 100% | 49% | |
| 34 | Golden Sands Pharmacy LLC | UAE | NA | NA | NA | 100% | 49% | |
| 35 | Ibn Al Azwar Pharmacy LLC | UAE | NA | NA | NA | 47% | 49% | |
| 36 | Ibn Alhatham Pharmacy LLC** | UAE | 100% | 49% | 100% | 100% | 49% | |



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
 (All amounts in Indian rupees millions, except share data and where otherwise stated)

38 Group information (continued)
Subsidiaries, step-down subsidiaries and associates of the parent company (continued)
(a) Subsidiaries and step-down subsidiaries (continued)

| SINo | Entity | Country of incorporation | Ownership interest held by Group | | | | | |
|------|--|--------------------------|----------------------------------|---------|---------------|---------|--------------|---------|
| | | | 31 March 2017 | | 31 March 2016 | | 1 April 2015 | |
| | | | Beneficial | Legal * | Beneficial | Legal * | Beneficial | Legal * |
| 37 | Iqra Pharmacy LLC | UAE | NA | NA | NA | NA | 100% | 0% |
| 38 | Mirina Pearl Pharmacy LLC | UAE | NA | NA | 100% | 49% | 93% | 49% |
| 39 | Maryum Pharmacy LLC ** | UAE | 100% | 0% | 100% | 0% | 100% | 0% |
| 40 | Med Save Pharmacy LLC | UAE | NA | NA | 100% | 49% | 100% | 49% |
| 41 | Med Shop Drugs Store LLC | UAE | 100% | 49% | 100% | 49% | 88% | 37% |
| 42 | Medicare Hospital LLC | UAE | 80% | 30% | 80% | 30% | 80% | 30% |
| 43 | Medicine Shoppe Micro Pharmacy LLC | UAE | NA | NA | NA | NA | 100% | 49% |
| 44 | Medicine Shoppe Pharmacy LLC | UAE | NA | NA | NA | NA | 100% | 49% |
| 45 | Medishop Garden Pharmacy LLC | UAE | 100% | 49% | 100% | 49% | 100% | 49% |
| 46 | Modern Dar Al Shifa Pharmacy LLC | UAE | 51% | 40% | 51% | 40% | 50% | 40% |
| 47 | New Al Qouz Pharmacy LLC | UAE | NA | NA | NA | NA | 77% | 49% |
| 48 | Rafa Pharmacy LLC | UAE | 100% | 49% | 100% | 49% | 97% | 49% |
| 49 | Shindagha Pharmacy LLC | UAE | 90% | 49% | 90% | 49% | 84% | 0% |
| 50 | Union Pharmacy LLC | UAE | 75% | 37% | 75% | 37% | 63% | 37% |
| 51 | Yacoub Pharmacy LLC | UAE | NA | NA | NA | NA | 100% | 49% |
| 52 | Aster DIP Pharmacy LLC | UAE | NA | NA | NA | NA | 100% | 49% |
| 53 | Al Faisal Pharmacy LLC | UAE | NA | NA | NA | NA | 51% | 49% |
| 54 | Aster Pharmacies Group LLC | UAE | 100% | 49% | 100% | 49% | 100% | 49% |
| 55 | Alfa Drug Stores LLC | UAE | 100% | 49% | 100% | 49% | 100% | 49% |
| 56 | Aster Al Shafar Pharmacies Group LLC | UAE | 51% | 49% | 51% | 49% | 51% | 49% |
| 57 | New Aster Pharmacy DMCC (Formerly known as New Aster Pharmacy JLT) | UAE | 100% | 100% | 100% | 75% | 100% | 75% |
| 58 | Aster Al Shafar Pharmacy LLC (Laney) | UAE | NA | NA | NA | NA | 51% | 49% |
| 59 | Sara Pharmacy LLC | UAE | NA | NA | NA | NA | 51% | 49% |
| 60 | Symphony Healthcare Management Services LLC | UAE | 100% | 0% | 100% | 0% | 100% | 0% |
| 61 | Vitamin World LLC | UAE | NA | NA | NA | NA | 51% | 49% |
| 62 | Zabeel Pharmacy LLC ** | UAE | 51% | 49% | 51% | 49% | 51% | 49% |
| 63 | Aster Pharmacy LLC, AUH | UAE | 100% | 49% | 100% | 49% | 100% | 49% |
| 64 | Al Shafar Pharmacy LLC (AUH) | UAE | 51% | 49% | 51% | 49% | 51% | 49% |
| 65 | Aster Grace Nursing and Physiotherapy LLC | UAE | 51% | 49% | 51% | 49% | 51% | 49% |
| 66 | Aster Medical Centre LLC | UAE | 60% | 29% | 60% | 29% | NA | NA |
| 67 | Aster Opticals LLC | UAE | 90% | 39% | 90% | 39% | NA | NA |
| 68 | Al Refa Investments Limited | UAE | 60% | 49% | 60% | 49% | NA | NA |
| 69 | Al Refa Holdings Limited | UAE | 100% | 0% | 100% | 0% | NA | NA |
| 70 | Rashid Pharmacy LLC | UAE | 100% | 0% | 100% | 0% | NA | NA |
| 71 | Harley Street LLC | UAE | NA | NA | NA | NA | 100% | 49% |
| 72 | Harley Street Pharmacy LLC | UAE | 60% | 9% | NA | NA | NA | NA |
| 73 | Harley Street Medical Center LLC | UAE | 60% | 9% | NA | NA | NA | NA |
| 74 | Al Raffah Hospital LLC | UAE | 60% | 9% | NA | NA | NA | NA |
| 75 | Al Raffah Medical Centre LLC | Oman | 100% | 70% | 100% | 70% | 100% | 70% |
| 76 | Dr. Moopen's Healthcare Management Services WLL | Oman | 99% | 49% | 100% | 70% | 90% | 60% |
| 77 | Welcare Polyclinic W.L.L | Qatar | 50% | 45% | 50% | 45% | 53% | 27% |
| | | Qatar | | | | | 27% | 23% |



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Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
(All amounts in Indian rupees millions, except share data and where otherwise stated)

38 Group information (continued)
Subsidiaries, step-down subsidiaries and associates of the parent company (continued)
(a) Subsidiaries and step-down subsidiaries (continued)

| SI No | Entity | Country of incorporation | Ownership interest held by Group | | | | | |
|-------|-------------------------------------|--------------------------|----------------------------------|---------|---------------|---------|--------------|---------|
| | | | 31 March 2017 | | 31 March 2016 | | 1 April 2015 | |
| | | | Beneficial | Legal * | Beneficial | Legal * | Beneficial | Legal * |
| 78 | Sanad for Healthcare Co LLC | Kingdom of Saudi Arabia | NA | NA | NA | NA | 51% | 0% |
| 79 | Sanad Al Rahma for Medical Care LLC | Kingdom of Saudi Arabia | 97% | 97% | 97% | 97% | 41% | 0% |
| 80 | Dr. Moopens Hospital Co Limited | Kingdom of Saudi Arabia | NA | NA | NA | NA | 70% | 50% |
| 81 | Aster Kuwait General Trading Co WLL | Kuwait | 54% | 2% | 54% | 2% | 54% | 2% |
| 82 | Orange Pharmacies LLC | Jordan | 51% | 0% | 51% | 0% | 51% | 0% |
| 83 | Aster DM Healthcare SPC | Bahrain | 100% | 100% | 100% | 100% | 100% | 100% |
| 84 | Aster DM Healthcare INC | Philippines | 90% | 90% | 90% | 90% | 82% | 82% |
| 85 | Al Raffah Pharmacies Group LLC | Oman | 100% | 70% | NA | NA | NA | NA |

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

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

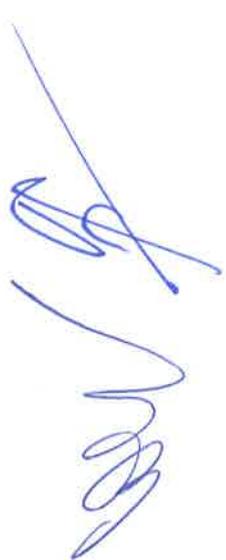
(b) Associates

The restated consolidated financial information of the Group includes associates listed in the table below.

| SI No | Entity | Country of incorporation | % equity interest | | | | | |
|-------|---|--------------------------|-------------------|-------|---------------|-------|--------------|-------|
| | | | 31 March 2017 | | 31 March 2016 | | 1 April 2015 | |
| | | | Beneficial | Legal | Beneficial | Legal | Beneficial | Legal |
| 1 | EMED Human Resources (India) Private Limited | India | 33% | 33% | 33% | 33% | 33% | 33% |
| 2 | MIMS Infrastructure and Properties Private Limited* | India | 49% | 49% | 49% | 49% | 49% | 49% |
| 3 | Aries Holdings FZC | UAE | 25% | 25% | 25% | 25% | 25% | 25% |
| 4 | AAO Healthcare Investment LLC | UAE | 33% | 33% | 33% | 33% | NA | NA |

*The effective holding of the group in the associate as at 31 March 2017, 31 March 2016 and 31 March 2015 is 35%, 31% and 19% respectively.

The principal place of business of all the entities listed above is the same as their respective countries of incorporation.






39 Acquisition of Subsidiaries and Non-Controlling Interests (NCI)

Acquisition of subsidiary

i) 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, pharmacy and other healthcare services. Upon transfer of control, the Group shall own economic and beneficial interest in 60% of the net worth and profit/(loss) of the Harley Group.

The acquisition is expected to provide the Group with an increased share of medical and healthcare sector through access to the subsidiary's customer base and market share. The Group also expects to reduce costs through economies of scale.

A Consideration transferred

The following table summarises the acquisition date fair value of consideration transferred:

| Particulars | INR (in Millions) |
|-------------|----------------------|
| Cash | 765.61 |

B Identifiable assets acquired and liabilities assumed

| Particulars | INR (in Millions) |
|--|----------------------|
| Property, plant and equipment | 488.53 |
| Intangible assets including payor relationships and trade name | 184.11 |
| Other assets | 235.15 |
| Cash and cash equivalent | 96.61 |
| Total assets | 1,004.40 |
| Borrowings | (282.54) |
| Trade payable | (233.33) |
| Total liabilities | (515.87) |
| Net identifiable assets acquired | 488.53 |

Measurement of fair values

| Assets acquired | Valuation technique |
|-------------------------------|---|
| Property, plant and equipment | Cost approach (reproduction cost approach) is adopted for the valuation of identified item of property, plant and equipment. Reproduction cost new or cost of reproduction new ("CRN") contemplates replacing the asset with an identical asset without regard to economic and functional considerations. Reproduction cost new is the cost to reproduce the asset in like kind to obtain an asset that is nearly an exact duplicate of the subject asset. |
| Payor relationships | The fair value of existing Payor Relationships was estimated using a form of the income approach known as the contributory asset charges ("CAC") method or multi-period excess earnings ("MEEM"). Under MEEM, value is estimated as the present value of the benefits anticipated from ownership of the subject intangible asset in excess of the returns required on the investment in the contributory assets necessary to realize those benefits. It is based on the theory that all operating assets contribute to the profitability of an enterprise. Therefore, if the estimated earnings associated with a specific asset of the Company rely on the use of other company assets, then the estimated excess earnings of the subject asset must include appropriate charges for the use of these contributory assets. |
| Trade name | The Fair Value of an acquired Trade Name is established using a form of the income approach known as the relief from-royalty method. This method recognizes that because a company owns the Trade Name rather than licensing them, the Company does not have to pay a royalty; usually expressed as a percentage of sales, for their use. The present value of the after-tax cost savings (i.e. royalty relief) at an appropriate discount rate indicates the value of the Trade Name. |

C Goodwill

Goodwill arising from acquisition has been determined as follows

| Particulars | INR (in Millions) |
|--|----------------------|
| Consideration transferred | 765.61 |
| Fair value of non controlling interest | 401.03 |
| Fair value of net identifiable assets | (488.53) |
| Goodwill | 678.11 |

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Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

(All amounts in Indian rupees millions, except share data and where otherwise stated)

39 Acquisitions of subsidiaries and Non-Controlling Interests (NCI) (continued)

ii) Ramesh Cardiac and Multispecialty Hospitals Private Limited (Ramesh Hospital)

On 30 April 2016, the Group entered into a Share Subscription and Share Purchase Agreement ("SSPA") to acquire 51 % stake in Ramesh Hospital in three separate tranches. The Group also entered into a Shareholders' Agreement which governs the rights and obligations of the shareholders. The transfer of control was established on 17 May 2016.

In May 2016, the Group acquired 29.97% voting shares and power to appoint majority of the board of directors in Ramesh Hospital. As a result, the Group acquired control of the entity. The acquisition is expected to provide the Group with an increased share of medical and healthcare sector through access to the subsidiary's customer base and market share. The Group also expects to reduce costs through economies of scale.

A Consideration transferred

The following table summarises the acquisition date fair value of consideration transferred:

| Particulars | INR (in Millions) |
|-------------|----------------------|
| Cash | 960.20 |

B Identifiable assets acquired and liabilities assumed

| Particulars | INR (in Millions) |
|--|----------------------|
| Property plant and equipment (including CWIP) | 1,322.60 |
| Intangible assets including payor relationships and trade name | 422.00 |
| Cash and cash equivalents | 4.70 |
| Current investment | 35.20 |
| Other current assets | 178.20 |
| Total Assets | 1,962.70 |
| Borrowings | (732.60) |
| Short term provision | (2.40) |
| Trade payable | (149.20) |
| Other current liabilities | (67.20) |
| Total liabilities | (951.40) |
| Total net identifiable assets acquired | 1,011.30 |

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 Fixed Assets. The cost approach to valuation is based on the concept that an informed purchaser will measure an asset's value by the cost of substituting another asset of comparable utility. The cost approach relies on the replacement cost new, the reproduction cost new or a combination of both to provide an indication of value for the assets. Value indications developed in applying the method are weighted and reconciled with other facts with regards to the type of assets being appraised and the quantity and quality of the data available in order to form a conclusive opinion of fair market value |
| Payor relationships | The fair value of existing Payor Relationships was estimated using a form of the income approach known as the contributory asset charges ("CAC") method or multi-period excess earnings ("MEEM"). Under MEEM, value is estimated as the present value of the benefits anticipated from ownership of the subject intangible asset in excess of the returns required on the investment in the contributory assets necessary to realize those benefits. It is based on the theory that all operating assets contribute to the profitability of an enterprise. Therefore, if the estimated earnings associated with a specific asset of the Company rely on the use of other company assets, then the estimated excess earnings of the subject asset must include appropriate charges for the use of these contributory assets, |
| Trade name | The Fair Value of an acquired Trade Name is established using a form of the income approach known as the relief from-royalty method. This method recognizes that because a company owns the Trade Name rather than licensing it a company does not have to pay royalty; usually expressed as a percentage of sales, for their use. The present value of the after-tax cost savings (i.e. royalty relief) at an appropriate discount rate indicates the value of the Trade Name. |



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
 (All amounts in Indian rupees millions, except share data and where otherwise stated)

39 Acquisitions of subsidiaries and Non-Controlling Interests (NCI) (continued)

ii) Ramesh Cardiac and Multispeciality Hospitals Private Limited (Ramesh Hospital) (continued)

C Goodwill

Goodwill arising from acquisition has been determined as follows

| Particulars | INR (in Millions) |
|--|----------------------|
| Consideration transferred | 960.20 |
| Fair value of non controlling interest | 1,800.80 |
| Fair value of net identifiable assets | (1,011.30) |
| Goodwill | 1,749.70 |

The non-controlling interest has a put option on 49% of the non-controlling interest's equity ownership in Dr. Ramesh Hospital. The option is exercisable from May 2021. The put option contains an obligation for the Company to acquire 49% of the non-controlling interests and accordingly the fair value of such put option, determined using Monte carlo simulation model along with such other valuation techniques, has been recognised. Consequently, the put option liability of Rs 861.3 million is reduced from non-controlling interest.

D In September 2016, the Group acquired 1,330,322 additional shares via fresh issue in Ramesh Hospital for Rs.452.98 million in cash, thereby increasing its stake in voting shares to 38.60 % . The transaction resulted in an increase in non-controlling interest to the tune of Rs 215.49 million. The difference of Rs.235.15 million represents a decrease in retained earnings.

E Acquisition of NCI

In September 2016, the Group acquired 1,337,040 additional shares in Ramesh Hospital for Rs 452.28 million in cash, thereby increasing its stake in voting shares to 51%. The Group consequently recognised a decrease in NCI of Rs 126.35 million. The difference of Rs 325.93 million represents a decrease in retained earnings.

| Particulars | INR (in Millions) |
|--|----------------------|
| Carrying amount of non controlling interest acquired | 126.35 |
| Consideration paid to non controlling interest | 452.28 |
| Decrease in equity attributable to owners of the Company | (325.93) |

iii) Acquisition of NCI in Malabar Institute of Medical Science Limited, India ('MIMS')

In April 2016, the Group acquired an additional 0.04% interest in Malabar Institute of Medical Science Limited for Rs 3.34 millions in cash, increasing its ownership interest from 70.64 % to 70.68 %. The Group consequently recognised a decrease in NCI of Rs 0.85 million. The difference of Rs 2.49 Million represents a decrease in retained earnings.

| Particulars | INR (in Millions) |
|--|----------------------|
| Carrying amount of non controlling interest acquired | 0.85 |
| Consideration paid to non controlling interest | 3.34 |
| Decrease in equity attributable to owners of the Company | (2.49) |

On 1 April 2015, Parent company was amalgamated with Indogulf Hospitals Private Limited, a subsidiary company of the Group, whereby the effective holding of the parent in the subsidiary increased from 39% to 68.26% (refer Note 37).

During March 2016, the Company acquired additional 2.74% stake in Malabar Institute of Medical Sciences Limited (MIMS) pursuant to an invitation to offer dated 27 January 2016 made to 599 share holders of MIMS. The offer was made by the Company pursuant to a press release dated November 30, 2015 and circular no. CIR/CFD/DIL3/18/2015 dated 31 December 2015 (the press release and the circular, the "SEBI Circular") recognising the intend of SEBI on the matter involving violation of the provisions of section 67 (3) of the Companies Act 1956 by MIMS in the past. The total purchase consideration amounting to Rs. 195.53 million had been paid in cash. The excess of purchase consideration paid over the share of net assets of MIMS amounted to Rs. 140.7 million and debited to retained earnings.

As a result of the acquisition, NCI share on fair valuation of land performed as per transitional provisions of Ind AS was reduced by Rs 552.9 million.

Further, pursuant to the share swap agreement dated 30 October 2014, the Company had issued 4.91 million shares to certain shareholders of MIMS. The resulting difference between value of shares received and shares issued of Rs 406.47 million was adjusted to retained earnings.

| Particulars | INR (in Millions) |
|--|----------------------|
| Carrying amount of non controlling interest acquired | 54.83 |
| Consideration paid to non controlling interest | 195.53 |
| Decrease in equity attributable to owners of the Company | (140.70) |

iv) Al Raffah Pharmacies Group LLC

The Group has formed a new company, Al Raffah Pharmacies Group LLC, in Oman. The company has obtained trade license but has not started commercial operations. Based on the agreement entered between Aster DM Healthcare FZC, UAE (a subsidiary) and two resident individuals of Oman, the beneficial and legal shareholding is agreed at 100% and 70% respectively.

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Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

(All amounts in Indian rupees millions, except share data and where otherwise stated)

39 Acquisitions of subsidiaries and Non-Controlling Interests (NCI) (continued)

v) Acquisition of NCI in Sanad Al Rahma for Medical Care LLC

During the year ended 31 March 2016, the Group acquired additional 56.2% stake in Sanad Hospital, Kingdom of Saudi Arabia. The total purchase consideration amounting to Rs. 16,794.96 million had been paid in cash. The Group has also accounted for the contingent consideration payable as per terms of the contract amounting to Rs.3,040.23 million. The excess of purchase consideration paid over the share of net assets of Sanad amounted to Rs. 15,549.96 million and debited to retained earnings. As a result of the acquisition, NCI share on fair valuation of land performed as per transitional provisions of Ind AS was reduced by Rs 262.89 million.

| Particulars | INR (in Millions) |
|--|----------------------|
| Carrying amount of non controlling interest acquired | 4,285.23 |
| Consideration paid to non controlling interest | 19,835.19 |
| Decrease in equity attributable to owners of the Company | (15,549.96) |

vi) Acquisition of NCI in Dr. Moopen's Healthcare Management Services WLL, Qatar

During the year ended 31 March 2016, the Group acquired additional 47.75% stake in Dr. Moopens Healthcare Management Services WLL. The total purchase consideration amounting to Rs. 809.08 million had been paid in cash. The excess of purchase consideration paid over the share of net assets of Sanad amounted to Rs. 300.99 million and debited to retained earnings.

| Particulars | INR (in Millions) |
|--|----------------------|
| Carrying amount of non controlling interest acquired | 508.09 |
| Consideration paid to non controlling interest | 809.08 |
| Decrease in equity attributable to owners of the Company | (300.99) |

vii) During the financial year ended 31 March 2016, the Group additionally acquired non-controlling interests from certain subsidiaries which resulted in reduction of NCI by Rs 5.6 million.

Note

1. Changes in legal shareholding in subsidiaries without a change in beneficial shareholding is not disclosed above.



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
 (All amounts in Indian rupees millions, except share data and where otherwise stated)

40 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 | Share of profits/ (losses) | | Investment | |
|---|---------|----------------------|----------------------------|--------------------------|---------------------|---------------------|
| | | | Year ended 31 March 2017 | Year ended 31 March 2016 | As at 31 March 2017 | As at 31 March 2016 |
| AAQ Healthcare Investments LLC | UAE | 33% | (0.14) | - | 1.64 | 1.78 |
| Aries Holdings FZC | UAE | 25% | (1.15) | (9.80) | 10.17 | 12.43 |
| EMED Human Resources (India) Private Limited | India | 33% | 0.75 | - | 0.05 | - |
| MIMS Infrastructure and Properties Private Limited* | India | 35% | (1.75) | 1.84 | 95.74 | 96.77 |
| Total | | | (2.29) | (7.96) | 107.60 | 110.98 |

*The legal holding of the group in the associate as at 31 March 2017, 31 March 2016 and 31 March 2015 is 49%.

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 groups interest in MIMS Infrastructure and Properties Private Limited

| Particulars | As at | | As at | | As on 1st April | |
|------------------------------------|---------------|---------------|---------------|---------------|-----------------|---------------|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 | 2015 | 2015 |
| Non-current Assets | 231.74 | 173.17 | 173.17 | 173.17 | 178.58 | 178.58 |
| Current Assets | 15.72 | 11.45 | 11.45 | 11.45 | 18.10 | 18.10 |
| Non-current Liabilities | (6.62) | (8.14) | (8.14) | (8.14) | (12.76) | (12.76) |
| Current Liabilities | (7.51) | (7.03) | (7.03) | (7.03) | (20.32) | (20.32) |
| Net Assets | 233.33 | 169.45 | 169.45 | 169.45 | 163.40 | 163.40 |
| Ownership held by the group | 35% | 31% | 31% | 31% | 19% | 19% |
| Group's share of net assets | 81.57 | 52.53 | 52.53 | 52.53 | 31.05 | 31.05 |

| Particulars | Year ended | | Year ended | |
|--|---------------|---------------|---------------|---------------|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Revenue | 18.87 | 18.71 | 18.87 | 18.71 |
| Profit before tax | (1.55) | 8.67 | (1.55) | 8.67 |
| Income tax | 3.45 | 2.74 | 3.45 | 2.74 |
| Profit after tax | (5.01) | 5.93 | (5.01) | 5.93 |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | (5.01) | 5.93 | (5.01) | 5.93 |
| Ownership held by the group | 35% | 31% | 35% | 31% |
| Group's share of total comprehensive income | (1.75) | 1.84 | (1.75) | 1.84 |

(ii) Investment in other associates

The Group also has interest in the other associates as listed in the table above. The Group's interest in the below mentioned 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.

| Particulars | As at | | As at | | As on 1st April | |
|------------------------------------|---------------|---------------|---------------|---------------|-----------------|--------------|
| | 31 March 2017 | 31 March 2016 | 31 March 2016 | 31 March 2016 | 2015 | 2015 |
| Non-current Assets | 2,602.05 | 1,737.81 | 1,737.81 | 1,737.81 | 763.93 | 763.93 |
| Current Assets | 48.46 | 82.82 | 82.82 | 82.82 | 3.06 | 3.06 |
| Non-current Liabilities | (618.61) | (558.28) | (558.28) | (558.28) | (0.01) | (0.01) |
| Other payables | (1,489.50) | (811.08) | (811.08) | (811.08) | (561.72) | (561.72) |
| Current Liabilities | (492.32) | (400.12) | (400.12) | (400.12) | (126.37) | (126.37) |
| Net Assets | 50.08 | 51.15 | 51.15 | 51.15 | 78.89 | 78.89 |
| Group's share of net assets | 12.79 | 12.91 | 12.91 | 12.91 | 19.29 | 19.29 |

| Particulars | Year ended | | Year ended | |
|--|---------------|----------------|---------------|----------------|
| | 31 March 2017 | 31 March 2016 | 31 March 2017 | 31 March 2016 |
| Revenue | 6.94 | 4.52 | 6.94 | 4.52 |
| Loss before tax | (2.32) | (37.09) | (2.32) | (37.09) |
| Income tax | 0.56 | 0.39 | 0.56 | 0.39 |
| Loss after tax | (2.88) | (37.47) | (2.88) | (37.47) |
| Other Comprehensive Income | - | - | - | - |
| Total Comprehensive Income | (2.88) | (37.47) | (2.88) | (37.47) |
| Ownership held by the group | 42.88% | 40.54% | 42.88% | 40.54% |
| Group's share of total comprehensive income | (1.24) | (15.38) | (1.24) | (15.38) |



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Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

(All amounts in Indian rupees millions, except share data and where otherwise stated)

41 Share based payments

A Description of share-based payment arrangements- Share option plans (equity-settled)

The Company has issued stock options under the DM Healthcare Employees Stock Option Plan 2013 ("DM Healthcare ESOP 2013" or "2013 Plan") during the financial year ended 31 March 2013. The 2013 Plan covers all non-promoter directors and employees of the Company and its subsidiaries (collectively referred to as "eligible employees"). Under this plan, holders of vested options are entitled to purchase shares at the market price of the shares at respective date of grant of options. The Compensation Committee granted the options on the basis of performance, criticality and potential of the employees as identified by the management.

The Company has issued different categories of options on 2 March 2013, 1 April 2014, 1 April 2015 and 22 November 2016 on different terms viz; incentive options, milestone options and loyalty options.

The Company has computed the fair value of the options for the purpose of accounting of employee compensation cost/ expense over the vesting period of the options.

The fair value of the option is calculated using the Black-Scholes Option Pricing model. Accordingly, fair value of the various options granted is stated below:

| Option Type | Grant date | Number of instruments | Exercise price | Vesting conditions | Contractual life of options |
|------------------|------------------|-----------------------|----------------|--|--------------------------------|
| Incentive option | 2 March 2013 | 344,280 | 50 | At the end of 1 year based on performance | 5 years from the date of grant |
| Incentive option | 1 April 2014 | 344,280 | 50 | | |
| Incentive option | 1 April 2015 | 360,526 | 50 | | |
| Incentive option | 22 November 2016 | 410,385 | 50 | 50% at the end of first year and 25% each at the end of second & third year based on performance | |
| Milestone option | 2 March 2013 | 715,986 | 50 | 25% at the end of each financial year over a period of 4 years based on KPIs | |
| Milestone option | 1 April 2014 | 254,537 | 50 | | |
| Milestone option | 1 April 2015 | 27,493 | 50 | | |
| Milestone option | 22 November 2016 | 138,000 | 50 | 50% at the end of first year and 25% each at the end of second & third year each based on KPIs | |
| Loyalty option | 2 March 2013 | 420,000 | 10 | 100% vesting at the end of 1 year from the date of grant | |
| Loyalty option | 1 April 2014 | 9,000 | 10 | | |
| Loyalty option | 1 April 2015 | 15,000 | 10 | | |
| Loyalty option | 22 November 2016 | 176,000 | 10 | 80% vesting on completion of 6 years' service and 20% vesting on completion of 9 years' service subject to minimum vesting period of 1 year from date of grant | |

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 | | | | Milestone option | | | | Loyalty option | | | |
|---------------------------|------------------|--------------|--------------|--------------|------------------|--------------|--------------|--------------|------------------|--------------|--------------|--------------|
| | 22 November 2016 | 1 April 2015 | 1 April 2014 | 2 March 2013 | 22 November 2016 | 1 April 2015 | 1 April 2014 | 2 March 2013 | 22 November 2016 | 1 April 2015 | 1 April 2014 | 2 March 2013 |
| Fair value at grant date | 173.09 | 216.86 | 77.07 | 40.90 | 173.31 | 219.21 | 78.50 | 48.68 | 208.88 | 251.09 | 124.19 | 161.42 |
| Share price at grant date | Rs 216.71 | Rs 259.65 | Rs 132.56 | Rs 170 | Rs 216.71 | Rs 259.65 | Rs 132.56 | Rs 170 | Rs 216.71 | Rs 259.65 | Rs 132.56 | Rs 170 |
| Exercise price | Rs 50 | Rs 50 | Rs 50 | Rs 50 | Rs 50 | Rs 50 | Rs 50 | Rs 50 | Rs 10 | Rs 10 | Rs 10 | Rs 10 |
| Expected volatility | 0.001% | 0.001% | 0.001% | Nil | 0.001% | 0.001% | 0.001% | Nil | 0.001% | 0.001% | 0.001% | Nil |
| Expected life | 2.25 years | 2 years | 2 years | 1.96 years | 2.33 years | 2.75 years | 2.80 years | 2.80 years | 3.14 years | 2 years | 2 years | 2 years |
| Expected dividends | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil | Nil |
| Risk-free interest rate | 6.08% | 7.79% | 8.89% | 7.95% | 6.08% | 7.79% | 8.89% | 7.95% | 6.08% | 7.79% | 8.89% | 7.95% |

Expected volatility has been based on an evaluation of the historical volatility of the Company's share price, particularly over the historical period commensurate with the expected term. The expected term of the instruments has been based on historical experience and general option holder behaviour.

C Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option plans are as follows.

| Particulars | 31 March 2017 | 31 March 2016 |
|--|---------------|---------------|
| Outstanding as on 1 April | 1.83 | 1.85 |
| Granted during the year | 0.72 | 0.40 |
| Lapsed / forfeited during the year | 0.08 | 0.19 |
| Exercised during the year | 0.69 | 0.20 |
| Expired during the year | 0.08 | 0.03 |
| Options outstanding at the end of the year | 1.70 | 1.83 |
| Options exercisable at the end of the year | 0.98 | 1.59 |
| Weighted average share price at the date of exercise | 36.01 | 50.53 |

The options outstanding at 31 March 2017 have an exercise price in the range of INR 10 to INR 50 and a weighted average remaining contractual life of 2.75 years.

D Expense recognised in the statement of profit and loss

For details on the employee benefits expense, see Note 23




Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

(All amounts in Indian rupees millions, except share data and where otherwise stated)

42 Related party disclosures

(i) Names of related parties and description of relationship with the company

A) Enterprises where control exists

a) Holding and ultimate holding company

Union Investments Private Limited, Mauritius

b) Subsidiaries and step down subsidiaries

Refer Note 38

B) Other related parties with whom the group had transactions during the year

a) Entities under common control/ Entities over which the Company has significant influence

DM Education and Research Foundation, India
Aster DM Foundation, India

Equity accounted investees (Refer Note 38)

b) Key managerial personnel and their relatives

Dr. Azad Moopen (Chairman and Managing Director)

Mr. Sreenath Reddy (Chief Financial Officer)

T J Wilson (Director)

Mrs. Alisha Moopen (Director and daughter of Dr. Azad Moopen)

Mr. Rajesh A (Company Secretary)

Daniel James Snyder (Independent Director)

Harsh C Mariwala (Independent Director)

M Madhavan Nambiar (Independent Director)

Ravi Prasad (Independent Director)

Rajagopal Sukumar (Independent Director)

Suresh M. Kumar (Independent Director)

(2) Related party transactions

| Nature of transactions | Related party transactions | |
|--|-----------------------------|-----------------------------|
| | Year ended 31 March 2017 | Year ended 31 March 2016 |
| EMED Human Resources (India) Private Limited | | |
| Short-term loans and advances given | 3.61 | - |
| Short-term loans and advance repayment received | 4.28 | 5.37 |
| Expenses incurred on behalf of associates | 1.61 | 1.77 |
| Interest on loan to related parties | 1.02 | 1.23 |
| Staff recruitment services rendered by associates | 3.52 | 4.60 |
| DM Education & Research Foundation | | |
| Income from consultancy services | 10.95 | - |
| Income from hospital services | 44.97 | - |
| Donation given | - | 0.31 |
| Interest income under the effective interest method on lease deposit | 5.36 | 0.40 |
| Security deposit given | - | 149.83 |
| Operating lease- Hospital operation and management expense | 9.96 | 0.57 |
| Shared service expenses | 76.27 | - |
| Aster DM Foundation India | | |
| Income from hospital services | 1.04 | - |
| Donation given | 8.75 | - |
| MIMS Infrastructure and Properties Private Limited | | |
| Dividend received | 3.18 | 4.65 |
| Expense reimbursement | 0.05 | 0.30 |
| Aries Holdings FZC | | |
| Investment made during the year | - | - |
| Advance given during the year | 103.06 | 103.87 |
| AAQ Healthcare Investment LLC | | |
| Investment made during the year | - | 1.76 |
| Advance given during the year | 758.29 | - |
| Managerial remuneration | | |
| <i>Short-term employee benefits</i> | | |
| - Salaries and allowances | 215.78 | 261.38 |
| <i>Post employment benefits</i> | | |
| - Post employment defined benefit* | - | - |

*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.



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
 (All amounts in Indian rupees millions, except share data and where otherwise stated)

42 Related party disclosures (continued)

(3) Balance receivable / (payable)

| Particulars | Related Party balances as at | | |
|--|------------------------------|---------------|--------------|
| | 31 March 2017 | 31 March 2016 | 1 April 2015 |
| EMED Human Resources (India) Private Limited | | | |
| Financial assets- loans (current)- Dues from related parties | 8.50 | 6.87 | 8.17 |
| Other financial liabilities (current) - Dues to creditors for expenses | (3.23) | - | - |
| Union Investments Private Limited | | | |
| Other financial liabilities (current)-Dues to holding company | (10.37) | (10.37) | (10.37) |
| DM Education & Research Foundation | | | |
| Other financial liabilities (current) - Dues to creditors for expenses | (3.45) | - | - |
| Aster DM Foundation India | | | |
| Trade receivables | 1.04 | - | - |
| Aries Holdings FZC | | | |
| Advance given to equity accounted investees | 524.41 | 432.97 | 310.08 |
| AAQ Healthcare Investment LLC | | | |
| Advance given to equity accounted investees | 732.86 | - | - |
| MIMS Infrastructure and Properties Private Limited | | | |
| Other financial assets (current) | 0.13 | 0.08 | 0.61 |
| DM Education & Research Foundation | | | |
| Other non current assets - deferred lease expenses | 58.46 | 65.84 | - |
| Other current assets - deferred lease expenses | 7.37 | 7.37 | - |
| Other financial assets- (non current) rent and other deposits | 81.98 | 76.62 | - |

43 Disclosure on Specified Bank Notes (SBNs)

During the year, the Company had specified bank notes or other denomination currency notes as defined in the Ministry of Corporate Affairs notification G.S.R. 308(E) dated 31 March 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, the denomination wise SBNs and other notes as per the notification is given below:

| Particulars | Specified bank notes* | Other denomination notes | Total |
|--|-----------------------|--------------------------|-------------|
| Closing cash in hand as on 8 November 2016 | 14.27 | 2.56 | 16.83 |
| (+) Permitted receipts | 30.09 | 277.48 | 307.57 |
| (-) Permitted payments | 2.00 | 10.24 | 12.24 |
| (+) Not permitted receipts | 25.86 | - | 25.86 |
| (-) Not permitted payments | - | - | - |
| (-) Amount deposited in Banks | 68.22 | 262.00 | 330.22 |
| Closing cash in hand as on 30 December 2016 | - | 7.80 | 7.80 |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

Note: The above disclosure relates to Indian subsidiaries whose financial statements are included in the consolidated Ind AS financial statements.



Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the consolidated financial statements (continued)

(All amounts in Indian rupees millions, except share data and where otherwise stated)

44 Business merger

Amalgamation of Indogulf Hospitals Private Limited ('IGH') :

IGH, a Company incorporated on 19 September 2012, was a subsidiary of Aster DM Healthcare Limited which holds 65.44% of the equity share capital of IGH, as on 31 March 2015.

The Scheme of Amalgamation of IGH with the Company (the Scheme) was approved by the Hon'ble High Court, Kerala vide its Order dated 1 July 2015, which was given effect to by filing with Registrar of Companies, Kerala dated 21 August 2015. The Scheme provides for the amalgamation of IGH with the Company with effect from 1 April 2015.

As per the Scheme, the new equity shares to be issued shall rank pari passu with the existing equity shares of the Company. In accordance with the above, 7,029,092 equity shares of Rs 10 each has been issued to the shareholders of IGH.

In accordance with the requirements of the Scheme, the above mentioned amalgamation has been accounted as follows, under the Pooling of Interest Method as per Appendix C to Ind AS 103 on Business combinations of entities under common control :

- a) The assets aggregating to Rs 1,007.84 and current liabilities of Rs 0.12 of IGH have been recorded by the Company at book values.
 - b) Investment of Rs 705.82 in IGH and receivable of Rs.6.25 from IGH was cancelled
 - c) The reserves of IGH of Rs 549.95 were transferred to the Company in the same form
 - d) The surplus arising between the aggregate values of assets of the IGH, net of the aggregate of the liabilities of the IGH, together with the share capital issued, and reserves of IGH recorded by the Company (i.e., the difference between the amount recorded as share capital issued (purchase consideration) and the amount of share capital of the IGH), has been adjusted to the retained earnings of the Company.
- As part of the Scheme, the authorised share capital of IGH (Rs 500 million) is added to the authorised share capital of the Company.

Although IGH was amalgamated with the Company with an appointed date of 1 April 2015, it continued to be a separate legal entity till 21 August 2015. The transaction between IGH and the Company from 1 April 2015 to 21 August 2015 and outstanding balances have been cancelled to give effect to the amalgamation in the books of the Company.

45 Disinvestments

On 7 January 2016, the Company has sold its entire investment in Medipoint Hospitals Private Limited for a total consideration of Rs.50 million, pursuant to which the entity ceased to be a subsidiary of the Company from that date.

46 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.

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47 **Statement of reconciliation between previous GAAP and Ind AS**

Explanation of transition to Ind AS

These are the Group's first consolidated financial statements prepared in accordance with Ind AS. For the year ended 31 March 2016, the Company had prepared its financial statements in accordance with Companies (Accounting Standards) Rules, 2006, notified under Section 133 of the Act and other relevant provisions of the Act ("previous GAAP").

The accounting policies set out in Note 3 of have been applied in preparing these consolidated financial statements for the year ended 31 March 2017 including the comparative information for the year ended 31 March 2016 and the opening Ind AS balance sheet on the date of transition i.e. 1 April 2015.

In preparing its Ind AS balance sheet as at 1 April 2015 and in presenting the comparative information for the year ended 31 March 2016, the Group has adjusted amounts reported previously in financial information prepared in accordance with previous GAAP. This note explains the principal adjustments made by the Group in restating its consolidated financial statements prepared in accordance with previous GAAP, and how the transition from previous GAAP to Ind AS has affected the Group's financial position, financial performance and cash flows.

Optional exemptions availed and mandatory exceptions

In preparing these consolidated financial statements, the Group has applied the below mentioned optional exemptions and mandatory exceptions.

A Optional exemptions availed

i) Business combination

Ind AS 101, provides the option to apply Ind AS 103, Business Combinations ("Ind AS 103") prospectively from the transition date or from a specific date prior to the transition date.

The Group has elected to apply Ind AS 103 from the transition date. Business combinations occurring prior to the transition date have not been restated.

ii) Property, plant and equipment and intangible assets

As per Ind AS 101 an entity may elect to:

i) measure an item of property, plant and equipment at the date of transition at its fair value and use that fair value as its deemed cost at that date.

ii) use a previous GAAP revaluation of an item of property, plant and equipment at or before the date of transition as deemed cost at the date of the revaluation, provided the revaluation was, at the date of the revaluation, broadly comparable to fair value or cost or depreciated cost under Ind AS adjusted to reflect, for example, changes in a general or specific price index.

The elections under (i) and (ii) above are also available for intangible assets that meets the recognition criteria in Ind AS 38, Intangible Assets, (including reliable measurement of original cost); and criteria in Ind AS 38 for revaluation (including the existence of an active market).

iii) use carrying values of property, plant and equipment, intangible assets and investment properties as on the date of transition to Ind AS (which are measured in accordance with previous GAAP and after making adjustments relating to decommissioning liabilities prescribed under Ind AS 101) if there has been no change in its functional currency on the date of transition.

As permitted by Ind AS 101, the Group has elected to measure land at the date of transition at its fair value and use that fair value as its deemed cost at that date.

iii) Investment in subsidiaries and associates

The Group has elected to carry its investment in subsidiaries and associates at deemed cost which is its previous GAAP carrying amount at the date of transition to Ind AS.

iv) Foreign currency translation reserve

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.

B Mandatory exceptions

i) Estimates

As per Ind AS 101, an entity's estimates in accordance with Ind AS at the date of transition to Ind AS at the end of the comparative period presented in the entity's first Ind AS financial statements, as the case may be, should be consistent with estimates made for the same date in accordance with the previous GAAP unless there is objective evidence that those estimates were in error. However, the estimates should be adjusted to reflect any differences in accounting policies

As per Ind AS 101, where application of Ind AS requires an entity to make certain estimates that were not required under previous GAAP, those estimates should be made to reflect conditions that existed at the date of transition (for preparing opening Ind AS balance sheet) or at the end of the comparative period (for presenting comparative information as per Ind AS).

The Group's estimates under Ind AS are consistent with the above requirement. Key estimates considered in preparation of the consolidated financial statements that were not required under the previous GAAP are listed below:

-Determination of the discounted value for financial instruments carried at amortised cost

-Impairment of financial assets based on the expected credit loss model.

-Fair valuation of financial instruments carried at FVTPL

ii) Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Group has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively.

iii) Derecognition of financial assets and liabilities

As per Ind AS 101, an entity should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively for transactions occurring on or after the date of transition to Ind AS. However, an entity may apply the derecognition requirements retrospectively from a date chosen by it if the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Group has elected to apply the derecognition principles of Ind AS 109 retrospectively as reliable information was available at the time of initially accounting for these transactions.



Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
(All amounts in Indian rupees millions, except share data and where otherwise stated)

47 Explanation of transition to Ind AS

Reconciliation of equity as previously reported under IGAAP to Ind AS

| Particulars | Notes | As at date of transition 1 April 2015 | | | As at 31 March 2016 | | |
|--------------------------------------|-------|---------------------------------------|-------------------------------|------------------|----------------------------|-------------------------------|------------------|
| | | Previous GAAP ^a | Ind AS transition adjustments | IndAS | Previous GAAP ^a | Ind AS transition adjustments | IndAS |
| Assets | | | | | | | |
| Non-current assets | | | | | | | |
| Property, plant and equipment | a, c | 12,801.68 | 5,050.58 | 17,852.26 | 15,286.53 | 5,087.50 | 20,374.03 |
| Capital work-in-progress | | 1,973.64 | - | 1,973.64 | 3,581.29 | - | 3,581.29 |
| Goodwill | b | 4,328.78 | - | 4,328.78 | 20,830.57 | (16,411.71) | 4,418.86 |
| Other intangible assets | | 188.47 | - | 188.47 | 281.87 | - | 281.87 |
| Equity accounted investees | | 116.20 | - | 116.20 | 110.98 | - | 110.98 |
| Financial assets | | | | | | | |
| Investments | | 0.01 | - | 0.01 | 10.17 | - | 10.17 |
| Other financial assets | d, f | 617.50 | 223.68 | 841.18 | 570.14 | 415.09 | 985.23 |
| Deferred tax asset | | 26.82 | - | 26.82 | 18.25 | - | 18.25 |
| Income tax assets (net) | | 76.34 | - | 76.34 | 167.92 | - | 167.92 |
| Other non-current assets | | 709.28 | - | 709.28 | 2,443.77 | - | 2,443.77 |
| Total non-current assets | | 20,838.72 | 5,274.26 | 26,112.98 | 43,301.49 | (10,909.12) | 32,392.37 |
| Current assets | | | | | | | |
| Inventories | | 3,108.17 | - | 3,108.17 | 4,107.03 | - | 4,107.03 |
| Financial assets | | | | | | | |
| Investments | | 27.16 | - | 27.16 | 377.43 | - | 377.43 |
| Trade receivables | e | 9,549.77 | - | 9,549.77 | 15,809.85 | (585.64) | 15,224.21 |
| Cash and cash equivalents | | 2,497.68 | - | 2,497.68 | 2,573.59 | - | 2,573.59 |
| Other bank balances | | 544.07 | - | 544.07 | 93.08 | - | 93.08 |
| Other financial assets | e | 1,570.80 | (310.08) | 1,260.72 | 2,382.52 | (655.38) | 1,727.14 |
| Other current assets | f | 1,726.37 | - | 1,726.37 | 2,838.51 | (83.40) | 2,755.11 |
| Total current assets | | 19,024.02 | (310.08) | 18,713.94 | 28,182.01 | (1,324.42) | 26,857.59 |
| Total | | 39,862.74 | 4,964.18 | 44,826.92 | 71,483.50 | (12,233.54) | 59,249.96 |
| Equity and liabilities | | | | | | | |
| Equity | | | | | | | |
| Equity share capital | g | 3,978.64 | (92.26) | 3,886.38 | 4,626.33 | (595.81) | 4,030.52 |
| Other equity | | 9,545.20 | 1,702.80 | 11,248.00 | 29,196.72 | (28,061.69) | 1,135.03 |
| | | 13,523.84 | 1,610.54 | 15,134.38 | 33,823.05 | (28,657.50) | 5,165.55 |
| Minority Interest | | 6,669.08 | 1,364.50 | 8,033.58 | 2,210.81 | 282.42 | 2,493.23 |
| Liabilities | | | | | | | |
| Non-current liabilities | | | | | | | |
| Financial liabilities | | | | | | | |
| Borrowings | g, k | 5,051.49 | 1,066.85 | 6,118.34 | 10,627.03 | 15,147.10 | 25,774.13 |
| Derivatives | | - | - | - | - | - | - |
| Other financial liabilities | e | 729.11 | (112.68) | 616.43 | 3,040.23 | - | 3,040.23 |
| Provisions | | 1,052.82 | - | 1,052.82 | 1,474.01 | - | 1,474.01 |
| Deferred tax liabilities (net) | | 159.33 | 1,154.59 | 1,313.92 | 163.54 | 1,156.57 | 1,320.11 |
| Other non-current liabilities | f, i | 274.41 | (106.26) | 168.15 | 339.29 | (22.05) | 317.24 |
| Total non-current liabilities | | 7,267.16 | 2,002.50 | 9,269.66 | 15,644.10 | 16,281.62 | 31,925.72 |
| Current liabilities | | | | | | | |
| Financial liabilities | | | | | | | |
| Borrowings | | 2,893.71 | - | 2,893.71 | 5,841.40 | - | 5,841.40 |
| Trade payables | | 4,324.19 | - | 4,324.19 | 6,970.31 | - | 6,970.31 |
| Other financial liabilities | f, c | 4,498.84 | 4.94 | 4,503.78 | 5,957.27 | (121.60) | 5,835.67 |
| Provisions | j | 403.65 | (18.30) | 385.35 | 422.45 | (18.49) | 403.96 |
| Other current liabilities | | 247.45 | - | 247.45 | 375.44 | 0.01 | 375.45 |
| Income tax liabilities (net) | | 34.82 | - | 34.82 | 238.67 | - | 238.67 |
| Total current liabilities | | 12,402.67 | (13.36) | 12,389.30 | 19,805.54 | (140.08) | 19,665.46 |
| Total | | 39,862.74 | 4,964.18 | 44,826.92 | 71,483.50 | (12,233.54) | 59,249.96 |

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47 Explanation of transition to Ind AS (continued)

Reconciliation of total comprehensive income for the year ended 31 March 2016

| Particulars | Notes | Year ended 31 March 2016 | | |
|---|-------|--------------------------|-------------------------------|------------------|
| | | Previous GAAP* | Ind AS transition adjustments | Ind AS |
| Revenue | | | | |
| Revenue from operations | | 52,498.90 | - | 52,498.90 |
| Other income | d | 247.08 | 5.65 | 252.73 |
| Total revenue | | 52,745.98 | 5.65 | 52,751.63 |
| Expenses | | | | |
| Purchase of stock in trade | | 17,230.90 | (0.55) | 17,230.35 |
| Changes in inventories | | (999.41) | 0.55 | (998.86) |
| Employee benefits expense | h | 16,348.70 | (58.92) | 16,289.78 |
| Finance costs | g | 854.73 | 1,039.35 | 1,894.08 |
| Depreciation and amortisation | c | 2,510.00 | (79.98) | 2,430.02 |
| Other expenses | e,f,i | 13,539.34 | 887.67 | 14,427.01 |
| Total | | 49,484.26 | 1,788.12 | 51,272.38 |
| Profit / (loss) before tax and extraordinary item | | 3,261.72 | (1,782.47) | 1,479.25 |
| Extraordinary items (net of tax) | | - | - | - |
| Profit before share of loss of equity accounted investees and tax | | 3,261.72 | (1,782.47) | 1,479.25 |
| Share of loss of equity accounted investees | | (7.96) | - | (7.96) |
| Profit before tax | | 3,253.76 | (1,782.47) | 1,471.29 |
| Current tax (including MAT) | | (389.69) | (2.04) | (391.73) |
| Deferred tax (including MAT credit entitlement) | | (12.78) | 0.83 | (11.95) |
| Profit for the year | | 2,851.29 | (1,783.68) | 1,067.61 |
| Other comprehensive income | | | | |
| <i>Items that will not be reclassified to profit or loss</i> | | | | |
| Remeasurement of net defined benefit liability/ asset | | - | (56.89) | (56.89) |
| <i>Items that will be reclassified subsequently to profit or loss</i> | | | | |
| Exchange difference in translating financial statements of foreign operations | | - | 738.42 | 738.42 |
| Total comprehensive income for the period | | 2,851.29 | (1,102.15) | 1,749.14 |

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note

Statement of cash flow

There were no significant reconciliation items between cash flows prepared under Indian GAAP and those prepared under Ind AS.

Notes to the reconciliations

a) **Fair valuation of land**

The Group has elected to measure land at the date of transition at its fair value and use that fair value as its deemed cost at that date. The deferred tax liability arising on the fair valuation has also been accounted for. The impact arising from the change is summarised as follows:

| Particulars | 31 March 2015 | 31 March 2016 |
|--|-----------------|-----------------|
| Balance Sheet | | |
| Aster DM Healthcare Limited | 701.65 | 701.65 |
| Malabar Institute of Medical Science Limited | 2,245.29 | 2,245.29 |
| Prerana Hospital Limited | 301.68 | 301.68 |
| Ambady Infrastructure Private Limited | 667.36 | 667.36 |
| DM Med City Hospitals India Private Limited | 755.90 | 755.90 |
| Sanad Al Rahma for Medical Care LLC | 520.23 | 549.86 |
| Total | 5,192.11 | 5,221.74 |
| Related deferred tax effect (liability) | (1,108.10) | (1,110.92) |
| Adjustment to retained earnings | 4,084.01 | 4,110.82 |

b) **Business combinations/ common control transactions**

The Group has elected to apply Ind AS 103 to business combinations that occurred on or after 1 April 2015. Accordingly, excess of purchase consideration over net assets on common control business combinations / transactions have been debited to retained earnings.

c) **Deferred payment of long term capital creditors**

As per Ind AS 16, the cost of an item of property, plant and equipment is the cash price equivalent at the recognition date. Where payment is deferred beyond normal credit terms, the difference between the cash price equivalent and the total payment is recognized as interest over the period of credit. As a result, excess depreciation charged has been reversed. The corresponding financial liabilities (capital creditors) have also been discounted.

d) **Amortisation of security deposits**

As per Ind AS 109, long term security deposits are recognised at amortised cost and prepaid rent accounted. Related interest income and rental expense have also been recognised.

e) **Expected credit loss on financial assets**

The Group has recognised loss allowance on financials assets based on expected credit loss model as per Ind AS 109.

f) **Forward exchange contracts (derivatives)**

Derivative financial instrument are used to hedge foreign exchange risk, no hedge accounting is applied and any fair value movement on the hedging instrument is recognised in the statement of profit and loss.




Aster DM Healthcare Limited and its subsidiaries and associates
Notes to the consolidated financial statements (continued)
 (All amounts in Indian rupees millions, except share data and where otherwise stated)

47 Explanation of transition to Ind AS (continued)

- g) Reclassification of preference shares as debt**
 As per Ind AS 109, the compulsorily convertible preference shares has been classified as financial liability and has been recognised at amortised cost, using the effective interest rate method.
- h) Remeasurement of net defined benefit liability/ asset**
 Under Ind AS, re-measurements of the net defined benefit liability, which comprise actuarial gains and losses are recognised in other comprehensive income. Under previous GAAP, the Company has recognised actuarial gains and losses in statement of profit and loss. However, this has no impact in the total comprehensive income and total equity as on 1 April 2015 or as on 31 March 2016.
- i) Remeasurement of lease rentals on straight line basis**
 Under previous GAAP, lease payments on all operating leases were recognised as an expense on a straight line basis over the lease term. Under Ind AS 17, lease payments under operating leases recognised on a straight line basis as expense only if the payments to lessor vary because of factors other than expected general inflation.
- j) Dividend tax on dividend proposed during previous year**
 Under Ind AS, dividend tax on dividend proposed by subsidiary during previous year has been reversed and accordingly Group has credited retained earnings to the extent of Rs.18.49 million during 31 March 2016 and Rs. 18.31 million during 31 March 2015.
- k) Unamortised borrowing cost**
 Unamortised portion of processing fee on long term borrowings accounted as per Ind AS 109.

l) Retained earnings

The above changes has resulted in a (decrease) / increase of total equity as follows:

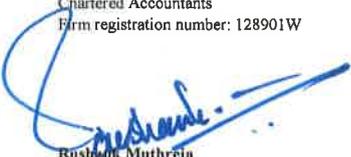
| Particulars | Note | 31 March 2015 | 31 March 2016 |
|---|------|-----------------|--------------------|
| Fair valuation of land | a | 5,192.12 | 5,221.74 |
| Business combinations/ common control transactions | b | - | (16,411.71) |
| Expected credit loss on financial assets | e | - | (808.04) |
| Deferred payment of long term capital creditors | c | (28.93) | (94.95) |
| Amortisation of security deposits | d | (8.47) | (17.53) |
| Forward exchange contracts (derivatives) | f | 1.40 | (1.32) |
| Reclassification of preference shares as debt | g | (1,073.42) | (15,152.32) |
| Remeasurement of lease rentals on straight line basis | i | 22.05 | 21.56 |
| Dividend tax on dividend proposed during previous year | j | 18.31 | 18.49 |
| Unamortised borrowing cost | k | 6.57 | 5.57 |
| Tax effects on above adjustments | | (1,154.59) | (1,156.57) |
| Increase/(decrease) in total equity | | 2,975.04 | (28,375.08) |
| Share of Non-controlling interest in above adjustments | | 1,364.50 | 282.42 |

Note :

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose to this note

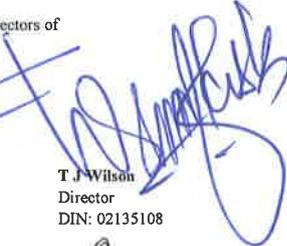
As per our report of even date attached

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


Rishank Muthreja
 Partner
 Membership No.: 211386

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


Dr. Azad Moopen
 Chairman and Managing Director
 DIN: 00159403


T J Wilson
 Director
 DIN: 02135108


Sreenath Reddy
 Chief Financial Officer


Rajesh A
 Company Secretary
 Membership No.:F7106

Bangalore
 8 June 2017

Dubai
 7 June 2017

