

Board's Report

To The Members of
Aster DM Healthcare Limited

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

1. Results of Operation and State of Affairs

Financial Results

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

Financial position

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

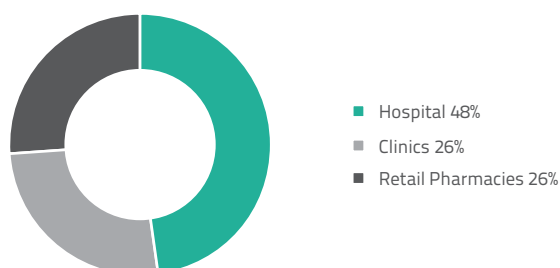
During the year under review our company, on a consolidated basis, reported total income from operations of INR 67,211.61 million as compared to INR 59,312.87 million registering a year over year growth of 13.31%. Of our total revenues from operations for fiscal 2018, our hospital segment accounted for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

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

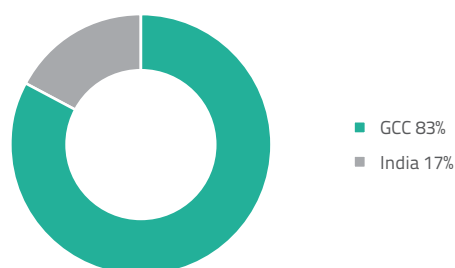
favorable case mix and opening of two new hospitals at GCC. The in-patient volumes increased from 1,57,800+ in fiscal 2017 to 2,10,000+ in fiscal 2018 (+average figures).

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

Revenue : Business Segment



Revenue : Geographical Segment



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

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

*GCC – Gulf Cooperation Countries

Strategy

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

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

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

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

2. Dividend

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

3. Transfer to Reserves

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

4. Share Capital

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

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

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

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

5. Public Deposits

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

6. Loans, Guarantee and Investments

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

7. Subsidiary, Joint Ventures and Associate Companies

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

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

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

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

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

8. Human Resources

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9. Particulars of Employees

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

10. Employee Stock Option Scheme

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

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

*KMP includes MD, CFO and CS

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

11. Quality Control and Initiatives

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

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

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

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

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

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

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

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

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

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

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

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

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

INDIA UNITS Accreditation- 2017-18

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

GCC UNITS 2017-18

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

12. Corporate Social Responsibility

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

13. Internal Control Systems

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

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

14. Vigil Mechanism

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

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

15. Contracts and Arrangements with Related Parties

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

16. Statutory Auditors

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

17. Audit Report

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

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

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

18. Secretarial Auditor

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

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

19. Cost Auditors

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

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

20. Declaration by Independent Directors

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

21. Directors and Key Managerial Personnel

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

Key Managerial Personnel

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

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

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

22. Committees of Directors

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

23. Board Evaluation

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

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

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

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

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

24. Policy on Appointment of Directors and Remuneration

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

25. Board Meetings and Annual General Meeting

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

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

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

26. Secretarial Standards

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

27. Listing on Stock Exchanges

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

28. Directors' Responsibility Statement

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

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

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

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

30. Significant and Material Orders

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

31. Extract of Annual Return

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

32. General Matters, Confirmations and Disclosure Requirements

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

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

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

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

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

Place: Dubai
Date: 21st May 2018

33. Acknowledgement

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

For and On Behalf of the Board of Directors

Dr. Azad Moopen
Chairman & Managing Director
DIN: 00159403