



ASTER DM HEALTHCARE LIMITED

Our Company was incorporated as DM Healthcare Private Limited on January 18, 2008 at Kochi, Ernakulam, Kerala as a private limited company under the Companies Act, 1956. The name of our Company was changed to Aster DM Healthcare Private Limited and a fresh certificate of incorporation consequent upon change of name was issued on November 29, 2013. Our Company was converted into a public limited company consequent to a special resolution passed by our Shareholders at the extraordinary general meeting held on November 10, 2014 and the name of our Company was changed to Aster DM Healthcare Limited. A fresh certificate of incorporation consequent upon conversion to public limited company was issued on January 1, 2015. For details of change in the name and registered office of our Company, see "History and Certain Corporate Matters" on page 176.

Registered and Corporate Office: IX/475L, Aster Medcity, Kuttisahib Road, near Kothad Bridge, South Chittoor P.O., Cheranalloor, Kochi - 682 027, Ernakulam, Kerala, India

Contact Person: Rajesh A., Company Secretary and Compliance Officer; **Tel:** +91 484 6699 228; **Fax:** +91 484 6699 234

E-mail: investors@dmhealthcare.com; **Website:** www.asterdmhealthcare.com

Corporate Identification Number: U85110KL2008PLC021703

OUR PROMOTERS: DR. AZAD MOOPEN AND UNION INVESTMENTS PRIVATE LIMITED

PUBLIC OFFER OF UP TO 57,685,166 EQUITY SHARES OF FACE VALUE OF ₹10 EACH ("EQUITY SHARES") OF ASTER DM HEALTHCARE LIMITED ("COMPANY" OR "ISSUER") FOR CASH AT A PRICE OF ₹1 PER EQUITY SHARE (INCLUDING A SHARE PREMIUM OF ₹1 PER EQUITY SHARE) AGGREGATING UP TO ₹1 MILLION ("OFFER") COMPRISING A FRESH ISSUE OF UP TO 21,614,366 EQUITY SHARES AGGREGATING UP TO ₹1 MILLION ("FRESH ISSUE") AND AN OFFER FOR SALE OF UP TO 12,058,000 EQUITY SHARES BY OUR PROMOTER, UNION INVESTMENTS PRIVATE LIMITED ("UIPL"), UP TO 19,212,800 EQUITY SHARES BY OLYMPUS CAPITAL ASIA INVESTMENTS LIMITED AND UP TO 4,800,000 EQUITY SHARES BY IVF TRUSTEE COMPANY PRIVATE LIMITED (THE "SELLING SHAREHOLDERS") AGGREGATING UP TO ₹1 MILLION ("OFFER FOR SALE"). THE OFFER WILL CONSTITUTE 10% OF OUR POST-OFFER PAID-UP EQUITY SHARE CAPITAL. OUR COMPANY AND UIPL MAY CONSIDER A PRE-OFFER PLACEMENT OF UP TO 9,600,000 EQUITY SHARES COMPRISING OF A FRESH ISSUE OF UP TO 4,800,000 EQUITY SHARES BY OUR COMPANY AND A TRANSFER OF UP TO 4,800,000 EQUITY SHARES BY UIPL. FOR AN AGGREGATE AMOUNT NOT EXCEEDING ₹2,000 MILLION FOR EACH PORTION AT THE DISCRETION OF THE COMPANY AND UIPL (THE "PRE-IPO PLACEMENT"), THE PRE-IPO PLACEMENT WILL BE AT A PRICE TO BE DECIDED BY OUR COMPANY AND UIPL AND THE PRE-IPO PLACEMENT WILL BE COMPLETED PRIOR TO FILING OF THE RED HERRING PROSPECTUS WITH THE ROC. IF THE PRE-IPO PLACEMENT IS COMPLETED, THE NUMBER OF EQUITY SHARES ALLOTTED AND TRANSFERRED WILL BE REDUCED FROM THE FRESH ISSUE AND THE OFFER FOR SALE, AS APPLICABLE, SUBJECT TO A MINIMUM OFFER OF 10% OF THE POST-OFFER PAID-UP EQUITY SHARE CAPITAL BEING OFFERED TO THE PUBLIC. THE FACE VALUE OF THE EQUITY SHARES IS ₹10 EACH. THE PRICE BAND AND THE MINIMUM BID LOT WILL BE DECIDED BY OUR COMPANY IN CONSULTATION WITH THE SELLING SHAREHOLDERS AND THE GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS ("GC BRLMs") AND BOOK RUNNING LEAD MANAGERS ("BRLMs") AND TOGETHER WITH THE GC BRLMs, THE "MANAGERS"), AND WILL BE ADVERTISED IN (a) EDITIONS OF [●], (b) EDITIONS OF [●] AND (c) EDITIONS OF [●] (WHICH ARE WIDELY CIRCULATED ENGLISH, HINDI AND MALAYALAM NEWSPAPERS, MALAYALAM BEING THE REGIONAL LANGUAGE OF KERALA, WHERE OUR REGISTERED AND CORPORATE OFFICE IS LOCATED) AT LEAST FIVE WORKING DAYS PRIOR TO THE BID/OFFER OPENING DATE AND SHALL BE MADE AVAILABLE TO THE BSE LIMITED ("BSE") AND THE NATIONAL STOCK EXCHANGE OF INDIA LIMITED ("NSE"), AND TOGETHER WITH BSE, THE "STOCK EXCHANGES") FOR THE PURPOSE OF UPLOADING ON THEIR WEBSITES.

In case of any revision to the Price Band, the Bid/Offer Period will be extended by at least three additional Working Days after such revision of the Price Band, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in the Price Band and the revised Bid/Offer Period, if applicable, will be widely disseminated by notification to the Stock Exchanges, by issuing a press release, and also by indicating the change on the website of the Managers and at the terminals of the members of the Syndicate.

In terms of Rule 19(2)(b)(iii) of the Securities Contracts (Regulation) Rules, 1957, as amended ("SCRR"), this is an Offer for at least 10% of the post-Offer paid-up equity share capital of our Company. The Offer is being made in accordance with Regulation 26(1) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (the "SEBI ICDR Regulations"), through the Book Building Process wherein 50% of the Offer shall be allocated on a proportionate basis to Qualified Institutional Buyers ("QIBs"), provided that our Company in consultation with the Selling Shareholders and the Managers may allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis, out of which one-third shall be reserved for domestic Mutual Funds only, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Offer Price, in accordance with the SEBI ICDR Regulations. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price. All potential investors, other than Anchor Investors, are required to mandatorily utilise the Application Supported by Blocked Amount ("ASBA") process providing details of their respective bank accounts which will be blocked by the Self Certified Syndicate Banks ("SCSBs"). For details, see "Offer Procedure" on page 469.

RISK IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹10 and the Floor Price is [●] times the face value and the Cap Price is [●] times the face value. The Offer Price (determined and justified by our Company in consultation with the Selling Shareholders and the Managers as stated under "Basis for Offer Price" on page 107) should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active or sustained trading in the Equity Shares or regarding the price at which the Equity Shares will be traded after listing.

GENERAL RISKS

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their entire investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India ("SEBI"), nor does SEBI guarantee the accuracy or adequacy of the contents of this Draft Red Herring Prospectus. Specific attention of the investors is invited to "Risk Factors" on page 17.

ISSUER'S AND SELLING SHAREHOLDERS' ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Draft Red Herring Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Draft Red Herring Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission or inclusion of which makes this Draft Red Herring Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Further, the Selling Shareholders severally accept responsibility that this Draft Red Herring Prospectus contains all information about them as Selling Shareholders in the context of the Offer for Sale and further severally assume responsibility for statements in relation to them included in this Draft Red Herring Prospectus and the Equity Shares offered by them in the Offer and that such statements are true and correct in all material respects and not misleading in any material respect.

LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the BSE and the NSE. Our Company has received an 'in-principle' approval from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively. For the purposes of the Offer, the Designated Stock Exchange shall be [●].

GLOBAL CO-ORDINATORS AND BOOK RUNNING LEAD MANAGERS

Kotak Mahindra Capital Company Limited 1st Floor, 27 BKC, Plot No. 27, "G" Block Bandra Kurla Complex, Bandra (East) Mumbai - 400 051 Maharashtra, India Tel: +91 22 4336 0000 Fax: +91 22 6713 2447 E-mail: asterdmhealthcare ipo@kotak.com Investor grievance email: kmccredressal@kotak.com Website: www.investmentbank.kotak.com Contact Person: Ganesh Rane SEBI Registration No.: INM000008704	DSP Merrill Lynch Limited Ground Floor, "A" Wing, One BKC, "G" Block Bandra Kurla Complex, Bandra (East) Mumbai - 400 051 Maharashtra, India ⁽¹⁾ Tel: +91 22 6632 8000 Fax: +91 22 2204 8518 E-mail: dg.asterdmhealthcare_ipo@baml.com Investor grievance email: dg.india_merchantbanking@baml.com Website: www.dspml.com Contact Person: Chirag Jain SEBI Registration No.: INM000011625	Goldman Sachs (India) Securities Private Limited Rational House 951-A, Appasaheb Marathe Marg, Prabhadevi Mumbai - 400 025 Maharashtra, India Tel: +91 22 6616 9000 Fax: +91 22 6616 9001 E-mail: gs-dm-ipo@gs.com Investor grievance email: india-client-support@gs.com Website: www.goldmansachs.com Contact Person: Sonam Chopra SEBI Registration No.: INM000011054

BOOK RUNNING LEAD MANAGERS

Edelweiss Financial Services Limited 14 th Floor, Edelweiss House Off. C.S.T. Road, Kalina Mumbai - 400 098 Maharashtra, India Tel: +91 22 4009 4400 Fax: +91 22 4086 3610 E-mail: dmhealthcare.ipo@edelweissfin.com Investor grievance email: customerservice.mbg@edelweissfin.com Website: www.edelweissfin.com Contact Person: Siddharth Shah SEBI Registration No.: INM0000010650	ICICI Securities Limited ICICI Center, H.T. Parekh Marg Churchgate, Mumbai 400 020 Maharashtra, India Tel: +91 22 2288 2460 Fax: +91 22 2282 6580 E-mail: asterdmhealthcare.ipo@icicisecurities.com Investor grievance email: customercare@icicisecurities.com Website: www.icicisecurities.com Contact Person: Prem D'Cunha / Govind Khetan SEBI Registration No.: INM000011179	JM Financial Institutional Securities Limited⁽²⁾ 7th Floor, Energy Appasaheb Marathe Marg, Prabhadevi Mumbai - 400 025 Maharashtra, India Tel: +91 22 6630 3030 Fax: +91 22 6630 3330 Email: admh.ipo@jmfml.com Investor grievance email: grievance.bd@jmfml.com Website: www.jmfml.com Contact Person: Lakshmi Lakshmanan SEBI Registration No.: INM000010361	SBI Capital Markets Limited 202, Maker Tower E Cuffe Parade, Mumbai - 400 005 Maharashtra India Tel: +91 22 2217 8300 Fax: +91 22 2218 8332 Email: asterdmhealthcare.ipo@sbicaps.com Investor grievance email: investor.relations@sbicaps.com Website: www.sbicaps.com Contact Person: Nithin Kanuganti / Sambit Rath SEBI Registration No.: INM000003531	Link Intime India Private Limited C-13, Pannalal Silk Mills Compound, L.B.S. Marg Bhandup (West) Mumbai - 400 078 Maharashtra, India Tel: +91 22 6171 5400 Fax: +91 22 2596 0329 E-mail: adhl.ipo@linkintime.co.in Investor grievance email: adhl.ipo@linkintime.co.in Website: www.linkintime.co.in Contact Person: Shanti Gopalakrishnan SEBI Registration No.: INR000004058

BID/OFFER PROGRAMME

BID/OFFER OPENS ON	[●] ⁽³⁾
BID/OFFER CLOSES ON	[●] ⁽⁴⁾

(1) The current address of DSP Merrill Lynch Limited is 16th Floor, Express Towers, Nariman Point, Mumbai - 400021. The address provided above is effective from July 2, 2016

(2) Formerly known as JM Financial Institutional Securities Private Limited

(3) Our Company may, in consultation with the Selling Shareholders and the Managers, consider participation by Anchor Investors in accordance with the SEBI ICDR Regulations. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date

(4) Our Company may, in consultation with the Selling Shareholders and the Managers, consider closing the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations

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SECTION I: GENERAL

DEFINITIONS AND ABBREVIATIONS

This Draft Red Herring Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, shall have the meaning as provided below. References to any legislation, act or regulation shall be to such legislation, act or regulation, as amended from time to time.

General Terms

Term	Description
“our Company”, “the Company”, “the Issuer”	Aster DM Healthcare Limited, a company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at IX/475L, Aster Medcity, Kuttisahib Road, near Kothad Bridge, South Chittoor P.O., Cheranalloor, Kochi - 682 027, Ernakulam, Kerala, India
“we”, “us” or “our”	Our Company, our Subsidiaries, our joint ventures and Associate Companies

Company Related Terms

Term	Description
AAQ Healthcare	AAQ Healthcare Investments LLC
Affinity	Affinity Holdings Private Limited
AIPL	Ambady Infrastructure Private Limited
Al Rafa Medical Centre AUH	Al Rafa Medical Centre LLC
Al Raffah Hospital	Al Raffah Hospital LLC
Al Raffah Medical Centre	Al Raffah Medical Centre LLC
Al Shafar Pharmacy	Al Shafar Pharmacy LLC
Alfa Drug Store	Alfa Drug Store LLC
Aries Holdings	Aries Holdings FZC
Articles of Association	Articles of Association of our Company, as amended
Asma Pharmacy	Asma Pharmacy LLC
Associate Companies	EMED Human Resources India Private Limited, MIMS Infrastructure and Properties Private Limited, Aries Holdings FZC and AAQ Healthcare Investments LLC
Aster Al Shafar Pharmacies Group	Aster Al Shafar Pharmacies Group LLC
Aster FZC	Aster DM Healthcare FZC (formerly known as Dr. Moopens Holding FZC)
Aster Kuwait	Aster Kuwait General Trading Company WLL
Aster Medical Centre	Aster Medical Centre LLC
Aster Opticals	Aster Opticals LLC
Aster Pharmacies Group	Aster Pharmacies Group LLC
Aster Pharmacy (AUH)	Aster Pharmacy LLC
Aster Trivandrum	Aster DM Healthcare (Trivandrum) Private Limited
Aster Women Clinic	Aster IVF and Women Clinic LLC
Auditors/Statutory Auditors	Statutory auditors of our Company, namely, BSR and Associates, Chartered Accountants
Board/Board of Directors	Board of directors of our Company or a duly constituted committee thereof
CCPS	Series A compulsorily convertible preference shares of our Company of face value of ₹10 each
CMCL	Cauvery Medical Center Limited
Dar Al Shifa Medical Centre	Dar Al Shifa Medical Centre LLC
Director(s)	Director(s) of our Company
DMERF	DM Education and Research Foundation
DM Healthcare	DM Healthcare LLC
DM Healthcare Management	Dr. Moopens Healthcare Management Services WLL
DM Healthcare Services	Dr. Moopens Healthcare Management Services LLC
DM Med City	DM Med City Hospitals (India) Private Limited
DM Medical Clinic	Dr. Moopens Medical Clinic LLC
DM Pharmacies	DM Pharmacies LLC
Dr. Ramesh Hospital	Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited
EMED HR	EMED Human Resources India Private Limited
Equity Shares	Equity shares of our Company of face value of ₹10 each
ESOP 2013	DM Healthcare Employees’ Stock Option Plan 2013, as amended
Eurohealth Systems	Eurohealth Systems FZ LLC
Executive Directors	Executive Directors of our Company
Existing Prerana Shareholders	Shareholders of PHL who are party to the share purchase, share subscription and shareholders agreement dated October 1, 2008, as amended
Existing Sainatha Shareholders	Mr. Sobhan Prakash P., Dr. B.S.V. Raju, Dr. G. Satish Reddy and Dr. C. Raghu
GCC States	Bahrain, Kuwait, Qatar, United Arab Emirates, Oman and Saudi Arabia
Group Entities	Our Group Entities are: 1. DM Foundation; 2. Wayanad Infrastructure Private Limited; and

Term	Description
	3. DM Education and Research Foundation. For details, see “ <i>Our Group Entities</i> ” on page 239
Ibn Al Haitham Pharmacy	Ibn Al Haitham Pharmacy LLC
IHPL	Indogulf Hospitals Private Limited
Indium	Indium IV (Mauritius) Holdings Limited
IVF	IVF Trustee Company Private Limited, as the sole trustee of India Value Fund IIIA, a trust established under the laws of India
IVF Offered Shares	Up to 4,800,000 Equity Shares offered by IVF in the Offer for Sale as per board resolution dated June 13, 2016
Key Management Personnel	Key management personnel of our Company in terms of Regulation 2(1)(s) of the SEBI ICDR Regulations, the Companies Act, 2013 and disclosed in “ <i>Our Management</i> ” on page 217
Managing Director	Managing Director of our Company namely, Dr. Azad Moopen
Maryam Pharmacy	Maryam Pharmacy LLC
Med Shop	Med Shop Drugs Store LLC
Medcare Hospital	Medcare Hospital LLC
Medshop Garden Pharmacy	Medshop Garden Pharmacy LLC
Memorandum of Association	Memorandum of Association of our Company, as amended
MIMS	Malabar Institute of Medical Sciences Limited
MIPPL	MIMS Infrastructure and Properties Private Limited
Modern Dar Al Shifa Pharmacy	Modern Dar Al Shifa Pharmacy LLC
New Aster Pharmacy	New Aster Pharmacy DMCC
Offered Shares	Collectively, the IVF Offered Shares, the Olympus Offered Shares and the UIPL Offered Shares
Olympus	Olympus Capital Asia Investments Limited
Olympus Offered Shares	Up to 19,212,800 Equity Shares offered by Olympus in the Offer for Sale as per letter dated June 23, 2016
PHL	Prerana Hospital Limited
Promoter Group	Persons and entities constituting the promoter group of our Company in terms of Regulation 2(1)(zb) of the SEBI ICDR Regulations
Promoters	Promoters of our Company namely, Dr. Azad Moopen and UIPL For details, see “ <i>Our Promoters and Promoter Group</i> ” on page 235
Rafa Pharmacy	Rafa Pharmacy LLC
RAR CCPS	RAR compulsorily convertible preference shares of face value ₹10 each
Registered and Corporate Office	Registered and corporate office of our Company located at IX/475L, Aster Medcity, Kuttisahib Road, near Kothad Bridge, South Chittoor P.O., Cheranallloor, Kochi – 682 027, Ernakulam, Kerala, India
Registrar of Companies/RoC	Registrar of Companies, Kerala and Lakshadweep, situated at Kochi, India
Restated Consolidated Financial Statements	The audited and restated consolidated financial statements of our Company, along with our subsidiaries, associates and jointly controlled entities for the Financial Years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and the nine months ended December 31, 2015 and comprises the restated consolidated balance sheet, the restated consolidated statement of profit and loss and the restated consolidated cash flow statement and notes to the restated consolidated financial statements of assets and liabilities, profit and loss and cash flows
Restated Financial Statements	Collectively, the Restated Consolidated Financial Statements and the Restated Standalone Financial Statements
Restated Standalone Financial Statements	The audited and restated standalone financial statements of our Company for the Financial Years ended March 31, 2015, March 31, 2014, March 31, 2013, March 31, 2012, March 31, 2011 and the nine months ended December 31, 2015, which comprises the restated standalone balance sheet, the restated standalone statement of profit and loss and the restated standalone cash flow statement and notes to the restated standalone financial statements of assets and liabilities, profit and loss and cash flows
Rimco	Rimco (Mauritius) Limited
Sainatha Hospitals	Sri Sainatha Multispeciality Hospitals Private Limited
Sanad Medical Care	Sanad Al Rahma for Medical Care LLC
SBT	State Bank of Travancore, Ernakulam
SHA	Amended and restated shareholders agreement dated November 25, 2011, as amended, entered into by and amongst our Company, Union Investments Private Limited, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, IVF Trustee Company Private Limited, Olympus Capital Asia Investments Limited, Rimco (Mauritius) Limited and Indium IV (Mauritius) Holdings Limited
Shareholders	Shareholders of our Company from time to time
Shindagha Pharmacy	Shindagha Pharmacy LLC
SPA	Share purchase agreement dated May 6, 2014 entered into by and amongst our Company, Union Investments Private Limited, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, Olympus Capital Asia Investments Limited and Indium IV (Mauritius) Holdings Limited
Subsidiaries or individually known as	Subsidiaries of our Company, namely,

Term	Description
Subsidiary	Affinity Holdings Private Limited Al Rafa Holdings Limited Al Rafa Investments Limited Al Rafa Medical Centre LLC Al Raffah Hospital LLC Al Raffah Medical Centre LLC Al Shafar Pharmacy LLC Alfa Drug Store LLC Ambady Infrastructure Private Limited Asma Pharmacy LLC Aster Al Shafar Pharmacies Group LLC Aster DM Healthcare (SPC) Aster DM Healthcare FZC Aster DM Healthcare, INC Aster Grace Nursing and Physiotherapy LLC Aster IVF and Women Clinic LLC Aster Kuwait General Trading WLL Aster Medical Centre LLC Aster Opticals LLC Aster Pharmacies Group LLC Aster Pharmacy LLC Aster DM Healthcare (Trivandrum) Private Limited Dar Al Shifa Medical Centre LLC DM Group FZ LLC DM Healthcare LLC DM Med City Hospitals (India) Private Limited DM Pharmacies LLC Dr. Moopens Healthcare Management Services LLC Dr. Moopens Healthcare Management Services WLL Dr. Moopens Medical Clinic LLC Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited Eurohealth Systems FZ LLC Ibn Al Haitham Pharmacy LLC Malabar Institute of Medical Sciences Limited Marina Pearl Pharmacy LLC Maryam Pharmacy LLC- Med Shop Drugs Store LLC Medcare Hospital LLC Medshop Garden Pharmacy LLC Modern Dar Al Shifa Pharmacy LLC New Aster Pharmacy DMCC Orange Pharmacies LLC Prerana Hospital Limited Rafa Pharmacy LLC Sanad Al Rahma for Medical Care LLC Shindagha Pharmacy LLC Sri Sainatha Multispeciality Hospitals Private Limited Symphony Healthcare Management Services LLC Union Pharmacy LLC Vitamin World LLC Wellcare Medical Complex Zabeel Pharmacy LLC
Symphony Healthcare Management Services	Symphony Healthcare Management Services LLC
Trust Deed	Trust deed dated September 15, 2015 entered into amongst Aster DM Healthcare FZC, Al Rafa Investments Limited, Shamsudheen Bin Mohideen Mammu Haji and Jamal Majed Khalfan Bin Theniyeh
UIPL	Union Investments Private Limited
UIPL Offered Shares	Up to 12,058,000 Equity Shares offered by UIPL in the Offer for Sale as per board resolution dated June 17, 2016
Union Pharmacy	Union Pharmacy LLC
Vitamin World	Vitamin World LLC
Wellcare Polyclinic	Wellcare Medical Complex
WIMS	Wayanad Institute of Medical Sciences Medical College
WIPL	Wayanad Infrastructure Private Limited
Zabeel Pharmacy	Zabeel Pharmacy LLC

Offer Related Terms

Term	Description
Acknowledgement Slip	The slip or document issued by the Designated Intermediary to a Bidder as proof of registration of the Bid cum Application Form
Allot/Allotment/Allotted	Unless the context otherwise requires, allotment of the Equity Shares pursuant to the Fresh Issue and transfer of the Equity Shares offered by the Selling Shareholders pursuant to the Offer for Sale to the successful Bidders
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange
Allottee	A successful Bidder to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the SEBI ICDR Regulations
Anchor Investor Allocation Price	The price at which Equity Shares will be allocated to Anchor Investors at the end of the Anchor Investor Bid/Offer Period
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Anchor Investor Bid/Offer Period	The day, one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors shall be submitted and allocation to Anchor Investors shall be completed
Anchor Investor Offer Price	Final price at which the Equity Shares will be Allotted to Anchor Investors in terms of the Red Herring Prospectus and the Prospectus, which price will be equal to or higher than the Offer Price but not higher than the Cap Price The Anchor Investor Offer Price will be decided by our Company in consultation with the Selling Shareholders and the Managers
Anchor Investor Pay-in Date	In case of Anchor Investor Offer Price being higher than Anchor Investor Allocation Price, no later than two days after the Bid/Offer Closing Date
Anchor Investor Portion	Up to 60% of the QIB Portion which may be allocated by our Company in consultation with the Selling Shareholders and the Managers to Anchor Investors on a discretionary basis One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price
Application Supported by Blocked Amount or ASBA	An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorizing an SCSB to block the Bid Amount in the ASBA Account
ASBA Account	A bank account maintained with an SCSB and specified in the ASBA Form submitted by ASBA Bidders for blocking the Bid Amount mentioned in the ASBA Form
ASBA Bidders	All Bidders except Anchor Investors
ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
Banker(s) to the Offer/Escrow Collection Bank(s)	Banks which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account will be opened, in this case being [●]
Basis of Allotment	Basis on which Equity Shares will be Allotted to successful Bidders under the Offer and which is described in “Offer Procedure” on page 499
Bid	An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bid/Offer Period by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares of our Company at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations The term “Bidding” shall be construed accordingly
Bid Amount	The highest value of optional Bids indicated in the Bid cum Application Form and, in the case of Retail Individual Bidders Bidding at the Cut Off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such Retail Individual Bidder and mentioned in the Bid cum Application Form, and payable by the Bidder or blocked in the ASBA Account of the Bidder, as the case may be, upon submission of the Bid in the Offer
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid Lot	[●]
Bid/Offer Closing Date	Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries will not accept any Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and in one Malayalam daily newspaper, each with wide circulation Our Company may, in consultation with the Selling Shareholders and the Managers, consider closing the Bid/Offer Period for the QIB Category one Working Day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations
Bid/Offer Opening Date	Except in relation to any Bids received from the Anchor Investors, the date on which the

Term	Description
	Designated Intermediaries shall start accepting Bids, which shall be notified in two national daily newspapers, one each in English and Hindi, and in one Malayalam daily newspaper, each with wide circulation
Bid/Offer Period	Except in relation to Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, inclusive of both days, during which prospective Bidders can submit their Bids, including any revisions thereof
Bidder	Any prospective investor who makes a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an ASBA Bidder and an Anchor Investor
Bidding Centers	Centers at which at the Designated Intermediaries shall accept the ASBA Forms, i.e., Designated Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs
Book Building Process	Book building process, as provided in Schedule XI of the SEBI ICDR Regulations, in terms of which the Offer is being made
BRLMs or Book Running Lead Managers	The book running lead managers to the Offer namely, Edelweiss, I-Sec, JM Financial and SBICap
Broker Centres	Broker centres notified by the Stock Exchanges where Bidders can submit the ASBA Forms to a Registered Broker The details of such Broker Centres, along with the names and contact details of the Registered Brokers are available on the respective websites of the Stock Exchanges
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares to be sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price will not be finalised and above which no Bids will be accepted
Client ID	Client identification number maintained with one of the Depositories in relation to the demat account
Collecting Depository Participant or CDP	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI, as per the list available on the websites of the BSE and the NSE
Cut-off Price	Offer Price, finalised by our Company in consultation with the Selling Shareholders and the Managers Only Retail Individual Bidders are entitled to Bid at the Cut-off Price. No other category of Bidders is entitled to Bid at the Cut-off Price
Demographic Details	Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after filing of the Prospectus with the RoC
Designated Intermediaries	Syndicate, sub-syndicate members/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated SCSB Branches	Such branches of the SCSBs which shall collect the ASBA Forms, a list of which is available on the website of SEBI at http://www.sebi.gov.in/sebiweb/home/list/5/33/0/0/Recognised-Intermediaries or at such other website as may be prescribed by SEBI from time to time
Designated Stock Exchange	[●]
Draft Red Herring Prospectus or DRHP	This Draft Red Herring Prospectus dated June 24, 2016, issued in accordance with the SEBI ICDR Regulations, which does not contain complete particulars, including of the price at which the Equity Shares will be Allotted and the size of the Offer
Edelweiss	Edelweiss Financial Services Limited
Eligible NRI(s)	NRI(s) from jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the ASBA Form and the Red Herring Prospectus will constitute an invitation to subscribe for or purchase the Equity Shares
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors will transfer money through direct credit/NEFT/RTGS in respect of the Bid Amount when submitting a Bid
Escrow Agent	Escrow agent appointed pursuant to the Share Escrow Agreement, namely, [●]

Term	Description
Escrow Agreement	The agreement to be entered into by our Company, the Selling Shareholders, the Registrar to the Offer, the Managers, the Escrow Collection Bank(s) and the Refund Bank(s) for, inter alia, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Issue Account and where applicable, refunds of the amounts collected from the Anchor Investors, on the terms and conditions thereof
First Bidder	Bidder whose name appears first in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names
Floor Price	The lower end of the Price Band, subject to any revision thereto, at or above which the Offer Price and the Anchor Investor Offer Price will be finalised and below which no Bids will be accepted
Fresh Issue	The fresh issue of up to 21,614,366 Equity Shares aggregating up to ₹[●] by our Company
GC BRLMs or Global Co-ordinators and Book Running Lead Managers	The global co-ordinators and book running lead managers to the Offer namely, Kotak, Merrill Lynch and GS
General Information Document/GID	The General Information Document prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI, suitably modified and included in “Offer Procedure” on page 478
Gross Proceeds	The Offer Proceeds less the amount to be raised pursuant to the Offer for Sale by the Selling Shareholders
GS	Goldman Sachs (India) Securities Private Limited
I-Sec	ICICI Securities Limited
JM Financial	JM Financial Institutional Securities Limited
Kotak	Kotak Mahindra Capital Company Limited
Managers	Together, the BRLMs and the GC BRLMs
Merrill Lynch	DSP Merrill Lynch Limited
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Mutual Fund Portion	5% of the QIB Portion (excluding the Anchor Investor Portion), or 576,852 Equity Shares which shall be available for allocation to Mutual Funds only
Net Proceeds	Gross Proceeds less our Company’s share of the Offer expenses For further information about use of the Offer Proceeds and the Offer expenses, see “Objects of the Offer” on page 99
Non-Institutional Bidders/NIBs	All Bidders including Category III Foreign Portfolio Investors that are not QIBs or Retail Individual Bidders and who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Portion	The portion of the Offer being not less than 15% of the Offer consisting of 8,652,775 Equity Shares which shall be available for allocation on a proportionate basis to Non-Institutional Bidders, subject to valid Bids being received at or above the Offer Price
Non-Resident	A person resident outside India, as defined under FEMA and includes a non resident Indian, FIIs, FPIs and FVCIs
Offer	The initial public offering of up to 57,685,166 Equity Shares of face value of ₹10 each for cash at a price of ₹[●] each, aggregating to ₹[●] comprising the Fresh Issue and the Offer for Sale Our Company and UIPL may consider a pre-offer placement of up to 9,600,000 Equity Shares comprising of a fresh issue of up to 4,800,000 Equity Shares by our Company and a transfer of up to 4,800,000 Equity Shares by UIPL for an aggregate amount not exceeding ₹2,000 million for each portion at the discretion of the Company and UIPL. The Pre-IPO Placement will be at a price to be decided by our Company and UIPL and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares allotted and transferred will be reduced from the Fresh Issue and the Offer for Sale, as applicable, subject to a minimum offer of 10% of the post-Offer paid-up Equity Share capital being offered to the public
Offer Agreement	The agreement dated June 24, 2016 between our Company, the Selling Shareholders and the Managers, pursuant to which certain arrangements are agreed to in relation to the Offer
Offer for Sale	The offer for sale of up to 36,070,800 Equity Shares by the Selling Shareholders at the Offer Price aggregating up to ₹[●] million in terms of the Red Herring Prospectus
Offer Price	The final price at which Equity Shares will be Allotted to Bidders other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus The Offer Price will be decided by our Company in consultation with the Selling Shareholders and the Managers on the Pricing Date
Offer Proceeds	The proceeds of this Offer that will be available to our Company and the Selling Shareholders
Pre-IPO Placement	The pre-Offer allotment and transfer of Equity Shares by our Company and UIPL respectively, of up to 9,600,000 Equity Shares, comprising of a fresh issue of up to 4,800,000 Equity Shares by our Company and a transfer of up to 4,800,000 Equity Shares by UIPL for an aggregate amount not exceeding ₹2,000 million for each portion at the discretion of the Company and

Term	Description
	UIPL. The Pre-IPO Placement will be at a price to be decided by our Company and UIPL and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares allotted and transferred will be reduced from the Fresh Issue and the Offer for Sale, as applicable, subject to a minimum offer of 10% of the post-Offer paid-up Equity Share capital being offered to the public and the details of such Pre-IPO Placement will be included in the Red Herring Prospectus
Price Band	Price band of the Floor Price and the Cap Price including any revisions thereof The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company in consultation with the Selling Shareholders and the Managers and will be advertised, at least five Working Days prior to the Bid/Offer Opening Date, in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●], and [●] edition of the Malayalam (Malayalam being the regional language of Kerala, where our Registered and Corporate Office is located) newspaper [●], each with wide circulation. It shall also be made available to the Stock Exchanges for the purpose of uploading on their websites
Pricing Date	The date on which our Company, in consultation with the Selling Shareholders and Managers, will finalise the Offer Price
Prospectus	The Prospectus to be filed with the RoC after the Pricing Date in accordance with Section 26 of the Companies Act, 2013 and the SEBI ICDR Regulations, containing, <i>inter-alia</i> , the Offer Price that is determined at the end of the Book Building Process, the size of the Offer and certain other information including any addenda or corrigenda thereto
Public Issue Account(s)	Bank account opened under Section 40(3) of the Companies Act, 2013 to receive monies from the Escrow Account and ASBA Accounts on the Designated Date
Public Issue Account Bank	The bank with which the Public Issue Account(s) shall be maintained, in this case being [●]
QIB Category/QIB Portion	The portion of the Offer (including the Anchor Investor Portion) being 50% of the Offer consisting of 28,842,582 Equity Shares which shall be allocated to QIBs (including Anchor Investors)
Qualified Foreign Investors or QFIs	Qualified foreign investors as defined in the SEBI FPI Regulations
Qualified Institutional Buyers or QIBs or QIB Bidders	Qualified institutional buyers as defined under Regulation 2(1)(zd) of the SEBI ICDR Regulations
Red Herring Prospectus or RHP	The Red Herring Prospectus to be issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which will not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer including any addenda or corrigenda thereto The Red Herring Prospectus will be registered with the RoC at least three days before the Bid/Offer Opening Date and will become the Prospectus upon filing with the RoC after the Pricing Date
Refund Account(s)	The account opened with the Refund Bank, from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made
Refund Bank(s)	The Bankers to the Offer with whom the Refund Account(s) will be opened, in this case being [●]
Registered Brokers	Stock brokers registered with the stock exchanges having nationwide terminals, other than the Managers and the Syndicate Members and eligible to procure Bids in terms of Circular No. CIR/CFD/14/2012 dated October 4, 2012 issued by SEBI
Registrar and Share Transfer Agents or RTAs	Registrars to an issue and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registrar to the Offer or Registrar	Link Intime India Private Limited
Retail Individual Bidder(s)/RIB(s)	Individual Bidders who have Bid for the Equity Shares for an amount of not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs)
Retail Portion	The portion of the Offer being not less than 35% of the Offer consisting of 20,189,809 Equity Shares which shall be available for allocation to Retail Individual Bidder(s) in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price
Revision Form	Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Bidders are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date.
SBICap	SBI Capital Markets Limited
Self Certified Syndicate Bank(s) or SCSB(s)	The banks registered with SEBI, offering services in relation to ASBA, a list of which is available on the website of SEBI at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html
Selling Shareholders	IVF, Olympus and UIPL
Share Escrow Agreement	The agreement to be entered into among the Selling Shareholders, our Company, the Managers

Term	Description
	and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer for Sale by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees
Specified Locations	Bidding centres where the Syndicate shall accept Bid cum Application Form
Syndicate	The Managers and the Syndicate Members
Syndicate Agreement	Agreement to be entered into among the Managers, the Syndicate Members, our Company and the Selling Shareholders in relation to collection of Bid cum Application Forms by the Syndicate
Syndicate Members	Intermediaries registered with SEBI who are permitted to carry out activities as an underwriter, namely, [●]
Underwriters	The Managers and the Syndicate Members
Underwriting Agreement	The agreement among the Underwriters, our Company and the Selling Shareholders to be entered into on or after the Pricing Date
Working Day	“Working Day” means all days, other than second and fourth Saturday of the month, Sunday or a public holiday, on which commercial banks in Mumbai are open for business; provided however, with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, “Working Day” shall mean all days, excluding all Saturdays, Sundays or a public holiday, on which commercial banks in Mumbai are open for business; and with reference to the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, “Working Day” shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016

Technical/Industry Related Terms/Abbreviations

Term	Description
Adjusted EBITDA	Earnings before interest, income taxes, depreciation and amortization and investment income (calculated as total revenue subtracting total expenses but excluding finance cost, interest income, investment income and depreciation and amortization)
ARPOB	Average revenue per occupied bed
CRISIL Report	“Report on healthcare delivery sector in India” prepared by CRISIL Research, November 2014
Frost and Sullivan Report	“Independent Market Report for Healthcare IPO Covering Selected Countries in the GCC (The UAE, the KSA, Oman, and Qatar)” May 2016, prepared by Frost & Sullivan
JCI	Joint Commission International
MENA region	The Middle East and North Africa region
NABH	National Accreditation Board for Hospitals and Healthcare Providers
NABL	National Accreditation Board for Testing and Calibration Laboratories
Zakat	Charges payable in accordance with the income tax regulations of Jordan, Qatar and Saudi Arabia

Conventional and General Terms or Abbreviations

Term	Description
ACIT	Assistant Commissioner of Income Tax
AGM	Annual General Meeting
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
Air Act	Air (Prevention and Control of Pollution) Act, 1981
AS/Accounting Standards	Accounting Standards issued by the ICAI
Atomic Energy Act	Atomic Energy Act, 1962
Batteries Rules	Batteries (Management and Handling) Rules, 2001
BSE	BSE Limited
BMW Rules	Bio-Medical Waste Management Rules, 2016
Boilers Act	Indian Boilers Act, 1923
CAGR	Compounded Annual Growth Rate
Category I Foreign Portfolio Investors	FPIs who are registered as “Category I foreign portfolio investors” under the SEBI FPI Regulations
Category II Foreign Portfolio Investors	FPIs who are registered as “Category II foreign portfolio investors” under the SEBI FPI Regulations
Category III Foreign Portfolio Investors	FPIs who are registered as “Category III foreign portfolio investors” under the SEBI FPI Regulations which shall include investors who are not eligible under Category I and II foreign portfolio investors such as endowments, charitable societies, charitable trusts, foundations, corporate bodies, trusts, individuals and family offices
CBAHI	Saudi Central Board for Accreditation of Healthcare Institutions
CDSL	Central Depository Services (India) Limited
CENVAT	Central Value Added Tax
CESTAT	Customs, Excise and Service Tax Appellate Tribunal
CIN	Corporate Identity Number

Term	Description
CIT	Commissioner of Income Tax
CIT(A)	Commissioner of Income Tax (Appeals)
CLRA	Contract Labour (Regulation & Abolition) Act, 1970
Companies Act	Companies Act, 1956 and/or the Companies Act, 2013 as applicable
Companies Act, 1956	Companies Act, 1956, and the rules thereunder (without reference to the provisions thereof that have ceased to have effect upon the notification of the Notified Sections)
Companies Act, 2013	The Companies Act, 2013, and the rules and clarifications issued thereunder to the extent in force pursuant to the notification of the Notified Sections
Copyright Act	Copyright Act, 1957
CODM	Chief Operating Decision Maker
DCA	Drugs and Cosmetics Act, 1940
Depositories	NSDL and CDSL
Depositories Act	Depositories Act, 1996
DHA	Dubai Health Authority
DHCC	Dubai Health Care City
DHCR	Dubai Healthcare City Authority – Regulation
DPCO	Drugs (Prices Control) Order, 2013
DIFC	The Dubai International Financial Centre
DIFC Companies Law	DIFC Law No. 2 of 2009
DIN	Director Identification Number
DIPP	Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India
DP ID	Depository Participant's Identification
DP/ Depository Participant	A depository participant as defined under the Depositories Act
EGM	Extraordinary General Meeting
EPF Act	Employees' Provident Fund and Miscellaneous Provisions Act, 1952
EPA	Environment Protection Act, 1986
EPS	Earnings Per Share
Equity Listing Agreement	Listing Agreement to be entered into with each of the Stock Exchanges on which the Equity Shares of our Company are to be listed
ESI Act	Employees State Insurance Act, 1948
Explosives Act	Explosives Act, 1884
FCNR	Foreign Currency Non-Resident
FDI	Foreign Direct Investment
FEMA	Foreign Exchange Management Act, 1999, and the rules and regulations thereunder
FEMA Regulations	FEMA (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 and amendments thereto
FIA	Foreign Investments Act of 1991, Philippines
FII(s)	Foreign institutional investors as defined under the SEBI FPI Regulations
FPI(s)	Foreign portfolio investors as defined under the SEBI FPI Regulations
Financial Year/Fiscal/FY	Unless stated otherwise, the period of 12 months ending March 31 of that particular year
FIPB	Foreign Investment Promotion Board
FVCI	Foreign venture capital investors as defined and registered under the SEBI FVCI Regulations
GCC	Cooperation Council for the Arab States of the Gulf
GDP	Gross Domestic Product
GIR	General Index Register
GoI	Government of India
Gratuity Act	Payment of Gratuity Act, 1972
HAAD	Health Authority – Abu Dhabi
Hazardous Waste Rules	Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016
Health Law	The Health Law, Royal Decree No. M/11 23/3/1423H (4 June 2002)
Healthcare Professionals Law	Practising Healthcare Professionals law M/59 dated 4/11/1426H (6 December 2005)
HUF	Hindu Undivided Family
Human Medicine Law	Federal Law No (7) of 1975 Concerning the Practice of Human Medicine (UAE)
IMAGE	Indian Medical Association Goes Ecofriendly
ICAI	The Institute of Chartered Accountants of India
ICC	Internal Complaints Committee set up under the provisions of the SHWW Act
IFRS	International Financial Reporting Standards as adopted by the International Accounting Standards Board
IMCA	Indian Medical Council Act, 1956
Income Tax Act, IT Act	The Income Tax Act, 1961
India	Republic of India
Indian GAAP	Generally Accepted Accounting Principles in India
Ind AS	Indian Accounting Standards
IPO	Initial public offering
IRDAI	Insurance Regulatory and Development Authority of India
IST	Indian Standard Time

Term	Description
IT Act	Income Tax Act, 1961
IT Department	Department of Income Tax
IT	Information Technology
Jordanian Companies Law	Jordanian Companies Law No. (22) of 1997
KSA	Kingdom of Saudi Arabia
Kuwait Health Insurance Law	Law No. 1 for the Year 1999 Regarding Medical Insurance of Foreigners and Imposing Fees for Medical Services
Legal Metrology Act	Legal Metrology Act, 2009
LIBOR	London Interbank Offered Rate
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015
Medical Liability Law	Federal Law No (10) of 2008 Concerning Medical Liability
Medical Waste Law	Local Law No. (4) of 1998 concerning Medical Waste of Healthcare Facilities in the Emirate of Abu Dhabi
MICR	Magnetic Ink Character Recognition
MTP Act	Medical Termination of Pregnancy Act, 1971
Mutual Fund(s)	Mutual Fund(s) means mutual funds registered under the SEBI (Mutual Funds) Regulations, 1996
MWA	Minimum Wages Act, 1948
Narcotics Act	Narcotic Drugs and Psychotropic Substances Act, 1985
Narcotics Drugs Law	Federal Law No. 6 of 1986 concerning narcotic drugs
N.A./ NA	Not Applicable
NAV	Net Asset Value
NCLT	National Company Law Tribunal
NECS	National Electronic Clearing Services
NEFT	National Electronic Fund Transfer
Non-Resident	A person resident outside India, as defined under FEMA and includes a Non Resident Indian, FPIs (including FIIs)
Notified Sections	The sections of the Companies Act, 2013 that have been notified by the Ministry of Corporate Affairs, Government of India, and are currently in effect
NR	Non-resident
NRE Account	Non Resident External Account
NRI	An individual resident outside India who is a citizen of India or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955
NRO Account	Non Resident Ordinary Account
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCB/ Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA. OCBs are not allowed to invest in the Offer
OCI	Other Comprehensive Income
Other Medical Professions Law	Federal Law No (5) of 1984 Concerning the Practice of some Medical Professions by Persons other than Physicians and Pharmacists
p.a.	Per annum
P/E Ratio	Price/Earnings Ratio
PAN	Permanent Account Number
PAT	Profit After Tax
Payment of Bonus Act	Payment of Bonus Act, 1965
PCB	Pollution Control Board
Pharmaceutical Establishments Law	Federal Law No (4) of 1983 Concerning Pharmaceutical Profession and Establishments
Pharmaceutical Establishments and Products Law	Pharmaceutical Establishments and Products Law No M/31 dated 1/6/1425H (18 July 2004)
PHF Law	Federal Law No (4) of 2015 Concerning Private Health Facilities (UAE)
PNDT Act	Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994
Private Health Institutions Law	Private Health Institutions Law dated 6/12/1423H (7 February 2003)
PWA	Payment of Wages Act, 1936
Qatar Companies Law	Commercial Companies Law No. 11 of 2015
Radiation Rules	Atomic Energy (Radiation Protection) Rules, 2004
Radiation Surveillance Procedures	Radiation Surveillance Procedures for Medical Application of Radiation, 1989
RBI	The Reserve Bank of India
RoNW	Return on Net Worth
₹/Rs./Rupees/INR	Indian Rupees
RTGS	Real Time Gross Settlement
SAGIA	Saudi Arabia General Investment Authority
SCRA	Securities Contracts (Regulation) Act, 1956

Term	Description
SCRR	Securities Contracts (Regulation) Rules, 1957
SEBI	The Securities and Exchange Board of India constituted under the SEBI Act
SEBI Act	Securities and Exchange Board of India Act 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012
SEBI ESOP Regulations	Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014
SEBI FII Regulations	Securities and Exchange Board of India (Foreign Institutional Investors) Regulations, 1995
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996
Securities Act	U.S. Securities Act of 1933, as amended
SICA	Sick Industrial Companies (Special Provisions) Act, 1985
SHWW Act	Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013
Sq. ft.	Square feet
STT	Securities Transaction Tax
State Government	The government of a state in India
Stock Exchanges	The BSE and the NSE
Takeover Regulations	Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011
Trade Marks Act	Trade Marks Act, 1999
Trade Unions Act	Trade Unions Act, 1926
Transplantation of Organs Act	Transplantation of Human Organs and Tissues Act, 1994
UAE	United Arab Emirates
UK	United Kingdom
ULIP	Unit Linked Insurance Plan
U.S./USA/United States	United States of America
US GAAP	Generally Accepted Accounting Principles in the United States of America
USD/US\$	United States Dollars
US Persons	As defined in Regulation S under the Securities Act
US QIBs	Qualified Institutional Buyers as defined in Rule 144A under the Securities Act
VAS	Value Added Services
VAT	Value Added Tax
VCFs	Venture Capital Funds as defined in and registered with SEBI under the SEBI VCF Regulations or the SEBI AIF Regulations, as the case may be
Water Act	Water (Prevention and Control of Pollution) Act, 1974
Water Cess Act	Water (Prevention & Control of Pollution) Cess Act, 1977
Water Cess Rules	Water (Prevention & Control of Pollution) Cess Rules, 1978
X-Ray Safety Code	The Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001

The words and expressions used but not defined herein shall have the same meaning as is assigned to such terms under the SEBI ICDR Regulations, the Companies Act, the SCRA, the Depositories Act and the rules and regulations made thereunder.

Notwithstanding the foregoing, terms in “*Statement of Tax Benefits*”, “*Significant Differences Between Indian GAAP and Ind AS*”, “*Financial Statements*” and “*Main Provisions of Articles of Association*” on pages 111, 400, 244 and 511, respectively, shall have the meaning given to such terms in such sections. Page numbers refer to page number of this Draft Red Herring Prospectus, unless otherwise specified.

PRESENTATION OF FINANCIAL, INDUSTRY AND MARKET DATA

Certain Conventions

All references in this Draft Red Herring Prospectus to “Bahrain” are to the Kingdom of Bahrain, all references to “India” are to the Republic of India, all references to “Jordan” are to the Hashemite Kingdom of Jordan, all references to “Kuwait” are to the State of Kuwait, all references to “Mauritius” are to the Republic of Mauritius, all references to “Oman” are to the Sultanate of Oman, all references to “Philippines” are to the Republic of Philippines, all references to “Qatar” are to the State of Qatar, all references to “Saudi Arabia” or “KSA” are to the Kingdom of Saudi Arabia, all references to the “UAE” are to the United Arab Emirates, all references to the “US”, “USA” or “United States” are to the United States of America, and all references to “GCC” or “Gulf Cooperation Council” or “GCC States” are to the Cooperation Council for the Arab States of the Gulf comprising of Bahrain, Kuwait, Qatar, UAE, Oman and Saudi Arabia.

Unless stated otherwise, all references to page numbers in this Draft Red Herring Prospectus are to the page numbers of this Draft Red Herring Prospectus.

Financial Data

Unless stated otherwise, the financial data in this Draft Red Herring Prospectus is derived from the Restated Standalone Financial Statements or the Restated Consolidated Financial Statements prepared in accordance with the Companies Act, 2013, Indian GAAP and restated in accordance with the SEBI ICDR Regulations.

In addition, proforma financial information as required under the SEBI ICDR Regulations in relation to Dr. Ramesh Hospital in which we have acquired control after the nine month period ended December 31, 2015 is included in this Draft Red Herring Prospectus.

In this Draft Red Herring Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off.

Our Company’s financial year commences on April 1 and ends on March 31 of the next year. Accordingly, all references to a particular financial year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

Our Restated Financial Statements have been prepared in accordance with Indian GAAP. There are significant differences between Indian GAAP, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. Our Company has not attempted to explain those differences or quantify their impact on the financial data included in this Draft Red Herring Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial data. Our financial statements for periods subsequent to April 1, 2016, will be prepared and presented in accordance with Ind AS. Given that Ind AS differs in many respects from Indian GAAP, our financial statements prepared and presented in accordance with Ind AS may not be comparable to our historical financial statements prepared under Indian GAAP.

For details in connection with risks involving differences between Indian GAAP and IFRS see “Risk Factors – Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI Regulations contained in this Draft Red Herring Prospectus.” on page 51 and for risks in relation to Ind AS, see “*Risk Factors – Public companies in India, including us, are required to prepare financial statements under Ind AS and compute Income Tax under the Income Computation and Disclosure Standards (the “ICDS”). The transition to Ind AS and ICDS in India is very recent and we may be negatively affected by such transition*” on page 52 and “*Significant Differences Between Indian GAAP and Ind AS*” on page 400. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

Unless the context otherwise indicates, any percentage amounts, as set forth in “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Conditional and Results of Operations” on pages 17, 134 and 404 respectively, and elsewhere in this Draft Red Herring Prospectus have been calculated on the basis of the audited financial information of our Company prepared in accordance with Indian GAAP and the Companies Act and restated in accordance with the SEBI ICDR Regulations.

Currency and Units of Presentation

All references to:

- “AED” or “Dirham” are to the United Arab Emirates Dirham, the official currency of the UAE;

- “BHD” are to the Bahrain Dinar, the official currency of Bahrain;
- “CHF” are to the Swiss Franc, the official currency of Switzerland;
- “Euro” or “€” are to the Euro, the official currency of the Eurozone
- “GBP” are to the Pound Sterling, the official currency of the United Kingdom
- “JOD” are to the Jordanian Dinar, the official currency of Jordan;
- “KWD” or “Dinar” are to the Kuwaiti Dinar, the official currency of Kuwait;
- “OMR” or “Riyal OMR” are to the Omani Riyal, the official currency of Oman;
- “PHP” are to the Philippine Peso, the official currency of Philippines;
- “QAR” or “Riyal QAR” are to to the Qatari Riyal, the official currency of Qatar;
- “Rupees” or “₹” or “INR” or “Rs.” are to Indian Rupee, the official currency of the Republic of India;
- “SAR” or “Riyal” are to the Saudi Arabian Riyal, the official currency of KSA; and
- “USD” or “US\$” or “\$” are to United States Dollar, the official currency of the United States;

Our Company has presented all numerical information in this Draft Red Herring Prospectus in “million” units or in whole numbers where the numbers have been too small to represent in millions. One million represents 1,000,000 and one billion represents 1,000,000,000.

Exchange Rates

This Draft Red Herring Prospectus contains conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the SEBI ICDR Regulations. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate or at all.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the respective foreign currencies:

Currency	As on March 31, 2013* (₹)	As on March 31, 2014* (₹)	As on March 31, 2015* (₹)	As on December 31, 2015 (₹)	As on April 30, 2016 (₹)
1 AED	14.82	16.30	16.97	18.03	18.09
1 BHD	144.52	158.84	165.26	175.96	176.28
1 CHF	57.18	67.79	64.26	66.62	68.84
1 EURO	69.54	82.58	67.51	72.50	75.73
1 GBP	82.32	99.85	92.46	98.35	97.40
1 JOD	76.94	84.54	87.87	93.39	93.79
1 KWD	190.94	212.63	207.05	218.18	220.19
1 OMR	141.52	155.54	161.84	171.38	171.90
1 PHP	1.33	1.33	1.39	1.41	1.41
1 QAR	14.97	16.44	17.11	18.18	18.25
1 SAR	14.53	15.97	16.61	17.64	17.71
1 USD	54.39	60.10	62.59	66.33	66.52

Sources: Bloomberg, RBI website, Bloomberg and www.oanda.com

* In case March 31 or December 31 of any of the respective years was a public holiday, the previous calendar day not being a public holiday has been considered

Land and Units of Presentation

Our Company has presented units of land in this Draft Red Herring Prospectus in ‘acres’ and ‘square feet’.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Draft Red Herring Prospectus has been obtained or derived from publicly available information as well as industry publications and sources.

Industry publications generally state that the information contained in such publications has been obtained from publicly

available documents from various sources believed to be reliable but their accuracy and completeness are not guaranteed and their reliability cannot be assured. Although we believe the industry and market data used in this Draft Red Herring Prospectus is reliable, it has not been independently verified by us, the respective Selling Shareholders, the Managers or any of their affiliates or advisors. The data used in these sources may have been reclassified by us for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in “*Risk Factors*” on page 17. Accordingly, investment decisions should not be based solely on such information.

Certain information in “*Summary of Industry*”, “*Summary of our Business*”, “*Industry Overview*” and “*Our Business*” on pages 55, 59, 113 and 134, respectively of this Draft Red Herring Prospectus has been obtained from the “Independent Market Report for Healthcare IPO Covering Selected Countries in the GCC (The UAE, the KSA, Oman, and Qatar), May 2016” prepared by Frost & Sullivan and the “Report on healthcare delivery sector in India, CRISIL Research, November 2014” prepared by CRISIL Research.

In accordance with the SEBI ICDR Regulations, “*Basis for the Offer Price*” on page 107 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we, nor the Managers have independently verified such information.

The extent to which the market and industry data used in this Draft Red Herring Prospectus is meaningful depends on the reader’s familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of our Company is conducted, and methodologies and assumptions may vary widely among different industry sources.

Disclaimer of CRISIL

This Draft Red Herring Prospectus contains data and statistics from certain reports and material prepared by CRISIL Research, which is subject to the following disclaimer:

“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable (Data). However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data/Report and is not responsible for any errors or omissions or for the results obtained from the use of Data/Report. This Report is not a recommendation to invest/disinvest in any company covered in the Report. CRISIL especially states that it has no liability whatsoever to the subscribers/users/transmitters/distributors of this Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL’s Ratings Division/CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL’s Ratings Division/CRIS. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval.”

FORWARD-LOOKING STATEMENTS

This Draft Red Herring Prospectus contains certain “forward-looking statements”. These forward-looking statements generally can be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “will”, “will continue”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe our Company’s strategies, objectives, plans or goals are also forward-looking statements. All forward-looking statements are based on our current plans, estimates, presumptions and expectations and are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement.

Actual results may differ materially from those suggested by the forward-looking statements due to risks or uncertainties or assumptions associated with the expectations with respect to, but not limited to, regulatory changes pertaining to the industry in which our Company has businesses and our ability to respond to them, our ability to successfully implement our strategy, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions which have an impact on our business activities or investments, the monetary and fiscal policies of India and the GCC, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes and changes in competition in its industry. Important factors that could cause actual results to differ materially from our Company’s expectations include, but are not limited to, the following:

- Our ownership structure in most of the GCC states being subject to risks associated with foreign ownership restrictions;
- Certain licenses required to operate our businesses being held to contravene legal requirements;
- Succession risks associated with nominee shareholder arrangements with natural persons or healthcare licences which have been issued to nominees who are natural persons;
- Certain nominee arrangements lacking provisions of a protective nature commonly used in similar structures;
- Risks associated with our UAE law governed trust and sponsorship agreements including certain unenforceable provisions;
- Adverse consequences arising out of the compounding application filed by our Subsidiary, MIMS before the Company Law Board, Chennai in respect of past violations of Section 67(3), Companies Act, 1956;
- Our ability to recruit and retain high quality doctors and other healthcare professionals, such as nurses, pharmacists and technicians;
- Our dependency on our operations in the GCC states, particularly in Dubai;
- Adverse consequences arising out of criminal proceedings in which our directors have been named as parties; and
- Delays and cost overruns in relation to the construction or development of hospitals, clinics and standalone retail pharmacies.

For further discussion of factors that could cause the actual results to differ from the expectations, see “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 17, 134 and 404, respectively. By their nature, certain market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could materially differ from those that have been estimated and are not a guarantee of future performance.

Although we believe that the assumptions on which such forward-looking statements are based are reasonable, we cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Forward-looking statements reflect the current views of our Company as of the date of this Draft Red Herring Prospectus and are not a guarantee of future performance. Neither our Company, our Directors, the Selling Shareholders, the Managers nor any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with SEBI requirements, our Company and each Selling Shareholder shall severally ensure that investors in India are informed of material developments from the date of the Draft Red Herring Prospectus in relation to the statements and undertakings made by them in this Draft Red Herring Prospectus until the time of the grant of listing and trading permission by the Stock Exchanges for this Offer. Further, in accordance with Regulation 51A of the SEBI ICDR Regulations, our Company may be required to undertake an annual updation of the disclosures made in the Draft Red Herring Prospectus and make it publicly available in the manner specified by SEBI.

SECTION II: RISK FACTORS

An investment in equity shares involves a high degree of risk. You should carefully consider all the information disclosed in this Draft Red Herring Prospectus, including the risks and uncertainties described below, before making an investment decision in our Equity Shares. If any one or a combination of the following risks actually occur, our business, prospects, financial condition and results of operations could suffer and the trading price of our Equity Shares could decline and you may lose all or part of your investment. The risks described below are not the only ones relevant to us or our Equity Shares or the industry and regions in which we operate. Additional risks and uncertainties, not presently known to us or that we currently deem immaterial may arise or may become material in the future and may also impair our business, results of operations and financial condition. To obtain a more detailed understanding of our Company, prospective investors should read this section in conjunction with the sections titled “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 134 and 404, respectively, as well as the other financial and statistical information contained in this Draft Red Herring Prospectus. In making an investment decision, prospective investors must rely on their own examination of our Company and the terms of the Offer. You should consult your tax, financial and legal advisors about the particular consequences to you of an investment in this Offer.

Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and has significant operations in the GCC states and is subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

This Draft Red Herring Prospectus also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Draft Red Herring Prospectus. Please see the section “Forward-Looking Statements” on page 16.

Unless specified or quantified in the relevant risks factors below, we are not in a position to quantify the financial or other implication of any of the risks described in this section. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Financial Statements.

INTERNAL RISK FACTORS

Risks Relating to Our Business and Our Industry

1. ***Our ownership structure in most of the GCC states is subject to risks associated with foreign ownership restrictions.***

Overview

Our operations are principally located in the GCC states, where we generated 98.18%, 89.75%, 88.96% and 87.48% of our revenue for fiscal 2013, 2014 and 2015 and the nine months ended December 31, 2015, respectively. In the nine months ended December 31, 2015, our subsidiaries in the UAE generated 58.83% of our revenue while our subsidiaries in Saudi Arabia, Oman, Qatar, Jordan and Kuwait generated 16.30%, 6.13%, 4.90%, 0.69% and 0.62% respectively. We are subject to foreign ownership laws which provide that nationals must hold a majority of the shares of our subsidiaries incorporated in each of the UAE, Kuwait, Qatar and Jordan, as well as in Oman where nationals are required to hold 30% of the shares of our Omani subsidiaries. For further details in relation to the foreign ownership laws applicable in the GCC states, see the section “Regulations and Policies” on page 153.

In GCC states which restrict foreign ownership, we have typically entered into shareholder arrangements with local shareholders which are intended to provide us with management control and a majority of the dividends or profits from our subsidiary despite our minority legal shareholding; the local shareholder acts as our nominee for the purpose of fulfilling foreign ownership requirements, is only entitled to an annual fee (irrespective of actual profits) and is not involved in the company’s management. We consolidate our minority shareholding in these subsidiaries in our financial statements on the basis of our shareholder arrangements. In many cases, our shareholder arrangements are effected through trust agreements in GCC states where legal recognition of concepts of trusts or beneficial ownership is uncertain. Moreover, the enforceability of such arrangements remains subject to applicable local laws of these jurisdictions, for example, the Proxy Law in Qatar and the Concealment Law in the UAE, and there can be no assurance that we will be able to continue to exercise control over these Subsidiaries in such jurisdictions, if such arrangements are held to be unenforceable, including on account of these arrangements being interpreted by relevant authorities as contrary to the spirit of such local laws.

There are a number of provisions for our protection in the agreements used to effect our beneficial ownership rights in our arrangements with the nominees shareholders which are not contained in the relevant constitutional documents. If we are unable to enforce our rights as a beneficial shareholder in the event there is a discrepancy

between such agreement, and the constitutional documents of the company and the constitutional documents prevail, it may adversely affect our business and results of operations.

Whether initiated by a regulator or in a dispute with a local nominee shareholder, these shareholder arrangements may be held to violate local law, the penalties for which could include criminal sanctions against us, the closure of our business in the country or fines. In the event of a dispute with our local shareholders, our shareholder arrangements may be void if they violate local law, which could reduce our corporate and economic rights in the affected subsidiary to that of a minority shareholder. We operate a high profile business in the highly regulated healthcare sector. A challenge to our ownership structure based on an allegation that we have contravened foreign investment laws is likely to be made public, which could have an adverse effect on our relationship with regulatory authorities and the trading price of the Shares. A challenge to our ownership structure on the basis of foreign investment restrictions could have a material adverse effect on our business, financial condition and results of operations.

UAE

Most of our revenues are from our operations in the UAE. UAE law contains local ownership requirements stating that nationals of the UAE must, directly or indirectly, be the legal/registered owners of at least 51% of the outstanding share capital of UAE companies and foreign investors cannot acquire more than 49% of such share capital. Companies which are registered in a free zone in the UAE are exempt from this requirement and may be 100% foreign owned. All of our subsidiaries in the UAE are directly or indirectly held by Aster DM Healthcare FZC, a free zone company which is considered a foreign entity under UAE law and may not hold more than 49% of the underlying UAE subsidiaries.

In order to secure beneficial ownership of our UAE operations above the UAE foreign ownership restriction threshold, we adopted the approach taken by many foreign-owned companies operating in the UAE by implementing commonly used nominee arrangements whereby we hold 49% of the share capital of our UAE entities and the remaining 51% are held by one or more nationals of UAE for our benefit pursuant to UAE-law governed trust and sponsorship agreements (“**UAE Agreements**”). These arrangements and the UAE trust and sponsorship agreements remain in effect for 16 of our subsidiaries in the UAE (“**UAE Trust Entities**”), of which 4 are under winding up voluntary proceedings.

In a restructuring commenced in September 2015, we have implemented an arrangement with trust deeds and sponsorship agreements governed by DIFC law (“**DIFC Agreements**”) for 13 of our subsidiaries in the UAE (“**DIFC Trust Entities**”). Under this arrangement, we retained our registered ownership of the shares of the DIFC Trust Entities (generally 49%) and have beneficial ownership of shares of a DIFC company, the shares of which are indirectly owned by UAE nationals, that owns shares of the DIFC Trust Entities (generally 51%). For further details on the UAE Agreements and DIFC Agreements, see “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202. While this restructuring was intended to mitigate many of the potential foreign ownership risks faced by the previous structure used by the DIFC Trust Entities, there can be no assurance that these risks have been eliminated for the DIFC Trust Entities and these risks remain for the UAE Trust Entities, where the structure has been retained.

The DIFC trust structure is governed by regulations which are specific to the DIFC, and which are enforced by the DIFC courts. While the concepts of trusts and beneficial ownership are recognized under DIFC laws, it is a relatively new jurisdiction and the recognition and enforcement of trust arrangements and structures of the kind employed by us has not been tested before DIFC courts. Further, similar trust structures have not been commonly employed by other foreign parties, particularly in the healthcare space. In the event that the DIFC trust structure or the manner of holding healthcare licenses by the trust entities is challenged before a court of law, and an adverse finding is made against the DIFC Trust Entities or any of our subsidiaries in the GCC states held by the DIFC companies, it may adversely affect our business and results of operations.

Our ownership structure for our subsidiaries incorporated in the UAE (either the UAE Trust Entities or the DIFC Trust Entities) could be unilaterally challenged before a UAE court on the basis of the UAE Federal Law no. 17 of 2004 in respect of the Commercial Concealment (the “**Concealment Law**”) or other general public policy-related provisions under other UAE legislation, under which a UAE court could decide that our ownership structure for the UAE subsidiaries violated public policy, morals or law in the UAE. The Concealment Law provides that it is not permissible to allow a non-UAE national, whether by using the name of another individual or through any other method, to practice any economic or professional activity that is not permissible for him to practice in accordance with the law and decrees of the UAE, which could prohibit foreign ownership of a UAE company through arrangements such as those used in our ownership structure for the UAE Trust Entities and DIFC Trust Entities. Despite its use, the legality and enforceability of nominee arrangements such as ours remains the subject of much debate and legislative scrutiny, and there is a degree of uncertainty as to how the

relevant provisions of the new UAE Commercial Companies Law, which came into effect on July 1, 2015, will be interpreted.

We are not aware of nominee or trust arrangements, such as those used in our ownership structure for the UAE Trust Entities and the DIFC Trust Entities, having been challenged by the Government of the UAE or any Emirate thereof. However, as the Concealment Law is binding law, the UAE Federal Government has the ability to enforce the Concealment Law at any time in the future. Were the UAE Government to do so, there is no certainty as to the approach that the UAE courts would take in relation to the application of the Concealment Law or other laws or policies to our ownership structures for our subsidiaries incorporated in the UAE.

There could be a number of adverse implications for us if our nominee or trust arrangements and ownership structure for our subsidiaries incorporated in the UAE were to be successfully challenged or an enforcement action initiated, including our beneficial ownership through the trust and sponsorship arrangements being deemed void, which could result in a loss of revenues from our subsidiaries incorporated in the UAE if we can no longer receive profits disproportionate to our shareholding as provided under the constitutional documents of such subsidiaries or they can no longer be consolidated, the loss of our option to acquire the shares of the UAE nominee shareholders and the loss of our right to be appointed as a proxy for the UAE nominee shareholders during shareholder meetings, the loss of our ability to prevent the UAE sponsor nominee shareholders from selling or transferring their 51% shareholding or the imposition of material fines. The imposition of one or more of such penalties could have a material adverse effect on our business, financial condition and results of operations.

Kuwait, Oman, Qatar and Jordan

Given foreign ownership requirements, we have adopted an approach taken by many foreign-owned companies operating in the GCC states by implementing a nominee arrangements' resulting in 52% of our Kuwaiti subsidiary company owned by Kuwaiti nominee shareholders on behalf of Aster DM Healthcare FZC, 30% of our Omani subsidiaries owned by an Omani nominee shareholder, 51% of our Qatar subsidiaries owned by a Qatari nominee shareholder and 51% of our Jordan subsidiaries owned by our Jordanian nominee shareholders. However, our structure, although not uncommon in practice in these countries, effectively circumvents local foreign ownership rules and as such these arrangements are generally deemed unenforceable. In the event that we needed to enforce our contractual rights against the local nominee shareholders before local courts, it may be difficult for us to enforce such ownership rights beyond the 49% ownership allowed under the law in Qatar and Kuwait and beyond 70% ownership allowed under the law in Oman.

Under trust and sponsorship agreements entered into between Aster DM Healthcare FZC and the Omani 30% shareholders, we are entitled to beneficial ownership of this 30% shareholding and all dividends for such shares. If the Omani shareholder refuses to be bound by the trust and sponsorship agreements and files a claim for payment of dividends to it, an Omani court could declare these arrangements null and void because Omani law states that a holder of shares in an Omani limited liability company cannot be deprived of his right to participate in the profits and losses of the company. The Omani shareholder, or his estate or assigns, could claim a right to 30% of all retrospectively declared dividends as well as future dividends not yet declared.

Qatar's Law No. 25 of 2014, *Combating Concealment of Non-Qatari Practice in Commercial, Economic and Professional Activities in Contravention of the Law*, is intended to prevent arrangements which circumvent Qatar's laws restricting foreign ownership, investment and business activities. While foreign parties commonly enter into nominee shareholder arrangements such as ours in Qatar, there is a risk that a Qatari court could determine that our nominee shareholder arrangements in Qatar violate this law, the penalties for which could include criminal sanctions against us, the closure of our business in Qatar or fines.

Under Jordanian law, Aster DM Healthcare FZC and its subsidiary Aster Pharmacies Group LLC, as entities registered outside Jordan, are considered "foreign" entities and cannot own more than 50% of a business engaged in pharmaceutical activities in Jordan. Jordan's Drug and Pharmacy Law No.13 of 2013 further requires that a company may only own more than one pharmacy if all of company's shares are held by natural persons who are pharmacists licensed in Jordan.

Aster Pharmacies Group LLC has entered into a nominee shareholder agreement with two Jordanian nationals to secure beneficial ownership of the 51% of the shares of Orange Pharmacies LLC, including the right to receive the dividends from such shares.

If the nominees challenge the nominee shareholder agreements before a court in Jordan, there is a risk that the court find these agreements to be null and void as Aster Pharmacies Group LLC is a foreign party and should not hold more than 50% of the shares in Orange Pharmacies LLC; or because Aster Pharmacies Group LLC is not a natural person who is a pharmacist, and as such, should not hold any shares in Orange Pharmacies LLC. Jordanian laws also do not recognize the notion of a trust arrangement. As we are not registered holder of any

shares in Orange Pharmacies LLC, we would lose all rights to our operations in Jordan if the nominee shareholder agreements were voided.

2. *Certain licenses required to operate our businesses may be held to contravene legal requirements.*

The licenses required for the operation of certain of our medical facilities and pharmacies in the GCC states may be held to contravene legal requirements and there can be no assurance that the relevant authorities will continue to authorize such licenses, allow such licenses to be renewed or permit such licenses to be applied to additional medical facilities or pharmacies. The healthcare industry is highly regulated and any inability to hold the requisite licenses for our operations could have a material adverse effect on our business, financial condition and results of operations.

UAE

The UAE Pharmacies Law does not permit a person to hold more than two licenses to operate a pharmacy, although in practice the authorities grant additional licenses on a case-by-case basis. A number of our pharmacies in the UAE have been licensed in the name of nominees whom have been issued licenses for multiple pharmacies notwithstanding that this may not be permitted under applicable healthcare regulations. A number of our pharmacies in the UAE operate under group licenses issued by the Ministry of Health to our subsidiaries Aster Pharmacies Group LLC and Aster Al Shafar Pharmacies Group LLC, although the practice of granting “group” or “chain” licenses is not specifically contemplated in the UAE Pharmacies Law.

To utilize the group licenses and simplify our corporate structure in the UAE, we have converted limited liability companies holding pharmacies to 22 branches of Aster Pharmacies Group LLC and three branches of Aster Al Shafar Pharmacies Group LLC. The legal status of these branches is uncertain as the conversion of limited liability companies to branches of another limited liability company is not contemplated by the UAE Commercial Companies Law.

Kuwait

Under applicable Kuwait laws and regulations, only Kuwait nationals who are pharmacists licensed by the Ministry of Health may own, operate and manage a pharmacy. As a pharmacist may not obtain more than one license, he or she may only own one pharmacy. Our Kuwait subsidiary, which is neither a “national” nor a “pharmacist”, manages 10 pharmacies, one central store and warehouses some medicines for resale in Kuwait. As such, there is a risk that the current operations of the Kuwait subsidiary are in violation of Kuwait law, the consequences for which could include the authorities in Kuwait imposing certain penalties upon us, including but not limited to civil monetary fines amounting to as much as three thousand Kuwaiti Dinars and criminal detention for as much as two years.

Qatar

As permitted under applicable Qatar laws and regulations, our licenses in Qatar are issued in the name of our shareholder who is a Qatari national. We would have to apply to the Supreme Council of Health for a transfer of the license to a new shareholder in the event our Qatari license holder were to cease to be a shareholder, or suffer death or disability. This could be a time consuming process, particularly where the transfer is a result of conflict or dispute with the license holder, which could have a material adverse effect on the business operation.

In respect of our pharmacies in Qatar, Qatari Pharmacy laws prescribe that a company must only have Qatari nationals as shareholders in order to be issued a license to operate a pharmacy. Our subsidiaries in Qatar are licensed by the Supreme Council of Health, which has verbally advised that it will grant pharmaceutical licenses for companies, such as our subsidiaries in Qatar, that have foreign shareholders provided that the majority of the shareholders are Qataris and the license is issued in the name of the Qatari shareholder. Although our pharmacies in Qatar have been licensed by the Supreme Council of Health, they remain technically in breach of Qatari Pharmacy law as the companies that own our pharmacies are not 100% owned Qatari companies. If this requirement were to be strictly applied by the Supreme Council of Health in the future, this might have an adverse impact on the business as and when the applicable licenses are due for renewal.

Jordan

Jordan’s Drug and Pharmacy Law No.13 of 2013 requires that a company may only own more than one pharmacy if all of company’s shares are held by natural persons who are pharmacists licensed in Jordan and further requires that each such pharmacist holds at least 2.5% of the share capital of the company. Orange Pharmacies LLC, which owns our pharmacies in Jordan, was incorporated before this law came into effect and

a majority of its registered shareholders hold one share each representing 0.0033% of share capital of the company.

3. *We are subject to succession risks where we have entered into nominee shareholder arrangements with natural persons or where our healthcare licenses have been issued to nominees who are natural persons.*

We have nominee shareholder arrangements with natural persons, instead of juridical persons, in our subsidiaries in Jordan, Kuwait, and Oman, as well as the UAE Trust Entities. Where nominee arrangements are with natural persons, we are subject to succession risks in the event of the death or incapacity of a nominee shareholder. There also may be an increased risk that the nominee shareholder's heirs or assigns, with whom we may not have any existing relationship, could contest the shareholder arrangement. While in some instances we used share pledges and control over the transfer of shares to provide for succession, there can be no assurance that such measures will succeed. For example, although the UAE Agreements provide that the heirs of the appointed nominees shall be bound by the provisions of the UAE trust and sponsorship agreements, the heirs may have legal ground to challenge these provisions on the basis of the concept of privity of contracts. In Jordan, the shares of a deceased nominee shareholder would be distributed to the heirs of the nominee shareholder, and not according to our nominee agreement with us.

In accordance with the practice adopted by the local healthcare sector regulatory authorities, the licenses for the operation of certain of our medical facilities and pharmacies in the GCC states are issued in the name of our nominees, who are generally nationals of the country where the license applies and shareholders (direct or indirect) of the relevant operating company. There can be no assurance that our ability to continue to operate the affected medical facilities or pharmacies would remain unimpaired if there were a conflict or dispute between us and our nominees or in the event of death or disability of a nominee. Replacement of a nominee or the modification or renewal of a license may be a time consuming process, and there can be no assurance that we would be able to obtain new licenses in a timely manner, on acceptable terms, or at all. Any delay in identifying a new nominee or obtaining a new license could have a material adverse effect on our business, financial condition and results of operations.

In the event of the death or incapacity of a nominee shareholder or license holder, it may adversely affect our business and results of operations.

4. *Certain nominee arrangements lack certain provisions of a protective nature commonly used in similar structures.*

There are certain provisions commonly provided for under agreements similar to the UAE Agreements that protect interests of the foreign shareholder in a UAE registered company. These provisions are usually included in the constitutional documents of such companies (to the extent allowed under UAE law) as well as addressed under the UAE Agreements entered into between the foreign shareholder and the UAE shareholder, for example a provision that the UAE national undertakes not to encumber (which includes creating any mortgage, charge, right to acquire or right of pre-emption) the shares he holds in the share capital of the UAE entity and/or that all profits which are available for distribution to the shareholders are distributed on an annual basis immediately following the annual general assembly of the shareholders. The constitutional documents of the UAE Trust Entities do not include similar provisions. As a result, there could be a material adverse effect on our business in the UAE, notably if the Sponsor Nominee encumbers the shares he holds or if our ability to repatriate the annual dividends is impeded, which in turn could have a material adverse effect on our cash flow.

A number of instruments are used by foreign investors in Kuwait which are intended to protect their interests in nominee arrangements, including pledging the nominee shareholders' shares in favor of the foreign shareholder to restrict the nominee's ability to transfer its shares. We have not entered into any such agreements to safeguard our rights as a foreign investor in Kuwait.

5. *The UAE Agreements include certain unenforceable provisions.*

The UAE Agreements provide that the Sponsor Nominee shall appoint such person(s) as proxy to attend the shareholders meeting of the UAE Trust Entities and vote on their behalf as we designate as beneficial owners. Under UAE law a shareholder may only appoint another shareholder in the limited liability company (who is not a manager in that company) to represent him by proxy at the shareholders meeting. Appointment of any other party than the other shareholder in the company has no legal effect unless the party is appointed under the Memorandum of Association to represent the shareholder at the general assembly.

Therefore, should the Sponsor Nominee choose not to follow the manner of appointing the shareholders meeting proxy prescribed under the UAE Agreements, we will not be able to enforce our right to appoint such proxy as beneficial owners.

The invalidity of this provision could adversely affect our ability to exercise our beneficial voting rights in shareholders general assembly meetings of the UAE Trust Entities, which could have a material adverse effect on our ability to effectively manage the UAE Trust Entities.

6. *Our performance depends on our ability to recruit and retain high quality doctors and other healthcare professionals, such as nurses, pharmacists and technicians.*

Our operations depend on the number, ability and experience of the doctors, nurses, pharmacists and other healthcare professionals at our hospitals, clinics and retail pharmacies. We compete with other healthcare providers, including those located in Middle East and North Africa region, or MENA, Asia, India, the European Union and North America, to recruit and retain qualified doctors and other healthcare professionals.

The reputation, expertise and demeanor of the doctors, nurses, pharmacists and other medical professionals who provide medical services at our hospitals, clinics and retail pharmacies are instrumental to our ability to attract patients and our maintaining good relations with them. Due to the demand we are experiencing at our current facilities in the GCC states and in India, we increased our average number of revenue-generating doctors by 266 in fiscal 2016.

The factors that healthcare professionals consider important in deciding where they will work include their compensation package, the reputation of the hospital, the quality of equipment and facilities, the quality and challenges of the cases they treat, the quality and number of supporting staff, the medical and legal environment, market leadership of the hospital, and any applicable professional licensing, visa and immigration requirements in the countries in which they would prefer to work. We may not be able to compete with other healthcare providers on some or all of these factors.

In addition, we have experienced and expect to continue to experience significant wage and benefit pressures created by a current shortage of healthcare professionals. In some of our markets, doctor recruitment and retention is also affected by a shortage of doctors in certain specialties such as nephrology, psychiatry, optometry and ophthalmology, and competition for these individuals is particularly intense. We employ certain doctors in the GCC states on a part-time basis. We expect this shortage to continue, and we may be required to enhance wages and benefits to recruit and retain healthcare professionals in the face of increasing opportunities for our healthcare professionals to work in the GCC states and India, as well as other jurisdictions, such as the broader MENA region, Asia, the EU and North America. In addition, the higher cost of living in certain countries, such as the UAE, will require us to provide enhanced compensation packages to our healthcare professionals in order to adequately cover their higher living expenses. Any of the foregoing may result in an increase in our operating costs and will adversely affect our profit margins. In some of the GCC states, we must compete for a limited number of healthcare professionals due to local hiring requirements. For example, at least 25% of the doctors employed at our hospital in Saudi Arabia are required to be Saudi nationals.

Moreover, since the ability to attract, hire, relocate and retain medical personnel from outside the GCC states is an important element of our human resource planning, local immigration and medical licensing requirements significantly affect our staffing requirements. Immigration and medical licensing applications for medical personnel can take several months or more to be finalised. For example, regulations in Kuwait which require Ministry of Health approval to employ pharmacists who are not nationals of Kuwait or other Arab countries have limited our ability to staff the chain of pharmacies which we recently acquired in Kuwait.

If we are unable to complete the requisite license and visa applications, either as a result of changing requirements or otherwise, our ability to implement successfully our business strategy could suffer, which may have a material adverse effect on our business, financial condition and results of operations.

Furthermore, the loss of a significant number of our doctors, nurses or other healthcare professionals, or the inability to attract or retain sufficient numbers of qualified doctors, nurses and other healthcare professionals, could have a material adverse effect on our business, financial condition and results of operations.

7. *Our revenue is highly dependent on our operations in the GCC states, particularly in Dubai.*

Our operations are principally located in the GCC states, where we generated 98.18%, 89.75%, 88.96% and 87.48% of our revenue for fiscal 2013, 2014, 2015 and the nine months ended December 31, 2015 respectively. Most of our revenues in the GCC states are from our operation in the UAE, in particular from the Emirate of Dubai. Our results of operations are, and are expected to continue to be, significantly affected by foreign ownership restrictions, financial, economic and political developments in or affecting the GCC states and, in particular, by the level of economic activity in the UAE.

If the economy of the GCC states decline, or if Government intervention in the economy restricts or limits economic growth, this could have a material adverse effect on our business, financial condition and results of operations. For instance, in Saudi Arabia, where a substantial portion of our revenues are derived from patients referred and funded by the Ministry of Health, a decline in oil prices and the overall economic conditions have had a direct impact resulting in an increase in our receivables position from the Ministry of Health. In order to counter this, we may explore other business opportunities in Saudi Arabia, including increasing our share of private insurance and walk-in patients. However, there can be no assurance that we will be able to successfully secure alternate sources of revenue in Saudi Arabia, or at all.

8. *Our Promoter, Dr. Azad Moopen, has been named as one of the respondents in a criminal proceeding. Further, one of our Directors, Harsh C. Mariwala has been named as a party in criminal proceedings instituted against Marico Limited.*

Our Promoter, Dr. Azad Moopen, has been named as one of the respondents to a criminal proceeding alleging criminal conspiracy. Although the Enquiry Commissioner, and Special Judge, Kozhikode, has held that there is no material to show criminal conspiracy, the complainant has filed a criminal revision petition before the High Court of Kerala against the ruling. The complainant has alleged that the Secretary, Department of Health, Government of Kerala had abused her position as a public servant in order to obtain a pecuniary advantage by forging documents and wrongly granting a certificate for the establishment of a medical college by DM Education and Research Foundation, one of our Group Entities in which Dr. Azad Moopen is the chairman and managing trustee. The complainant has alleged that the Secretary had entered into a criminal conspiracy with Dr. Moopen and that they are guilty of offences under the Prevention of Corruption Act, 1988 and the Indian Penal Code, 1860, which is punishable with imprisonment and fine. The matter is currently pending before the High Court of Kerala, Ernakulam. For further details, see “*Outstanding Litigation and Material Developments – Litigation involving our Promoter*” on page 435.

Further, 10 complaints have been filed under the Prevention of Food Adulteration Act, 1954 against Marico Limited, a public listed company, where one of our independent directors, Harsh C. Mariwala, has also been named as a party. These complaints allege that certain samples of products produced by Marico Limited were not as per the prescribed standards in terms of the Prevention of Food Adulteration Act, 1954, which prohibits, inter alia, the manufacture for sale or storage, selling or distribution of any adulterated food by any person. While no allegation has been made against Harsh C. Mariwala and no prayer sought against Harsh C. Mariwala in any of the 10 complaints, the alleged offences, if decided against Marico Limited or the other parties named in the complaint, may result in the imposition of criminal liability on Marico Limited and the relevant persons proven to be responsible under the Prevention of Food Adulteration Act, 1954. For further details, see “*Outstanding Litigation and Material Developments – Litigation involving our Directors*” on page 436.

The criminal proceeding against Dr. Azad Moopen and the complaints against Marico Limited are currently pending, and there can be no assurance that the relevant judicial forums will dismiss the petitions or rule in favour of the respondents. Any conviction of Dr. Azad Moopen or any decision which is not in favour of Marico Limited (where our independent director, Harsh C. Mariwala is the chairman) or the persons named in the complaints for the alleged offences may lead to negative publicity and affect our business, reputation and results of operations.

9. *One of our Subsidiaries, MIMS, has filed a compounding application before the Company Law Board (“CLB”), Chennai in respect of past violations of Section 67(3) of the Companies Act, 1956.*

MIMS, which became our subsidiary in the year 2013, has filed a compounding application on May 11, 2016 with CLB, Chennai in relation to certain instances of issuance and allotment of equity shares by MIMS which were not in compliance with Section 67(3) of the Companies Act, 1956. Under the first proviso to Section 67(3) of the Companies Act, 1956, any offer or invitation for subscription of shares or debentures made to more than 49 persons was deemed to be a public offer. A public offer is required to comply with applicable laws, including under the Companies Act, the SEBI Act, the SCRA and the respective rules, regulations and guidelines issued thereunder, and also involves the issue and registration of a prospectus. Between 2001 and 2013, MIMS issued and allotted equity shares to more than 49 persons pursuant to private placements and rights issues (including allotments made under any unsubscribed portion of the rights issue) as set out below (the “**Identified Allotments**”):

- (i) issue and allotment of equity shares pursuant to private placements on November 29, 2001, May 1, 2002 and January 5, 2003 to 104, 128 and 376 allottees, respectively;
- (ii) issue and allotment of equity shares pursuant to a rights issue (including allotments made under any unsubscribed portion of the rights issue) between November 2006 and June 2008 on eight separate dates to 199 allottees in the aggregate;

- (iii) issue and allotment of equity shares pursuant to a rights issue (including allotments made under any unsubscribed portion of the rights issue) between November 2008 and August 2009 on five separate dates to 198 allottees in the aggregate; and
- (iv) issue and allotment of equity shares pursuant to a rights issue (including allotments made under any unsubscribed portion of the rights issue) on June 21, 2013 and December 20, 2013 to 108 allottees in the aggregate.

The Identified Allotments set out above were made to more than 49 persons pursuant to an invitation or offer, whether in a private placement or a rights issue, including to above 200 persons in one instance. Allotments to less than 49 persons made under undersubscribed portions of the rights issue have also been included since the cumulative number of allottees (pursuant to different allotments) made under each shareholders' resolution authorizing the rights issue exceeded 49.

Non-compliance with legal provisions relating to a public offer is punishable with sanctions as provided in the relevant regulations. The allotment of securities in contravention of applicable legal provisions may also in certain instances be declared void.

Pursuant to a press release dated November 30, 2015 and circular no. CIR/CFD/DIL3/18/2015 dated December 31, 2015 (the press release and the circular, the "**SEBI Circular**"), the SEBI provided that companies involved in issuance of securities to more than 49 persons but up to 200 persons in a financial year may avoid penal action subject to fulfillment of certain conditions. Such conditions include providing an option to the current holders of the securities allotted to surrender such securities at an exit price not less than the amount of subscription money paid along with 15% interest per annum or such higher return as promised to investors.

Though the number of allottees in one of the instances in the Identified Allotments in MIMS exceeded 200, recognizing the intent of SEBI, the board of directors of MIMS in its meeting held on January 15, 2016 voluntarily decided to provide an exit offer to the shareholders who had been allotted shares pursuant to the Identified Allotments and requested our Company, being the majority shareholder, to provide a refund to the eligible shareholders. Subsequently, an invitation was issued on January 27, 2016 to all the relevant 599 shareholders (excluding our Company, being the purchaser itself) to offer their shares for sale to our Company at a purchase price calculated in accordance with the SEBI Circular. Thereafter, 181 shareholders of MIMS have transferred 2,529,504 equity shares to our Company and the Company has paid the monies to them at a price which was higher of the subscription amount paid for the identified equity shares plus 15% interest per annum and the fair value of the equity shares of MIMS.

MIMS has filed its compounding application before the CLB, Chennai stating that the non-compliance with the Companies Act, 1956 was inadvertent and requesting to compound the offences under section 621A of the Companies Act, 1956. Following the constitution of the National Company Law Tribunal with effect from June 1, 2016, this matter has been transferred to the National Company Law Tribunal, Chennai Bench ("**NCLT**").

There can be no assurance that the NCLT will admit the application and compound the past violations. Further, there can be no assurance that the Ministry of Corporate Affairs, the NCLT, the SEBI or any other regulatory authority or court, or any former or current shareholder of MIMS will not take any action or initiate proceedings against MIMS, our Company or their respective current or former directors and officers in respect of the above non-compliances or the exit offer, including restraining us or them from accessing the capital markets. Any such proceeding or action or any adverse order or direction may result in fines, penalties, payment of additional amounts and potentially criminal liability and adversely affect MIMS' and our Company's ability to raise funds, reputation, financial condition and results of operations and the trading prices of the Equity Shares.

10. *Our growth strategy depends significantly on the construction or development of hospitals, clinics and stand-alone retail pharmacies which may be subject to delay and cost overruns.*

We are currently planning to construct, develop or expand five hospitals and a number of clinics and retail pharmacies in the GCC states and four hospitals in India for which we are dependent on third-party developers and contractors for completion. Please see the section "*Our Business - Hospitals*" on page 141.

Our ability to build and operate new hospitals, clinics and stand-alone retail pharmacies is subject to various factors that may involve delays or problems, including the failure to receive or renew regulatory approvals, constraints on human and capital resources, design, building and development risk, the unavailability of equipment or supplies or other reasons, events or circumstances. Our projects may incur significant cost overruns and may not be completed on time or at all.

New greenfield hospital projects are characterized by long gestation periods and substantial capital expenditures. Potential title uncertainties regarding the land on which potential acquisition targets are or may be located, including related litigation, may also cause delays in, and may otherwise curtail, our expansion plans. We may experience delays in obtaining regulatory approvals regarding the use of our land for new hospitals, clinics and stand-alone retail pharmacies that may adversely affect our schedule for implementation of these projects. The projects that we have under development are at various stages of implementation and are expected to be completed over the next three years. Some or all of these projects may not be undertaken or, if undertaken, may be altered or take longer than anticipated to complete or may exceed our cost expectations. In particular, we have heavily advertised and marketed Aster Medcity to potential patients. If there is any delay in the further construction of Aster Medcity, due to among others, litigation issues, we will not be able to operate at maximum capacity as scheduled or provide the full suite of healthcare services as anticipated, thereby adversely affecting the expectations and trust of our customers and consequently our reputation and branding.

In view of the highly competitive nature of the industry in which we operate, we may have to revise our management estimates from time to time and consequently our funding requirements may also change. This may result in the rescheduling of our proposed project expenditure and an increase in our proposed expenditure for a particular project. Any unanticipated increase in expansion costs could adversely affect our cost estimates and our ability to implement our expansion plans as proposed.

Any delay in the completion of our expansion projects may have a material adverse effect on our growth strategy and, therefore, on our business, financial condition and results of operations.

11. *We are subject to risks associated with our expansion strategy.*

As part of our growth strategy, we are exploring opportunities to acquire hospitals and clinics and/or sites for such facilities in India, the GCC states, as well as in the broader MENA region. Our growth strategies could place significant demand on our management and our administrative, operational and financial infrastructure. Please see section: “*Our Business - Strategy*” on page 137. Although we continuously evaluate potential investment opportunities, we may not be able to identify suitable sites for new hospitals, clinics or stand-alone retail pharmacies and/or existing facilities to acquire. The number of attractive expansion opportunities may be limited and may command high valuations. New hospital and clinic projects also require substantial capital expenditure. Cash generated from our existing operating activities, taken together with proceeds from the Offer and funds that are available under our existing credit facilities, may not be sufficient to fund our current expansion strategy and we may need other third-party financing to support our strategy. If such third-party financing is insufficient or not available on commercially acceptable terms, these additional expansion opportunities could be curtailed or stopped until sufficient funding is secured. In addition, new facilities may require significant numbers of additional staff, and we may have difficulty in hiring enough properly qualified personnel or in obtaining licenses for such personnel to practice in the relevant jurisdiction. Furthermore, as we may not achieve the operating levels that we expect from future projects, we may not be able to achieve our targeted return on investment on, or intended benefits or operating synergies from, these projects. If we cannot identify suitable expansion opportunities, secure suitable financing or achieve our requisite return on our investment, our business, financial condition and results of operations could be adversely affected. Any business that we acquire may have unknown or contingent liabilities, including liabilities for failure to comply with healthcare laws and regulations, and we may become liable for the past actions of such businesses.

Regulatory restrictions may further impact our strategy to acquire hospitals and clinics. We had entered into an agreement with Cauvery Medical Center Limited in 2014 to operate the Cauvery Medical Center, Bangalore. However, the Company Law Board, Chennai Bench by its order dated August 29, 2008 has directed that status quo be maintained with regard to the shareholding pattern of Cauvery Medical Center Limited, although we currently operate and maintain the facility. We may be prohibited from acquiring other hospitals or clinics, thereby affecting our expansion strategy and our business operations.

12. *The success of our expansion strategy is dependent on our ability to maintain our relationships with our partners following strategic acquisitions and to continue to operate our existing hospitals, medical centers or retail pharmacies, including the businesses which we acquire.*

Historically, our business growth has been driven by establishing new centres and hospitals through expansion and acquisitions; and we expect these to continue to be the key drivers for our future growth. See also, the sections “*Our Business*” and “*History and Certain Corporate Matters*” on pages 134 and 176, respectively. The success of our business is dependent on our ability to maintain our relationships with our partners, and identify suitable acquisition targets and to undertake new acquisitions. We may be unable to continue to operate our centres and hospitals if there are any conflicts or disputes with our partners, or if our partnership arrangements are not renewed at the end of their terms. For instance, there is an ongoing dispute amongst the existing shareholders of CMCL (where neither we, nor our Promoters, Directors or Subsidiaries are shareholders) with whom we have entered into

an O&M Agreement to operate Aster CMI Hospital, Bengaluru. For further details in relation to our relationship with CMCL, see “*History and Certain Corporate Matters – Other Material Contracts*” on page 215. In the event that the dispute results in a change in management, it could impact our working relationship with CMCL.

As a result of any operations which are discontinued in the future, we may have to make significant write-offs of our amounts spent on these centres and hospitals. We cannot assure you that any of our existing or future centres or hospitals will not be closed temporarily or permanently in the future due to any business or other reasons. If any of our existing or future centres or hospitals is closed, whether temporarily or permanently, we may not derive returns on the amounts spent on such centres and hospitals, and our business, financial condition and cash flows could be materially and adversely affected.

13. *We are subject to risks associated with expansion into new geographic regions.*

Expansion into new geographic regions, including different states in India, subjects us to various challenges, including those relating to our lack of familiarity with the culture, legal regulations and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. For instance, we set up one clinic in the Philippines last year. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets.

By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including:

- compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation;
- foreign ownership constraints and uncertainties with new local business partners;
- exposure to expropriation or other government actions; and
- political, economic and social instability.

By expanding into new geographical regions, we may be exposed to significant liability and could lose some or all of our investment in such regions, as a result of which our business, financial condition and results of operations could be adversely affected.

14. *Changes in healthcare laws, rules and regulations may materially adversely affect our business.*

The healthcare industry is subject to laws, rules and regulations in the regions where we conduct our business or to which we intend to expand our operations. For a description of the material regulations to which we are subject, please see the section “*Regulations and Policies*” on page 153. Given our diverse geographical presence and business segments, we are subject to various and extensive local law, rules and regulations relating, among other things, to:

- conduct of our business and operations;
- addition of facilities and services;
- adequacy of medical care, including required ratios of nurses to hospital beds;
- quality of medical equipment and services;
- discharge of pollutants into the air and water and handling and disposal of bio-medical, radioactive and other hazardous waste;
- qualifications of medical and support personnel;
- confidentiality, maintenance and security issues associated with health-related information and medical records;
- the screening, stabilization and transfer of patients who have emergency medical conditions; and
- regulation of the price of pharmaceutical drugs in India, the UAE and other GCC states.

Regulation in the healthcare industry is constantly changing, and we are unable to predict the future course of regulations across the various jurisdictions in which we operate. We cannot assure you that future regulatory changes will not materially adversely affect our business, financial condition and results of operations. In addition, safety, health and environmental laws and regulations in the GCC states and India have been increasing in stringency in recent years, and it is possible that they will become significantly more stringent in the future. For instance, the Bio-Medical Waste Management Rules, 2016 have recently replaced the Bio-Medical Waste Rules, 1998 and introduced mandatory authorization requirements for all medical establishments, more stringent duties of operators and annual reporting requirements in the prescribed format for all establishments handling bio-medical waste. For further details, see section “*Regulations and Policies*” on page 153. To comply

with these requirements, we may have to incur substantial operating costs and/or capital expenditure in the future.

In addition, regulations can be implemented that could affect the mix of services that we and our competitors provide, which could result in some market participants benefiting at the expense of others, for example insurance arrangements and funding for a range of services. If this were to occur, it could, if not managed properly, adversely affect our overall patient mix and operating margins, which could have a material adverse effect on our business, financial condition or results of operations.

Further, if a determination is made that we were in violation of such laws, rules or regulations, including conditions in the permits required for our operations, we may have to pay fines, modify or discontinue our operations, incur additional operating costs or undertake capital expenditures and our business, financial position, results of operations or cash flows could be adversely affected. Any public interest or class action, legal proceedings related to such safety, health or environmental matters could also result in the imposition of financial or other obligations on us and may prevent us from carrying on our business and operations. Further, a complaint has been filed before the Kerala Lokayukta, a governmental authority appointed by the government of Kerala to make enquiries into actions taken by or on behalf of the government of Kerala or public authorities in the state of Kerala, in relation to Aster Medcity. The fact finding committee constituted in relation to this complaint submitted findings including, inter-alia, that the construction of a certain portion of Aster Medcity was in violation of Kerala Panchayath Building Rules, 2011, the Kerala Conservation of Paddy Land and Wet Land Act, 2008, Coastal Regulation Zone norms, the Kerala Land Utilisation Order, 1967, the Kerala Land Conservancy Act, 1957 and constituted an encroachment of coastal zone land and stated that registering a case against our Promoter, Dr. Azad Moopen and others was necessitated in terms of the Kerala Land Conservancy Act, 1957 as was the eviction of the encroachment and demolition of the buildings constructed by our Company on such land. Though our Company is no longer a party to this matter, the matter is currently pending before the Kerala Lokayukta. Any adverse outcome in such litigation may result in orders that may materially and adversely impact our operations at this hospital. Any costs arising out of or resulting from such legal proceedings could also materially and adversely affect our competitive position and results of operations. In addition, regulations are constantly changing and we are unable to predict the future course of international and local regulation. Further changes in the regulatory framework affecting healthcare services providers could have a material adverse effect on our business, financial position, results of operations or cash flows.

We may be subject to requirements related to the remediation of hazardous substances and other regulated materials that have been released into the environment at properties now or formerly owned or operated by us or our predecessors, or at properties where such substances and materials were sent for off-site treatment or disposal. Liability for costs of investigation and remediation may be imposed without regard to fault, and under certain circumstances on a joint and several basis and can be substantial. Any of these factors could have a material adverse effect on our business, financial condition, results of operations or prospects, and the market price of the Shares.

15. *Our business is dependent on obtaining and maintaining governmental licenses necessary to operate our healthcare facilities.*

To operate our business we are required to obtain and maintain various clearances, licenses, registrations and other approvals. In particular, we are required to obtain licenses for, among others, the following activities: provision of healthcare services, provision of pharmaceutical services, sale, supply and distribution of drugs, operating establishments, administration of narcotics, psychotropic and other controlled substances, and handling and transport of explosive and flammable materials. While we are currently applying for a number of licenses and other authorizations required for our business, including licenses in relation to some of our trademarks, or are seeking to renew such licenses after they have expired, there can be no assurance that the relevant authorities will grant or renew such licenses and other authorizations. In the event that we are unable to renew or obtain these licenses in a timely manner or at all, it could adversely affect our operations.

Additionally, some of the approvals to operate Aster CMI Hospital are in the name of our partner, CMCL, and approvals to operate DM WIMS Hospital are in the name of our Group Entity, DM Education and Research Foundation. Failure by our partner or Group Entity to maintain the requisite licenses could adversely affect our business operations.

Our business activities and operations are also subject to regular reviews by licensing authorities. If any licensing requirements are not met by us, the authorities may suspend or revoke our licenses or impose other restrictions on our operations. In addition, these licensing requirements (which include maintenance of valid lease agreements) are complex, which gives rise to compliance risks, and we cannot predict what new licensing requirements, if any, will be implemented or the effect such licensing requirements may have on us. Furthermore, many of our licenses in the GCC states are valid for only one year, and the process for renewal on

a regular basis is a time consuming administrative task. In the event that we are unable to continue to meet licensing requirements, our licenses may be revoked or not renewed which could adversely affect our operations.

Our relationship with local licensing authorities is important to the continued operation of our business and future growth, including our ability to maintain or renew our existing licenses and obtain additional licenses for any new healthcare facilities. Deterioration of our relationship with any key Government agencies could have a material adverse effect on our business, financial condition, results of operations or prospects.

16. *We may not be able to successfully integrate businesses that we acquire.*

Part of our growth strategy involves the potential acquisition of established hospitals, clinics or pharmacies. The process of integrating such acquired businesses involves the following risks:

- demands on management related to integration processes;
- difficulties arising from operating a significantly larger and more complex organisation;
- diversion of management's attention from the management of daily operations to the integration of newly acquired operations;
- retaining employees, including, in particular, key medical personnel, who may be vital to the integration of the acquired business or to the future prospects of the combined businesses;
- difficulties in influencing and changing the quality of medical standards and practices at the target facility;
- difficulties in the assimilation of different corporate cultures, practices, personnel and distribution methodologies;
- difficulties in conforming the acquired company's accounting, book and records, internal accounting controls, and procedures and policies to ours;
- difficulties in retaining the loyalty and business of the customers of acquired businesses;
- difficulties and unanticipated expenses integrating IT platforms, back-office functions and redundant selling, general and administrative functions; and
- unanticipated costs and expenses associated with any undisclosed non-compliance or potential liabilities.

The failure to successfully integrate any acquired businesses may result in damage to our reputation and/or lower levels of revenue, earnings or operating efficiencies than those we have achieved or might have achieved if we had not acquired such businesses, and the loss of patients of the acquired businesses.

Furthermore, even if we are able to integrate the former operations of acquired businesses successfully, we may not be able to realise the potential cost savings, synergies and revenue enhancements that were anticipated from the integration, either in the amount or within the time frame that we expect, and the costs of achieving these benefits may be higher than, and the timing may differ from, our expectations.

Acquired businesses may have unknown or contingent liabilities, including liabilities for failure to comply with healthcare laws and regulations or unforeseen legal, contractual, labour or other issues, and we may become liable for the past activities of such businesses. Although we have policies in place to ensure that the practices of newly acquired facilities conform to our standards, and generally seek indemnification from prospective sellers covering these matters, we may become liable for past activities of any acquired business.

If we fail to integrate businesses that we acquire successfully in the future, manage the growth in our business pursuant to such acquisition or realise anticipated cost savings, synergies or revenue enhancements associated with such acquisitions, our ability to compete effectively, our business, financial condition and results of operations may be materially adversely affected.

17. *If we are unable to increase our hospital occupancy rates, we may not be able to generate adequate returns on our capital expenditures.*

We have invested and continue to invest a significant amount of capital expenditures in creating bed capacity and opening new hospitals. We are currently involved in the construction or development of five hospitals in the GCC states and four hospitals in India. We have also introduced new technologies, modernized our facilities and expanded our range of services.

We intend to focus on improving occupancy rates throughout our hospital network. Improving occupancy rates at our hospitals is highly dependent on brand recognition, wider acceptance in the communities in which we operate, our ability to attract and retain well-known and respected doctors, our ability to develop super-specialty practices

and our ability to compete effectively with other hospitals and clinics. In addition, occupancy rates at our multi-specialty hospitals in the UAE are partly dependent on referrals from our clinics.

Our occupancy rates stood at 57.01%, 64.56%, 62.91% and 65.01% for fiscal 2013, 2014, 2015 and for the nine months ended December 31, 2015 respectively, and we also had significant capital expenditures of ₹2,093.01 million, ₹3,626.54 million, ₹4,178.90 million and ₹4,908.22 million for fiscal 2013, 2014, 2015 and for the nine months ended December 31, 2015 respectively. If we fail to improve our occupancy rates, but continue to incur significant capital expenditure in the future, this could materially adversely affect our operating efficiencies and our profitability.

18. *We may be unable to keep up to date with rapid technological changes, frequent new equipment and product introductions, changes in patients' needs and evolving industry standards.*

The market for the healthcare equipment and products is characterised by rapid technological changes, frequent new healthcare equipment and product introductions and technology enhancements, changes in patients' needs and evolving industry standards. New equipment and products based on new or improved technologies or new industry standards can render existing equipment and products obsolete. To effectively provide services to the hospital operators operating at our healthcare facilities, we have to continually enhance and develop our equipment and facilities and provide sufficient training to our professional staff on a timely basis to satisfy the increasingly sophisticated requirements of the medical professionals providing healthcare services at our healthcare facilities. Further, as industry standards evolve, we may be required to enhance and develop our internal processes, procedures and training, as well as equipment, in order to comply with such standards and maintain the accreditations that our healthcare facilities have received. There can be no assurance that we will have sufficient funds to continually invest in such equipment and facilities or access to the latest technology on a timely basis, or at all, or that our prevailing systems may not be sufficiently robust to capture or adapt to the latest changes and updates. In the event that we are unable to keep up to date with the current trends and needs of the healthcare industry, or that we lose any of our accreditations, our healthcare facilities may lose their competitiveness and market share, which may adversely affect the amount of the revenue received by us and adversely affect our business, financial condition, results of operations, cash flows and prospects.

19. *We face competition from other hospitals and healthcare providers, which may result in a decline in our revenues, profitability and market share.*

The healthcare business in the GCC states and India where we operate, is competitive, and competition among healthcare providers for patients and customers has intensified in recent years. For our medical tourism business operated from Aster Medcity and other hospitals, we compete for patients and customers with competitors' hospitals in the GCC states, India, Southeast Asia and Europe. Hospitals and clinics compete on factors such as reputation, clinical excellence and patient satisfaction. Retail pharmacies compete on factors such as location, price and product offerings. We also face competition from other providers such as government-owned hospitals and clinics, specialized healthcare firms, hospitals and clinics owned or operated by non-profit and charitable organizations and numerous independent practitioners, which may offer more affordable pricing, greater convenience or better services and facilities. We are an emerging healthcare player in India and some of our competitors may be more established and have greater financial, personnel and other resources than us. Hospitals, clinics and retail pharmacies owned or managed by government agencies and trusts may be able to obtain financing or make expenditure on more favourable terms than private healthcare providers such as ourselves.

The current policy of the Government of the UAE is to develop and implement organizational, legislative and legal frameworks based on international best practices to upgrade and improve the private and public sector health services. This also allows the private sector a greater role in healthcare by allowing UAE nationals to use their medical insurance coverage in private hospitals, there can be no guarantee that this policy will continue. In recent years, the Government of the UAE has focused on the importance of hiring skilled expatriate laborers and has also invited and allowed certain international hospital operators to enter into management, co-operation and/or co-branding arrangements with large, state-owned hospitals in Abu Dhabi and Dubai. Further, in Dubai, the Dubai government has specifically designated a medical free zone, known as Dubai Health Care City, where international operators can establish themselves, without the need for a local shareholder. The international reputation of these operators, often well known brand names, and their ability to draw resources, including medical staff, from their home markets may constitute attractive features for many patients, thus increasing our competition.

It is also possible that there will be significant consolidation in the medical industry. Our competitors may develop alliances, and these alliances may acquire significant market share. Concentration within the sector, or other potential moves by our competitors, could improve their competitive position and market share and may exert further pricing and recruiting pressure on us. In addition, it is possible that Government healthcare facilities in certain GCC states, or other jurisdictions in which we are or may operate, could be privatised, which

could significantly increase competition in the private hospital market. We will also have to compete with any future healthcare facilities located in the regions in which we operate.

Should we fail to compete effectively with other healthcare providers and other firms generally, prospective patients could elect to seek treatment at other healthcare service providers, which would adversely affect our business, financial condition and results of operations.

20. *Our Company has reported net losses in recent years on a standalone, but not consolidated, basis.*

Whilst our profits on a consolidated basis for the fiscal years 2012, 2013, 2014, 2015 and for the nine months ended December 31, 2015 have been ₹523.05 million, ₹917.81 million, ₹1,777.83 million, ₹1,679.63 million and ₹713.21 million, respectively, we have incurred net losses amounting to ₹32.31 million, ₹66.47 million, ₹634.69 and ₹857.91 million during fiscal years 2011, 2012, 2015 and for the nine months ended December 31, 2015 respectively on a standalone basis. Our net losses in fiscal 2015 are primarily attributable to initial year of Aster Medcity operations while losses in 2011 and 2012 are primarily attributable to lower revenues. Although our revenue has increased on a year-on-year basis in the recent fiscal years and our total revenue on a standalone basis amounted to ₹922.87 million during fiscal year 2015, we may be unable to achieve or sustain profitability on this revenue growth rate in the future.

We expect to continue to make substantial expenditures in the future to develop and expand our business, which may result in us incurring future losses. For instance, we have acquired a 97% stake in our Sanad Hospital in Saudi Arabia under an acquisition agreement which requires us to acquire the remaining stake of 3% at the end of this fiscal year. We cannot assure you that we will be able to realise any profits from such proposed expenditure in a timely manner, or at all. In particular, our healthcare business is capital intensive and new hospitals or healthcare centres require a gestation period to break even, as a result of which we may not realise any profit corresponding to the amounts spent in a timely manner, or at all. Our growth strategy may also prove more expensive than we currently envisage and we may not succeed in increasing our revenue sufficiently to offset any higher expenses.

Our prior losses have had and will continue to have an adverse effect on our business. If we continue to incur losses in the future or we are unable to achieve or sustain our profitability, our business or prospects may be materially and adversely affected.

21. *We have experienced negative cash flows in the prior years.*

We have experienced negative cash flows from operations in the recent past, including ₹142.23 million, ₹1,365.46 million, ₹424.05 million and ₹712.96 million respectively for fiscal years 2011, 2012, 2014 and 2015 primarily on account of losses incurred during these years on a standalone basis and increase in receivables during these periods. Any negative cash flows in the future could adversely affect our results of operations and financial condition.

22. *Our arrangements with some of our doctors in India may give rise to conflicts of interest and time-allocation constraints, adversely affecting our operations.*

Most of our doctors in India are not our employees. Our contracts and other arrangements with some of our visiting doctors permit them to maintain their own private practices, as well as positions, at other hospitals. Particularly in India, some of these doctors may also have admitting privileges at other hospitals in addition to our hospitals. Certain of our senior doctors may also maintain positions at local clinics or affiliations with teaching hospitals. These arrangements may give rise to conflicts of interest, including with regard to how these doctors allocate their time and other resources between our hospitals and clinics and other hospitals or clinics at which they also work and where doctors refer patients. Such conflicts may prevent us from providing a high quality of service at our hospitals and adversely affect the level of our patient intake.

23. *The vast majority of our revenues in the GCC states come from a relatively small number of insurance providers.*

For fiscal 2013, 2014, 2015 and the nine months ended December 31, 2015, revenue from insurance companies represented 48.5%, 48.8%, 49.1% and 54.2% of our total revenues, respectively, and 25%, 28%, 30% and 28% of our healthcare revenues from the GCC states over this period were derived from 5 insurance companies, respectively.

We generally negotiate on an annual basis with insurance companies regarding the fees or pricing arrangements to be paid to us for services provided at our facilities. Some of these insurance companies have joined third party administered organisations, or TPAs, which insurers use to control costs by centralising back office functions, processing claims and negotiating fees and pricing arrangements with hospitals. We may face downward pressure on some of the payment rates from these insurers and TPAs, particularly if there is further consolidation of

insurance companies into TPAs, which may strengthen their bargaining position and result in less favourable pricing and other terms for us. We may also be unable to effectively pass on any increases in our cost base to the tariffs paid by insurers.

Our future success will depend, in part, on our ability to maintain good relationships with insurance providers. Competition from other hospital groups and healthcare providers in the region may also impact our relationships with, or ability to negotiate fee increases or other favourable terms from, insurance providers. If our relationship with insurers deteriorates, we may be unable to negotiate favourable fee arrangements and/or our business may otherwise be adversely affected.

We are also exposed to the risk that insurance companies may seek to negotiate additional annual discounts year-on-year, as is currently the case with the Daman health insurance company in Dubai, or that they may reject, delay or fail to make payment for claims we submit for medical services rendered to patients claiming coverage under such schemes. This risk may arise from disputes with insurers over the medical necessity of services we provide, clerical errors that occur when we provide information to insurance companies during the claims process, gaps in system and process compatibility between us and the insurance companies, or financial difficulties such as liquidity constraints and insolvency experienced by the insurance companies. An increase in claims rejections or significant failures by insurance companies to make payments could have a material adverse effect on our business, financial condition and results of operations.

24. *A majority of the lands on which our hospital buildings, clinics and retail pharmacies are operating are not owned by us, which could affect our operations. If the owner of premises does not renew the lease agreement, our business operations may suffer disruptions. We also own certain properties in the UAE under agreements which may not be enforceable.*

We currently own or operate 13 hospitals, of which six are located on land that has been leased. Further, all of the 87 clinics and the 180 retail pharmacies operated by us are maintained on a lease basis. Please see the section “Our Business - Properties” on page 151. We are using such premises pursuant to the respective lease agreements, with lease terms ranging from one to three years for retail pharmacies and from one to five years for clinics and will therefore need to be renewed on a regular basis. Our hospitals are located in buildings and on land that have been leased under long term lease arrangements. The lease agreements are renewable on mutual consent upon payment of such rates as stated in these lease agreements. Moreover, the lessors of these properties may terminate the lease agreements early in the event of any breach of the terms of allotment, including delay in payment of rent, usage of the property other than for the purpose for which it was leased, or transfer or assignment of the land without prior consent of the lessor.

A health license cannot be obtained in the UAE without a valid lease and the named entity on the lease will need to be reflected in the commercial and health license. Some of our leases in the UAE are registered in the name of UAE nationals rather than in the name of the relevant Subsidiary, and any dispute with such UAE nationals may adversely impact our lease and prevent us from renewing our health licenses in the UAE.

Our Subsidiary, Aster DM Healthcare FZC, acquired three properties in the UAE during fiscal 2015 and fiscal 2017. As Aster DM Healthcare FZC is not permitted to hold these properties directly, two properties have been registered under the name of our Promoter, Dr. Azad Moopen, and one property has been registered under the name of our UAE national partner Mr. Shamsudheen Bin Mohideen Mammu Haji to hold on our behalf without consideration, although the agreements for this arrangement may not be enforceable under UAE law.

25. *The failure to maintain the quality of services provided at our facilities may negatively impact our brand or reputation.*

As healthcare patients tend to select their healthcare providers based upon brand recognition and reputation, our business is dependent upon our providing high quality healthcare (e.g. medical care, facilities and related services). Healthcare quality is measured by factors such as quality of medical care, expertise of healthcare professionals, friendliness of staff, waiting times and ease of access to our doctors, nurses and pharmacists. If we are unable to provide high quality services to our patients, fail to maintain a high level of patient satisfaction or experience a high rate of mortality or medical malpractice suits, our brand or reputation could be damaged.

Quality of healthcare is also a key criteria that is evaluated in connection with the accreditation of our hospitals by JCI, a non-profit corporation which is the largest accreditor of healthcare organizations in the United States. Please see the section “Our Business” on page 134. Three of our hospitals and one clinic in the GCC states and Aster Medcity in Kochi have received accreditation from the JCI, and five of our hospitals in India have received NABH accreditation. If any of our hospitals were to lose their accreditation with JCI or NABH, or do not receive re-accreditation by JCI or NABH, or are refused accreditation by JCI or NABH, our brand and reputation could be adversely affected.

Any significant damage to our reputation and/or brand caused by any of the foregoing factors could have a material adverse effect on our ability to attract new and repeat patients and, as a result, adversely affect our business, financial condition, results of operations or prospects.

26. *There are various proceedings pending against our Company, certain Subsidiaries and our Directors, our Promoters and certain Group Entities, which if determined against them, may have an adverse effect on our business.*

There are outstanding legal proceedings involving our Company, certain Subsidiaries, our Directors, our Promoters and certain Group Entities which are pending at different levels of adjudication before various courts, tribunals and other authorities. Such proceedings could divert management time and attention, and consume financial resources in their defence or prosecution. The amounts claimed in these proceedings have been disclosed to the extent ascertainable and quantifiable and include amounts claimed jointly and severally from our Company, Subsidiaries and other parties. Any unfavourable decision in connection with such proceedings, individually or in the aggregate, could adversely affect our reputation, business, financial condition and results of operations. Certain details of such outstanding legal proceedings as of date of this Draft Red Herring Prospectus are set out below:

Litigation against our Company

Sr. No.	Nature of Litigation	Number of Outstanding Cases	Aggregate Approximate Amount Involved (₹ in millions)
1.	Civil	2	NA
2.	Tax	19	2.02
3.	Labour	3	NA*
4.	Medico Legal	1	1

*Less than ₹0.01 million

Litigation against our Promoters

Sr. No.	Nature of Litigation	Name of Promoter	Number of Outstanding Cases	Aggregate Approximate Amount Involved (₹ in millions)
1.	Criminal	Dr. Azad Moopen	1	NA
2.	Civil	Dr. Azad Moopen	3	284.31* (jointly claimed in a claim against Medcare Hospital LLC, Dr. Azad Moopen and Aster IVF Women Clinic LLC, as mentioned below)

*Converted from AED figure

Litigation against our Directors

Sr. No.	Nature of Litigation	Name of the Director	Number of Outstanding Cases	Aggregate Approximate Amount Involved (₹ in millions)
1.	Criminal	Dr. Azad Moopen	1	NA
2.	Criminal	Harsh C. Mariwala	11	NA
3.	Civil	Dr. Azad Moopen	3	284.31* (jointly claimed in a claim against Medcare Hospital LLC, Dr. Azad Moopen and Aster IVF Women Clinic LLC, as mentioned below)
4.	Labour	Harsh C. Mariwala	3	2.14

Litigation against our Subsidiaries

Sr. No.	Nature of Litigation	Number of Outstanding Cases	Aggregate Approximate Amount Involved (₹ in millions)
DM Med City			
1.	Criminal	2	NA
2.	Civil	2	NA
3.	Tax	1	NA*
Aster Trivandrum			
4.	Labour	1	0.77
PHL			
5.	Tax	1	1.2
6.	Medico-legal	2	2.84
MIMS			
7.	Compounding	2	NA

Sr. No.	Nature of Litigation	Number of Outstanding Cases	Aggregate Approximate Amount Involved (₹ in millions)
8.	Medico-legal	16	29.18
9.	Tax	12	15.27
10.	Labour	5	11.83
Sainatha Hospitals			
11.	Medico-legal	3	9.42
Dr. Ramesh Hospital			
12.	Civil	2	NA
13.	Tax	3	28.68
Medcare Hospital LLC			
14.	Criminal	1	3.80
15.	Medico-Legal	13	NA
16.	Civil	2	374.75^
17.	Labour	1	32.99^
Aster IVF & Women Clinic LLC			
18.	Civil	1	284.31^ (jointly claimed in a claim against Medcare Hospital LLC, Dr. Azad Moopen and Aster IVF Women Clinic LLC, as mentioned below)
Al Raffah Hospital LLC			
19.	Medico-Legal	3	NA
Dr. Moopens Healthcare Management Services WLL			
20.	Medico-Legal	1	NA

*Less than ₹0.01 million

^ Converted from AED figure

Litigation against our Group Entities

Sr. No.	Name of Group Company	Nature of Litigation	Number of Outstanding Cases	Aggregate Approximate Amount Involved (₹ in millions)
1.	WIPL	Labour	1	0.12
2.	DM Education & Research Foundation	Criminal	1	NA
3.	DM Education & Research Foundation	Civil	1	NA
4.	DM Education & Research Foundation	Labour	2	0.55
5.	DM Education & Research Foundation	Medico Legal	3	2.28

Further, there have been instances of non-payment of statutory dues by our Company. For details, see the section “*Outstanding Litigation and Material Developments*” on page 439.

We cannot assure you that any of these matters will be settled in our favour or in favour of our Directors, Promoters or Group Companies or that no additional liability will arise out of these proceedings. An adverse outcome in any of these proceedings could have an adverse effect on our business, results of operations and reputation.

27. ***We may be subject to liabilities and negative publicity arising from the risks of providing medical services including those resulting from claims of malpractice and medical negligence.***

As an operator of healthcare facilities, we are exposed to the risk of legal claims and regulatory actions arising out of the healthcare services provided by us. In addition to us, our medical professionals, employees, directors and promoters and others may be subject to criminal proceedings, including relating to allegations of medical negligence. The existence of such claims may harm our professional standing and market reputation of and/or that of the doctors and medical professionals involved. In addition, the reputational consequences of any claims may materially and adversely affect our business and operations. Regardless of their validity, negative publicity arising from such claims may also affect the number of patients visiting our healthcare facilities and may adversely affect the revenue generated by our healthcare facilities.

Moreover, if any such claims succeed, we may become liable for the damages and other financial consequences, which may materially and adversely affect our financial condition and results of operations. While we have procured medical liability insurance, there is no certainty that such insurance or indemnity will be adequate to

satisfy all the claims arising from malpractice or medical negligence. Any successful claims against us in excess of the insurance coverage or the indemnity may adversely affect our business, financial condition, results of operations, cash flows and prospects.

For instance, there are several proceedings against our GCC Subsidiaries before various regulatory authorities including the Dubai Health Authority, the Dubai Public Prosecution, the Higher Medical Council and the Ministry of Health, Oman and the Supreme Council of Health, Qatar. These proceedings have resulted from complaints filed by our patients before the aforementioned regulatory authorities against the hospitals administered by our GCC Subsidiaries, the concerned medical practitioners, or both. The complaints relate to, among others: (a) medical malpractice and medical negligence; (b) poor medical documentation and poor medical communication between the medical staff and patients; (c) post-operation medical issues; and (d) dissatisfaction with services provided. For further details of pending proceedings before various authorities, please see the section “*Outstanding Litigation and material Developments*” on page 428.

28. Our operations could be impaired by a failure of our information technology or cooling systems.

Our information technology systems are essential to a number of critical areas of our business operations, including:

- accounting and financial reporting;
- coding and compliance;
- clinical systems;
- medical records and document storage;
- inventory management;
- negotiating, pricing and administering healthcare delivery contracts;
- training programs; and
- research services.

Any technical failure that causes an interruption in service or availability of our systems could adversely affect operations or delay the collection of revenue or cause interruptions in our ability to provide services to our patients. Corruption of certain information could also lead to delayed or inaccurate diagnoses in the treatment of patients and could result in damage to the health of our patients. In addition, we may be subject to liability as a result of any theft or misuse of personal information stored on our systems. Although we have implemented network security measures, our servers are vulnerable to computer viruses, hacking, break-ins and similar disruptions from unauthorized tampering.

In addition, we are currently in the process of implementing a new global IT system. For further details see “*Our Business – Strategy - Implementation of initiatives to improve existing operational efficiencies*” on page 64. The implementation of this system requires migration of extensive data from our existing systems. There can be no assurance that we will not encounter data migration or other errors, which could result in the loss of important data, interruptions, delays or cessations in the availability of our systems, any of which could have a material adverse effect on our business, financial condition and results of operations.

The occurrence of any of these events could result in interruptions, delays, the loss or corruption of data, or cessations in the availability of systems, all of which could have a material adverse effect on the financial position, results of operations and harm our business reputation.

The GCC states are in a climate zone that has relatively high temperatures during approximately three-quarters of the year, requiring cooling systems to operate continuously during these periods. Certain regions in India in which we operate such as the Southeast have relatively high temperatures for much of the year and/or experience intermittent power failures. Health services are particularly dependent on the proper operation of cooling systems in hot climate zones such as the GCC states and India because patients are, in general, particularly vulnerable to extreme weather conditions such as high temperatures. Although we have back-up generators, the failure of cooling systems during hot days could adversely affect patients and medical staff and lead to a disruption in operations and, in some cases, to dehydration or heatstroke which would have a disproportionately negative effect on the infirm. Moreover, if our facilities were affected uniquely by failures in the cooling systems, this could have a detrimental impact on our reputation. Any such failures could have a material adverse effect on our business, financial condition and results of operations.

29. We may be subject to regulatory action by the RBI.

We have faced instances of delays and failure in making certain filings with the RBI in the past. For instance, while making its initial investment into our Subsidiary MIMS, our Promoter, UIPL, a non-resident entity, did not

file Form FC-TRS in relation to shares of MIMS that it purchased from certain resident shareholders. In accordance with the FEMA Regulations, we were required to make the prescribed filings with the RBI at the time of purchase of shares from non-residents. These shares were subsequently transferred from UIPL to our Company and we have failed to file Form FC-TRS in relation to this transfer as well. Further, the purchase consideration for these shares was not transferred to UIPL as the amounts were not permitted to be repatriated. MIMS filed a compounding application dated July 27, 2015 before the RBI in this regard. Pursuant to a letter dated August 25, 2015, the RBI has intimated MIMS that the transactions have not yet been regularized and therefore, the administrative action not yet completed. Hence, MIMS has been advised to complete the administrative action by approaching the RBI Regional Office, Kochi, to regularize the transaction and file a fresh compounding application. As of the date of this Draft Red Herring Prospectus, MIMS has been unable to regularize the impugned transaction due to its inability to locate the past form filings required for the regularization process. In the event that MIMS is not able to locate the requisite form filings for the regularization process, it may not be able to compound the non-compliance in an expeditious manner, or at all. Any contraventions of FEMA Regulations on account of the delay in making the filings will be deemed to be continuing until the same is compounded by the RBI.

In another instance, the RBI has not taken on record the form FC GPR filed by our Company in relation to allotments made by our Company on September 22, 2015 and September 11, 2015. For further details in relation to these allotments, see “*Capital Structure – Notes to the Capital Structure*” on page 83. The RBI has requested our Company to provide additional details in relation to these allotments. There can be no assurance that our Company will be able to provide the requisite documents to the satisfaction of the RBI, or within the timelines prescribed by the RBI. In the event that the form FC GPRs are not taken on record by the RBI, the underlying allotments may not get regularized and may be subject to further regulatory scrutiny.

There may be other such instances of non-compliances with regulatory authorities. While no penalties have been imposed on our Company or our Subsidiaries in this regard, we cannot assure you that the RBI or other regulatory authorities will not impose any penalty on us or will not take any penal action in relation to the delays in making the necessary filings or the failure to obtain regulatory approvals under applicable regulations. In the event that any adverse actions are taken against us, our results of operations and profitability could be adversely affected.

30. *We may not be able to protect our name and trademarks.*

Our name and trademarks support our business. We believe that our reputation and brand are associated with the “Aster” name, and that this association has contributed towards the success of our business. We believe that our trademarks and other proprietary rights have significant value and are important to identifying and differentiating our healthcare services from those of our competitors and creating and sustaining demand for our healthcare services. We have registered the “Aster” name and logo and “Aster Hospital”, “Aster Medical Centre”, “Aster Pharmacy”, “Access Clinic” and “Medicare” names as trademarks in the GCC states and the “Aster”, “Aster Medcity” and “MIMS” name as a trademark in India. We are yet to receive registration or final approval for use of some of our trademarks from the Registrar of Trademarks. However, we cannot guarantee that any of our pending trademark applications will be approved by the applicable governmental authorities. Certain trademark applications filed by our Company, including in relation to the “Aster”, “Aster Medcity”, “Aster DM Healthcare”, “Aster Medcity (With Device)”, “Aster – Logo” and “ASTER MARS” trademarks under various classes, have been opposed in the past. The grounds for opposition have included, inter alia, (a) the trademark being same, similar or identical to other registered trademarks, (b) the trademark being devoid of distinctive character, (c) the trademark connoting the kind, intended purpose or other descriptive aspects of the services rendered by our Company and (d) the trademark being a personal name and being incapable of distinguishing the goods of one person from those of others.

Our Company has filed replies to the examination reports in each of these cases, clarifying that the trademark applied for, especially the “Aster” trademark, is the foremost and primary feature of the trading style of our Company. Our Company has also clarified that the trademarks applied for by our Company are visually, conceptually and phonetically distinguishable from other trademarks, and that several such trademarks, including the “Aster”, “Aster Medcity” and “Aster DM Healthcare” trademarks, have already been registered by the relevant authorities under Class 42 and Class 44 in the name of our Company. However, even if the applications are approved, third parties may seek to oppose or otherwise challenge these registrations.

Third parties may assert intellectual property claims against us, particularly as we expand our business and the number of healthcare services we offer. Our defense of any claim, regardless of its merit, could be expensive and time consuming and could divert management resources. Successful infringement claims against us could result in significant monetary liability. In addition, resolution of claims may require us to cease using those rights altogether.

Unauthorized use of our brand name or logo by third parties could adversely affect our reputation, which could in turn adversely affect our business, financial condition and results of operations. Intellectual property rights and our ability to enforce them may be unavailable or limited in some circumstances. For instance in India, while we are currently using the “Aster MIMS” and “Aster Clinic” trademarks, we are yet to make an application with the Registrar of Trademarks for registering these trademarks in our Company’s name. Until we obtain a valid and subsisting registration for these trademarks, they may be subject to unauthorized usage by third parties. Similarly, in Saudi Arabia, where we do not operate a pharmacy business, a number of pharmacy premises have been or are in the process of being established by one or more third parties using the “Aster” name/brand without authorization in breach of our rights. We have lodged a complaint with the Anti-Commercial Fraud Department of the Ministry of Commerce and Industry with a view to stopping the infringement.

In addition, trademark registration applications may not be successful or competitors may challenge the validity of our trademark registrations. If we fail to successfully obtain or enforce intellectual property rights, our competitive position and operating results could be adversely affected.

31. *Because of the risks typically associated with the operation of medical care facilities, patients may contract serious communicable infections or diseases at our facilities.*

Our operations involve the treatment of patients with a variety of infectious diseases. Previously healthy or uninfected people may contract serious communicable diseases in connection with their stay or visit at our facilities. This could result in significant claims for damages against us and, as a result of reports and press coverage, to loss of reputation. For example, although not currently prevalent in the GCC states or India, diseases or infections such as tuberculosis may pose risks in the future. Furthermore, these germs or infections could also infect employees and thus significantly reduce the treatment and care capacity at our medical facilities in the short-, medium- and long-term. In addition to claims for damages, any of these events may lead directly to limitations on the activities of our hospitals as a result of quarantines, closing of parts of the hospitals at times for sterilisation, regulatory restrictions on, or the withdrawal of, permits and authorisations, and it may indirectly result, through a loss of reputation, in reduced utilisation of our hospitals. Any of these factors could have a material adverse effect on our reputation and business.

32. *We may be subject to significant liability should the consumption of any of our products cause injury, illness or death.*

Products that we sell could become subject to contamination, product tampering, mislabeling or other damage. In addition, errors in the dispensing and packaging of pharmaceuticals could lead to serious injury or death. Product liability claims may be asserted against us with respect to any of the products or pharmaceuticals we sell. A product liability judgment against us could have a material, adverse effect on our business, financial condition or results of operations. In the GCC states, medical and pharmaceutical products which are deemed to be unsafe or breach labeling requirements or have expired, can be recalled by the regulator.

33. *We are dependent on third-party suppliers and sub-contractors.*

We source the majority of our medical supplies, pharmaceuticals and equipment for our operations in the GCC states from UAE-based agents acting as the exclusive distributors for third-party suppliers in the UAE and in India from multiple third-party suppliers and sub-contractors. We also outsource various activities, such as cleaning and maintenance services, to sub-contractors. The use of third-party suppliers and sub-contractors exposes us to supplier bottlenecks, quality problems and other potential liabilities that may arise in cases where such third-party suppliers and sub-contractors fail to meet their commitments. To the extent that we are unable to rely on these third-party suppliers and sub-contractors, either due to an adverse change in relationships with them, increases in the cost of their goods and services that we are unable to pass through to our patients or their insurers, or a supplier’s or sub-contractor’s inability to provide us with the requisite quantity and quality of supplies or services in a timely manner, our business, financial condition and results of operations could be materially adversely affected.

34. *We depend heavily on our Key Management Personnel, and loss of the services of one or more of our key executives or a significant portion of our management personnel could weaken our management team.*

Our success largely depends on the skills, experience and efforts of our Key Management Personnel (whose names appear in the section “Our Management” on page 232 of this Draft Red Herring Prospectus) and on the efforts, ability and experience of key members of our management staff. Our Key Management Personnel have extensive experience in the private hospitals and healthcare industry and have skills that are critical to the operation of our business.

Individuals with industry-specific experience are scarce, and the market for such individuals is highly competitive. As a result, we may not be able to attract and retain qualified personnel to replace or succeed members of our Key Management Personnel or other key employees, should the need arise. None of our Directors or members of Key Management Personnel are covered by key man life insurance policies. In addition, our directors and officers insurance policy excludes any directors and officers that hold 10% or more of the Company. The loss of services of one or more members of our Key Management Personnel or of a significant portion of any of our management staff could weaken significantly our management expertise and our ability to deliver healthcare services efficiently. This could have a material adverse effect on our business, financial condition and results of operations.

35. *We are subject to rights granted to certain shareholders of our Subsidiaries under various shareholder agreements.*

Our Company has granted certain rights to certain shareholders of our Subsidiaries pursuant to the terms of the agreements for our Company to acquire shares of such Subsidiaries. Pursuant to the terms of the shareholders' agreements entered into with the existing shareholders of PHL upon a change in management control of our Company by way of sale of shares to a third party, the existing shareholders of PHL shall be entitled to sell the shares held by them in the respective Subsidiaries to our Company. Further, upon the expiry of five years from the first completion date under this agreement, the existing shareholders of PHL have been granted the right to call upon the Company to purchase 50% of the shares held by them in PHL. Similarly, after the expiry of five years from the initial completion date under the shareholders' agreement entered into with the existing shareholders of Sainatha Hospitals, the existing shareholders of Sainatha Hospitals have been granted the right to call upon the Company to purchase all or a portion of the shares held by them. The promoters of Dr. Ramesh Hospital are also entitled to exercise a put option on our Company to purchase all or a part of their securities upon the expiry of five years from the effective date of the agreement within a period of four years thereafter. The exercise of these rights by the existing shareholders of our Subsidiaries may affect our profitability and therefore our ability to declare dividends.

In the event that our Company commits an event of default, under the terms of these agreements, (which would include a breach of our obligations in relation to the rights granted to the existing shareholders of the Subsidiaries on a change in management control of our Company and in relation to put options) and such breach is not cured by our Company, the existing shareholders of our respective Subsidiaries will not be required to fulfill any of their obligations under the respective agreements including their obligation to not compete with our Company. Given our dependency on the existing shareholders of our Subsidiaries in the operations of our Subsidiaries, non-enforceability of these provisions could adversely affect our business operations and therefore your investment in our Company. Further, on the occurrence of an event of default by our Company under the terms of these agreements, the existing shareholders of the respective Subsidiaries may require us to purchase all the shares held by them in the respective Subsidiaries.

Our investment in Sainatha Hospitals is subject to a lock in of two years from the initial completion period under the agreement. Further our shareholding in Sainatha Hospitals is subject to certain transfer restrictions including the right of first refusal and the tag along right granted to the existing shareholders of Sainatha Hospitals. Similarly, our shareholding in Dr. Ramesh Hospital is subject to a right of first offer and tag along right granted to the promoters of Dr. Ramesh Hospital. For further information in respect of these agreements, see "*History and Corporate Structure – Summary of Key Agreements*" on page 202.

36. *We may be exposed to liabilities and claims exceeding the scope of our insurance coverage or that are not covered by our insurance policies and our insurance costs may increase.*

We maintain professional liability and general liability insurance coverage to cover certain liabilities and claims arising out of the operations of our hospitals, including liabilities from claims of medical negligence against our doctors and other healthcare professionals. Please see the section "*Our Business - Insurance*" on page 151. Some of the claims, however, could exceed the scope of the coverage in effect or coverage of particular claims could be denied. As we also operate and provide services in the GCC states, claims under the laws of the GCC states may expose us to far greater liability than would be the case in India, and we may not have adequate insurance to cover such liability. We believe our professional and other liability insurance has been adequate in the past but there can be no assurance that our insurance coverage will be sufficient to cover all future claims. If our arrangements for insurance or indemnification are not adequate to cover claims, we may be required to make substantial payments and our financial condition and results of operations may be adversely affected.

In addition, some doctors, including those who practice at some of our hospitals, face increases in malpractice insurance premiums and limitations on availability of insurance coverage. The inability of our doctors to obtain appropriate insurance coverage could cause those doctors to limit their practice. That, in turn, could result in lower admissions to our hospitals.

Finally, all of our medical staff in the UAE, KSA and Oman are required to be insured against medical malpractice. We obtain policies and pay premiums for such insurance for all our medical staff. If we are unable to obtain or maintain appropriate insurance coverage for any of our staff, our affected employees may be unable to practice, which, in turn, could reduce the number of patients that we are able to treat. In addition, all reinsurance and any excess insurance purchased by us is subject to policy aggregate limitations. Should such policy aggregates be partially or fully exhausted in the future or should actual payments of claims materially exceed projected estimates of claims, our business, financial condition and results of operations could be materially adversely affected.

37. *Our business may be materially adversely affected if the U.S. Dollar/AED-pegged exchange rate were to be removed or adjusted.*

Although the U.S. Dollar/AED exchange rate is currently pegged, it may not be so in the future. The existing fixed rate may be adjusted in a manner that increases the costs of purchasing hospital and medical supplies used in our business or increases our repayment obligations under any of our indebtedness that is denominated in U.S. dollars. In addition, a substantial amount of our revenues are denominated in AED, being 89.75%, 88.96% and 87.48% of our revenues for fiscal 2014, fiscal 2015 and the nine months ended December 31, 2015 respectively. As such AED currency sales are translated into INR at the applicable exchange rate for inclusion in our consolidated financial statements, we will be exposed to fluctuations in the currency exchange rate between AED and INR. Any removal or adjustment of the U.S. Dollar/AED fixed rate or a significant depreciation in the value of the AED or the U.S. Dollar against the INR, could cause our operations and reported results of operations and financial condition to fluctuate due to currency translation effects, which could have a material adverse effect on our business, financial condition and results of operations.

38. *Shares of our key Subsidiary in the GCC states have been pledged.*

Under a loan facility, Affinity Holdings Private Limited, our Mauritius Subsidiary which, directly or indirectly, holds our shares of all of our Subsidiaries outside of India, has pledged 522,337 of the 1,024,041 shares issued by Aster DM Healthcare FZC to the lender, Standard Chartered Bank. Aster DM Healthcare FZC directly or indirectly holds our shares of all of our Subsidiaries in the GCC states.

Should Affinity Holdings Private Limited, Aster DM Healthcare FZC or any other guarantor under the loan facility commit a default, there is a risk that Standard Chartered Bank could enforce the pledge by way of a court procedure followed by a public auction of the pledged shares, which could have a material adverse effect on our business, financial condition and results of operations.

39. *Our lenders have substantial rights to determine how we conduct our business which could put us at a competitive disadvantage.*

As of April 30, 2016, we had consolidated debt of ₹18,060.58 million. For further information, see “*Financial Indebtedness*” on page 426. Our existing operations and execution of our business strategy require substantial capital resources and we intend to incur additional debt in the future, including as part of our expansion plans. However, we may be unable to obtain sufficient financing on terms satisfactory to us, or at all. If interest rates increase it will be more difficult to obtain credit. As a result, our development activities may have to be curtailed or eliminated and our financial results may be adversely affected.

Our level of indebtedness and debt service obligations could have important consequences, including the following:

- The terms of our existing debt obligations contain numerous financial and other restrictive covenants which, among other things, require us to maintain certain financial ratios and comply with certain reporting requirements and restrict any changes in controlling interest or restrict our ability to fund future working capital, make capital expenditures and investments, raise additional capital by way of equity or debt offerings, declare dividends, merge with other entities, incur further indebtedness and incur, or dispose of, our assets, transfer or sell assets, undertake new projects or acquisitions, change our management and Board of Directors and that of our Subsidiaries and modify our capital structure. If we do not comply with these obligations, it may cause an event of default, which, if not cured or waived, could require us to repay the indebtedness immediately.
- A default under one financing document may also trigger cross-defaults under our other financing documents. An event of default, if not cured or waived, could result in the acceleration of all or part of our financial indebtedness or other obligations.
- There may be restrictions on our ability to declare dividends from certain subsidiaries.

- We may be more vulnerable in the event of downturns in our businesses and to general adverse economic and industry conditions.
- If we have difficulty obtaining additional financing at favorable interest rates we may face difficulties in meeting our requirements for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes.
- Any borrowings we may make at variable interest rates leave us vulnerable to increases in interest rates generally. As of December 31, 2015, approximately 84.89% of our consolidated debt of ₹14,439.60 million is subject to variable rates of interest. Interest rate fluctuations can be highly unpredictable, and can be further affected by a number of factors, including global economic trends and adverse events in the global financial markets. Our failure to effectively manage our interest rate risk sensitivity could result in increased debt service costs and adversely affect our results of operations.

Further, WIPL, one of our Group Entities has availed of unsecured loans, which may be recalled by the lenders at any time.

We may be required to dedicate a significant portion of our operating cash flow to making periodic principal and interest payments on our debt, thereby limiting our ability to take advantage of significant business opportunities and placing us at a competitive disadvantage compared to healthcare services providers who have relatively less debt.

40. *There may be conflicting terms in the borrowing facilities of some of our Subsidiaries.*

Aster DM Healthcare FZC has granted a guarantee in favour of Bank of Muscat SAOG in respect of the obligations of Sanad Al Rahma for Medical Care LLC under its credit facility agreement with the bank dated March 6, 2016. The giving of this guarantee may be contrary to the terms of a borrowing facility of Aster DM Healthcare FZC. In the event of any default by our Subsidiaries under the terms of their borrowing facilities, our ability to borrow funds may be impaired and cross-defaults could be triggered, which could materially and adversely affect our financial condition and cash flows.

41. *We have issued Equity Shares during the last one year at a price that may be below the Offer Price.*

During the last one year we have the following Equity Shares at a price that may be lower than the Offer Price.

Sl. No.	Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Nature of Consideration	Nature of transaction
1.	August 27, 2015	7,029,092	10	-	Other than cash	Allotment pursuant to the scheme of amalgamation of IHPL with our Company
2.	August 27, 2015	4,908,029	10	-	Other than cash	Allotment pursuant to share swap agreements dated October 30, 2014 entered into with certain shareholders of MIMS
3.	September 11, 2015	1	10	331.11	Cash	Allotment to Rimco
4.	September 22, 2015	2,476,060	10	320.45	Cash	Allotment to seven individuals
5.	April 25, 2016	168,750	10	320.00	Cash	Allotment to Ahamed Moopan

The price at which Equity Shares have been issued by our Company in the preceding one year is not indicative of the price at which they will be issued or traded. For further information, see “*Capital Structure*” on page 82.

Additionally, our Company is proposing the Pre-IPO Placement at a price to be determined by us and UIPL. For details, see the section “*Capital Structure*” on page 82. Details of allotment of the Equity Shares and the price at which Equity Shares are allotted in the proposed Pre-IPO Placement, if completed, will be disclosed in the Red

Herring Prospectus to be filed with the RoC.

42. *We will continue to be controlled by our Promoters after the Offer.*

Currently, our Promoters together own an aggregate of 51.47% of our outstanding Equity Shares. After the completion of the Offer, our Promoters will hold over a significant portion of our post Offer paid up equity share capital, which will allow them to exercise significant control over the outcome of the matters submitted to our shareholders for approval. Our Promoters will have the ability to exercise control over us and certain matters which include election of directors, our business strategy and policies and approval of significant corporate transactions such as mergers, consolidations, asset acquisitions and sales and business combinations. The extent of their shareholding in us may also delay, prevent or deter a change in control, even if such a transaction is beneficial to our other shareholders. It may deprive our other shareholders of an opportunity to receive a premium for their Equity Shares as part of a sale of our Company and may reduce the price of our Equity Shares. Furthermore, our Promoter, Dr. Azad Moopen is interested in our Group Entities, namely WIPL and DMERF which operate a hospital and medical college which are similar/synergistic to the business of our Company. The interests of our Promoters as our controlling shareholders could also conflict with our interest or the interests of our other shareholders. We cannot assure you that our Promoters will act to resolve any conflicts of interest in our favour, and they may take actions that are not in our best interest or that of our other shareholders. These actions may be taken even if they are opposed by our other shareholders, including those who have purchased Equity Shares in this Offer. For further information, see “*Our Promoters and Promoter Group*” on page 235.

43. *Our Promoters, Directors and Key Management Personnel have interests in us other than reimbursement of expenses incurred or normal remuneration of benefits.*

Our Promoter, Dr. Azad Moopen, our Directors, T.J. Wilson, Shamsudheen Bin Mohideen Haji, Alisha Moopen and Anoop Moopen have interests in our Company, our Promoters, our Subsidiaries and our Associates other than the reimbursement of expenses incurred or normal remuneration of benefits to the extent of their respective shareholdings, share option grants and dividend entitlement, as applicable. For further details, see “*Our Management*” on page 217.

44. *We are subject to certain restrictions in setting up businesses in certain geographical areas which may affect the expansion of our business operations in the future.*

Pursuant to the terms of the shareholders’ agreement entered into with the existing shareholder of Sainatha Hospitals, Sainatha Hospitals has been granted the right of first refusal on any new hospital project with a bed capacity of up to 150 beds proposed to be started by our Company in the state of Andhra Pradesh and/or Telangana until such time as our Company is a shareholder in Sainatha Hospitals. Further, pursuant to the terms of the shareholders agreement entered into with the shareholders of Dr. Ramesh Hospital, Dr. Ramesh Hospital has a right of first refusal in respect of any new hospital project with a bed capacity of more than 150 beds if desired to be set up, acquired or managed or obtaining any investment interest by our Company (either directly or indirectly through any affiliate) within the territory of Andhra Pradesh. Such restrictions on setting up new businesses in certain geographical areas may restrict our business and therefore your investment in our Company. For further information in respect of these agreements, see “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

45. *We rely on third party suppliers and manufacturers for our equipment, reagents and drugs. Failure of such third parties to meet their obligations could adversely affect our business and results of operations.*

We source our equipment, reagents and drugs from third party suppliers under various arrangements. Any failure to procure such equipment, reagents or drugs on a timely basis, or at all, from such third parties and on commercially suitable terms, could affect our ability to provide our services. In addition, manufacturers may discontinue or recall equipment, reagents or drugs used by us, which could adversely affect our ability to provide our services, and therefore, could adversely affect our business and results of operations.

We also rely on a limited number of equipment vendors exclusively to carry out repairs and maintenance of our equipment. Our dependence on a limited number of service providers exposes us to risks of delays or inability in carrying out repairs and maintenance of equipment. We may also be unable to find alternative service providers in time, or at all, and at a suitable cost. Any such delay or inability could cause disruptions in our operations and adversely affect our business, financial condition and cash flows.

46. *If we fail to achieve favourable pricing on medical equipment, drugs and consumables or are unable to pass on any cost increases to our payers, our profitability could be materially and adversely affected.*

Our profitability is susceptible to the cost of medical equipment, drugs and consumables. The complex nature of the treatments and procedures we perform at our hospitals and medical centres requires us to invest in technologically sophisticated equipment. Our profitability is affected by our ability to achieve favourable pricing on our medical equipment, drugs and consumables from our vendors, including through negotiations for vendor rebates, as well as other vendor financing received with respect to our medical equipment in the normal course of business.

Because these vendor negotiations are continuous and reflect the ongoing competitive environment, the variability in timing and amount of incremental vendor discounts and rebates can affect our profitability. These vendor programmes may change periodically, potentially resulting in higher cost of medical equipment, drugs and consumables and adverse profitability trends, if we cannot adjust our prices to accommodate such increase in costs. Further, such increased costs may negatively impact our ability to deliver quality care to our patients at competitive prices, or at all. If we are unable to adopt alternative means to deliver value to our patients, our revenue and profitability may be materially and adversely affected.

We may be unable to anticipate and react to the increase in cost of medical equipment, drugs or consumables in the future, or may be unable to pass on these cost increases to our payers, which could materially and adversely affect our profitability.

- 47. *We have purchased, and will continue to purchase, medical equipment from foreign manufacturers and suppliers. Hence, we may face foreign exchange risks which could have a material adverse effect on our cash flows, revenues and financial condition.***

We purchase highly specialized medical equipment from a number of foreign manufacturers and suppliers including from Surgitronic and Alliance Biomedical Private Limited in foreign currency. In view of the fluctuation in the value of the Rupee against foreign currencies, we face foreign exchange risk. The value of the Rupee against foreign currencies is affected by, among other things, the demand and supply of the Rupee and changes in India's political and economic conditions. We do not always hedge against currency rate fluctuations in respect of our purchase contracts, given the duration of our purchase contracts. This exposes us to exchange rate movements which may have a material effect on our operating results in a given period. Thus, we cannot assure you that we will not suffer any loss because of the fluctuation of the value of the Rupee, which may have a material adverse effect on our cash flows, revenues and financial condition.

- 48. *Insufficiently stamped agreements may have an adverse impact on the agreements executed by our Subsidiaries.***

Our Company and some of our Subsidiaries have entered into agreements in India which are inadequately stamped. Failure to stamp a document does not affect the validity of the transaction embodied therein, but renders the document inadmissible in evidence in India (unless stamped prior to enforcement with payment of requisite penalties, which may be up to 10 times the stamp duty payable, and other such fees that may be levied by the authorities). Further, documents which are insufficiently stamped are capable of being impounded by a public officer. We cannot assure you that such agreements which are inadequately stamped can be enforced by our Subsidiaries. In addition imposition of penalties by the authorities on our Subsidiaries for inadequate stamping of such agreements may have a material adverse effect on our business, financial condition and results of operations.

- 49. *We have entered into, and will continue to enter into, related party transactions.***

In the ordinary course of our business, we entered into and will continue to enter into transactions with related parties. While we believe that all such related party transactions that we have entered into are legitimate business transactions conducted on an arms' length basis, we cannot assure you that we could not have achieved more favorable terms had such arrangements not been entered into with related parties. Further, we cannot assure you that these or any future related party transactions that we may enter into, individually or in the aggregate, will not have an adverse effect on our business, financial condition, results of operations and prospects. Further, the transactions we have entered into and any future transactions with our related parties have involved or could potentially involve conflicts of interest which may be detrimental to our Company. For further details regarding our related party transactions, see the section "Financial Statements-Statement of Related Party Transactions" as disclosed under Annexure XIII (Consolidated) and Annexure XIII (Standalone) on pages 381 and 292, respectively.

- 50. *We may be subject to labour unrest, slowdowns and increased wage costs.***

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal, and legislation that imposes certain financial obligations on employers upon retrenchment. The employees are not unionized, and in the event that employees at our healthcare facilities seek to unionise, it may become difficult for us to maintain flexible labour policies, and may increase our costs and adversely affect our business. There have been instances of

work-stoppages and strikes at some of our hospitals, including a strike by the nursing staff at MIMS and an illegal strike by a workers union at our Aster Aadhar Hospital in Kolhapur. Occurrence of such strikes and work-stoppages in the future will adversely affect our reputation, business, financial condition and results of operations.

51. *The prices of prescription and generic pharmaceutical products are regulated by the governments of India and various GCC states and our operating margins may be adversely affected by initiatives to reduce prices for end consumers.*

Under the Drugs (Price Control) Order, 2013 (“DPCO”), the Government of India may issue directions to the manufacturers of active pharmaceutical ingredients or bulk drugs and formulations to increase production or sell such active pharmaceutical ingredient or bulk drug to such manufacturer of formulations and direct the formulators to sell the formulations to institutions, hospitals or any agency, procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drug for existing manufacturers of scheduled formulations, method of implementation of prices fixed by Government and penalties for contravention of its provisions. The Government of India can also notify the ceiling price for drugs and recover amounts charged in excess of such notified price from the relevant manufacturer, importer or distributor and the said amounts are to be deposited in the drugs prices equalization account. The DPCO prescribes certain instances in which case the provisions of the DPCO will not be applicable. These provisions are applicable to all scheduled formulations irrespective of whether they are imported or patented, unless they are exempted.

The GCC Supreme Council’s Decision of 2006 unifying prices for importing certain medicines in the GCC states imposes basic control over the price of medicines. It is for each GCC state to review medicines price controls in their own country and impose restrictions as appropriate.

The Ministry of Health in the UAE regulates medical devices and medicines that can be imported into the UAE. All medical devices and medicines sold in the UAE must be registered with the Ministry of Health and imported through companies also registered with the Ministry of Health. The Ministry of Health also regulates the prices at which certain medicines can be sold to the public in accordance with the Supreme Council Decision, together with the prices and the profit margins to which suppliers can sell medicines to healthcare facilities. Each year the Ministry of Health provides an updated list as to the prices for all registered medicines being sold in the UAE.

Any medical products or medical devices to be sold in Qatar have to be registered/licensed by the Licensing Department at the Supreme Council of Health. Whilst there is no particular law regulating the price of pharmaceutical products that are sold in Qatar, the Supreme Council of Health regulates profits generated from importing and selling medicine in Qatar. The Drugs and Pharmaceutical Department at the Supreme Council of Health verbally advised that the profit margin on pharmaceutical products is limited to 40% on the top of the cost value. The profit is divided between the manufacturing company’s representative (entitled to 15%) and the pharmacy owner (entitled to 25% of the profit). Profit sharing is not provided for in applicable laws and there are no Supreme Council directives or rules confirming the same. The GCC Supreme Council’s Decision of 2006 unifying prices for importing certain medicines in the GCC states is effective in Qatar. In accordance with this decision, the Supreme Council of Health advised that in addition to the above noted profit control, it has also, in line with the GCC Council’s Decision reduced prices for certain medicines by 30 to 40% and in some instances 75%. The Supreme Council of Health further noted (verbally) that there is a draft law regulating profits on medicine that is promulgated to be issued in the near future, but this will not be disclosed until in force.

Under Kuwait law, all pharmaceuticals are subject to registration before the Ministry of Health – Drug and Food Control Administration, and according to Article 13 of the Law No. 28 of 1996 regarding the Organization of Pharmaceutical Profession and Circulation of Medicines, the sale of medicine in pharmacies, warehouses and medicine factories shall be subject to the prices regulated by the Kuwait Minister of Health. The price should be clearly written in Arabic language on the outside of each medicine package. Prices of pharmaceuticals are made public and published in the Kuwait official gazette and on the Kuwait Ministry of Health’s website.

Under Omani law, all pharmacies and practicing pharmacists must be licensed by the Ministry of Health. In the private sector, laws and regulations control the price of medicine and such prices are aimed at wholesalers and retailers the net effect being that the price paid by the consumer is unified across Oman. The price of the drug is determined by reference to international prices which is then adjusted depending on the economic situation in Oman i.e. by reference to the minimum wage in Oman. Legal provisions also exist to control promotion and direct advertising of prescription medicines and prohibit direct advertising of prescription medicines to the public. Pre-approval from the Ministry of Health is required in respect of advertisements and promotional materials.

52. *Grants of stock options under our employee stock option plans may result in a charge to our profit and loss account and will, to that extent, reduce our profits.*

We currently have options granted under our employee stock option plans, or ESOPs and may in future grant further options or establish other ESOPs, under which eligible employees may participate, subject to the requisite approvals having been obtained. Under Indian GAAP, the grant of stock options under ESOPs will result in a charge to our profit and loss account equal to the fair value of options which is based on the difference between the fair value of shares determined at the date of grant and the exercise price. The fair value of options will be amortized over the vesting period of these stock options.

53. *Our Statutory Auditors have included several audit qualifications in relation to our Company and certain of our Subsidiaries in the Restated Financial Statements.*

Our Statutory Auditors have included several qualifications in relation to our Company and certain of our Subsidiaries in the Restated Financial Statements. With respect to our Company, these qualifications have been in relation to, amongst other issues, the internal audit system of our Company not being commensurate with the size and nature of its business, delays in depositing amounts deducted with tax authorities, undisputed dues of professional tax being in arrears, and the terms of certain interest free loans granted to other parties on terms which were prima facie prejudicial to the interests of our Company. In respect of our Subsidiary, PHL, the Statutory Auditors have included qualifications in relation to not maintaining quantitative details of fixed assets purchased in earlier years, delays in depositing sales tax, professional tax and income tax deducted at source, the internal audit system of PHL not being commensurate with the size and nature of its business, repayment of dues to financial institutions and banks and utilisation of short term funds for long term investments.

In respect of our Subsidiary, Sainatha Hospitals, the Statutory Auditors have included qualifications in the Restated Financial Statements in relation to not maintaining quantitative details and allocation of directly attributable costs for certain assets capitalised during earlier years, weaknesses in internal control procedures with regard to purchase orders, obtaining quotations and maintenance of inventories and delays in depositing amounts deducted/accrued in respect of provident funds, employees' state insurance, income tax, service tax, luxury tax and professional tax.

Although these qualifications did not require any corrective adjustments in the financial statements of our Company or our Subsidiaries, these observations were made in accordance with the requirements of the Companies (Auditors Report) Order, 2003, as amended. For further details concerning the qualifications noted in our Company's, and our Company's Subsidiaries', audit reports for the Restated Financial Statements, please see "Restated Consolidated Financial Information – Annexure IV – Note D) Non-adjusting items" on page 346 and the section "Management's Discussion And Analysis Of Financial Condition and Results Of Operations – Certain Observations noted by Auditors" on page 420.

While the management of our Company and the respective management of PHL and Sainatha Hospitals have taken various steps to rectify the issues highlighted in audit qualifications during the past fiscal years, there can be no assurance that all issues highlighted in the audit qualifications have been resolved or that similar qualifications or additional qualifications will not form part of financial statements of our Company or its Subsidiaries for the future fiscal periods.

The existence of any deficiencies in our internal controls over financial reporting in the future could require significant costs and resources to remedy such deficiencies. The existence of such deficiencies could cause the investors to lose confidence in our reported financial information and the market price of our Equity Shares could decline significantly. If we are unable to obtain additional financing to operate and expand our business as a result, our business and financial condition could be adversely affected.

54. *If we fail to effectively manage the businesses of our subsidiaries, joint ventures and associates, our business, financial position and prospects could be adversely affected.*

Our primary line of business is the provision of healthcare services, through hospitals, clinics and retail pharmacies. Our operations are presently conducted through 52 subsidiaries and 4 associates. As of March 31, 2016, we operate 1,576 hospital beds through our subsidiaries and 400 hospital beds managed by us. Our revenues and profits depend upon our ability to successfully manage the businesses of these subsidiaries and associates. If we fail to do this successfully, our business, financial position and prospects could be adversely affected.

55. *Our Subsidiaries may not pay cash dividends on shares that we hold in them. Consequently our Company may not receive any return on investments in our Subsidiaries.*

Our Subsidiaries are separate and distinct legal entities, having no obligation to pay dividends and may be restricted from doing so by law or contract, including applicable laws, charter provisions and the terms of their financing arrangements. Further, dividends received from our foreign Subsidiaries is liable to be taxed in India. If the dividend paying company is resident of a country with which India has signed an agreement for avoidance of double taxation, the taxability of dividend income will be determined by the provisions of such agreement. For

instance, we are entitled to certain benefits pursuant to the double taxation avoidance agreement entered into between India and Mauritius. While Mauritius companies are subject to tax on the profits at the rate of 15%, Mauritius does not impose any withholding tax on dividends, paid by a Mauritius company to a non-resident company. Upon distribution of this income to India, underlying tax credit would be given in India for 'taxes payable' in Mauritius. Thus, even when no tax is actually paid in Mauritius, India may give credit for the taxes, which are otherwise payable in Mauritius. Should these tax treaties be suspended or revoked or adversely modified, our financial position could be adversely affected. We cannot assure you that our Subsidiaries will generate sufficient profits and cash flows, or otherwise be able to pay dividends to us in the future.

- 56. *The objects of the Offer have not been appraised by any bank or financial institution and we have not entered into definitive agreements in relation to all of our objects of the Offer. Consequently, any increase in the actual deployment of funds may cause an additional burden on our finance plans.***

The fund requirement mentioned as a part of the objects of the Offer is based on internal management estimates and has not been appraised by any bank or financial institution. This is based on current conditions and is subject to change in light of changes in external circumstances, costs, other financial condition or business strategies.

Further, we have not entered into any definitive agreements to utilise the funds allocated for certain of our objects of the Offer, including the purchase of medical equipment; and our actual expenditure in purchasing such equipment could be higher than our management estimates. As a consequence of any increased costs, our actual deployment of funds may be higher than our management estimates and may cause an additional burden on our finance plans, as a result of which, our business, financial condition, results of operations and cash flows could be materially and adversely impacted.

The deployment of the Net Proceeds will be at the discretion of our Company and is not subject to any monitoring by any independent agency. We cannot assure you that we will be able to monitor and report the deployment of the Net Proceeds in a manner similar to that of a monitoring agency. Additionally, various risks and uncertainties, including those set out in this section, may limit or delay our Company's efforts to use the Net Proceeds and to achieve profitable growth in our business. Furthermore, pursuant to Section 27 of the Companies Act of 2013, any variation in the objects of the Offer would require a special resolution of our Shareholders, and our Promoters or controlling Shareholders will be required to provide an exit opportunity to our Shareholders who do not agree to such variation. If our Shareholders exercise such an exit option, our business and financial condition could be materially and adversely affected.

- 57. *We may not pay cash dividends on our Shares. Consequently, you may not receive any return on investment unless you sell your Shares for a price greater than that which you paid for it.***

Whether we will pay dividends in the future and the amount of any such dividends, if declared, will depend on a number of factors, including our future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors considered relevant by our Directors and shareholders. We may decide to retain all of our earnings to finance the development and expansion of our business and, therefore, may not declare dividends on our Equity Shares. Our ability to pay dividends may also be restricted under certain financing arrangements that we have and may enter into. For instance, we have entered into a facility agreement with Standard Chartered Bank, under which we are restricted from paying dividends in excess of 25 percent of net profits, after tax of the Group on a consolidated basis. There can be no assurance that we will, or have the ability to, declare and pay any dividends on the Equity Shares at any point in the future.

- 58. *We have contingent liabilities which have not been provided for in our balance sheet.***

As of December 31, 2015, we had on a consolidated basis ₹3,052.21 million of contingent liabilities including bank guarantee that had not been provided for.

Please see the section "Management's Discussion and Analysis of Financial Condition and Results of Operations – Contingent Liabilities" on page 418 for more information. Any or all of these contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

- 59. *Our acquisition of our Subsidiary, Dr. Ramesh Hospital, is conditional upon the successful completion of a third tranche of investment by us.***

Our Company has entered into a share subscription and share purchase agreement dated April 30, 2016 with Dr. Ramesh Hospital and the promoters of Dr. Ramesh Hospital. Pursuant to this agreement, our Company has agreed to purchase 1,689,946 equity shares of Dr. Ramesh Hospital held by the promoters of Dr. Ramesh

Hospital (“**Sale Shares**”) in three tranches and subscribe to 1,478,133 equity shares of Dr. Ramesh Hospital (“**Subscription Shares**”) in two tranches. In terms of the agreement, our Company has agreed to (i) acquire 1,337,040 Sale Shares, and (ii) subscribe to 1,330,322 Subscription Shares on or before July 20, 2016 or within 60 days thereafter (“**Tranche 3 Closing**”). As of the date of this Draft Red Herring Prospectus, our Company holds 29.97% of the equity share capital of Dr. Ramesh Hospital and has the right to appoint the majority of the directors on the board of Dr. Ramesh Hospital, and subsequent to the successful completion of the proposed Tranche 3 Closing, our Company shall hold 51% of the equity share capital of Dr. Ramesh Hospital. However, there can be no assurance that our Company will be able to successfully complete the Tranche 3 Closing within the agreed timelines, or at all. In the event that Tranche 3 Closing fails to occur for any reason attributable to our Company, the promoters of Dr. Ramesh Hospital may repurchase all equity shares held by our Company in Dr. Ramesh Hospital, and Dr. Ramesh Hospital will cease to be our Subsidiary. A failure to successfully acquire Dr. Ramesh Hospital may adversely impact our reputation, financial condition and results of operations.

60. Some of our Group Entities and Subsidiaries have incurred losses in the last three financial years.

Certain of our Group Entities have incurred losses in the last three years, as set forth below:

Sr. No.	Name of the entity	Profit/ (Loss) (Amount in ₹ million)		
		For the Financial Year		
		2015	2014	2013
1.	WIPL	(5.01)	(5.85)	(0.14)
2.	DM Foundation*	(1.02)	(7.42)	(3.49)
3.	DM Education and Research Foundation*	(510.56)	(427.15)	(16.88)

* Surplus / (Deficit) transferred to corpus

Further, one of our Subsidiaries, namely PHL, was or continues to be loss making or has a negative net worth. For instance, for fiscal 2015, PHL’s accumulated losses were more than fifty per cent of its net worth. Further, PHL has incurred cash losses during fiscal 2015. There can be no assurance that going forward, the net worth of this company or any other company which we may acquire will not erode.

61. We have not been holding annual shareholders meetings or maintaining minutes of the meetings in some of the countries where we operate.

Our operations in Jordan, KSA, Kuwait, Qatar and the UAE are not in full compliance with corporate governance regulations applicable in each of these respective jurisdictions; specifically in respect of documenting board and shareholders’ meetings. While, in practice, there has been no precedent for regulatory authorities enforcing provisions of law in respect of the aforementioned and although the risk of any action being taken by relevant authorities in this regard is remote, we are exposed to the risk of these provisions being enforced on one or more of our operations in Jordan, KSA, Kuwait, Qatar or the UAE and certain penalties being imposed by the local authorities.

62. In some cases, names of Subsidiaries specified in standard form employment contracts and standard “company” appointment letters are inconsistent.

In some instances, we have one Subsidiary appearing as the employer under the standard form employment contracts whilst another Subsidiary appears as the employer under the standard form appointment letters for administrative staff, doctors and pharmacists, as applicable, with such latter entity also issuing the standard form appointment letters to employees. These few cases are deviations from the Group’s standard practice of having the legal entity named in the standard form employment contract as also being stated as the employer in the standard form appointment letter (and ultimately issuing the standard form appointment letters). Therefore, in the event of a labour dispute, there is a risk of some employees making claims against another Subsidiary in addition to the employer named in the standard form employment contract.

63. Incentive scheme does not fulfil requirements of savings/provident fund under the UAE Labour Law.

We have contractual agreements within appointment letters between our various hospitals and doctors in which incentive payments payable by the hospital directly to doctors obviates the requirement to pay the statutory end-of-service gratuity payment (on the basis that the incentive payments operate as a type of provident or savings fund under Article 140 of the UAE Labour Law). However, as the requirements of Article 140 have not been properly or validly satisfied under such agreements, these agreements are vulnerable to claims for the statutory end-of-service gratuity payment (irrespective of any contractual agreement to the contrary).

EXTERNAL RISK FACTORS

64. *We are subject to the social, economic and political conditions of operating in emerging markets.*

We operate predominantly in the GCC states and India, which are generally viewed as jurisdictions with developing economies. Some countries in which we do business do not have firmly established legal and regulatory systems, and some of them, from time to time, have experienced economic, social or political instability. Some of these countries are in the process of transitioning to a market economy and, as a result, are experiencing changes in their economies and their Government policies.

Specific country risks that may have a material adverse effect on our business, financial condition and results of operations are:

- political instability, riots or other forms of civil disturbance or violence;
- war, terrorism, invasion, rebellion or revolution;
- Government interventions, including expropriation or nationalisation of assets, increased protectionism and the introduction of tariffs or subsidies;
- changing fiscal and regulatory regimes;
- arbitrary or inconsistent Government action;
- inflation in local economies;
- inflation or decline in oil prices, especially in the GCC states;
- cancellation, nullification or unenforceability of contractual rights; and
- underdeveloped industrial and economic infrastructure.

In particular, political instability and armed conflict has occurred since 2011 in a number of countries in the MENA region, such as Bahrain, Egypt, Jordan, Libya, Oman, Syria, Tunisia and Yemen. Unrest and conflicts in those countries may also have implications for the wider global economy and may negatively affect market sentiment towards other countries in the region, including the countries in which we operate. The UAE, Bahrain, Qatar, Saudi Arabia and Jordan are members of the coalition conducting air strikes against ISIS forces in Syria since September 2014. Since 2015, Saudi Arabia has led a coalition of nine Arab states conducting air strikes and other military intervention in the civil war in Yemen. India has, from time to time, experienced terrorist attacks, instances of civil unrest and political tensions and hostilities among neighbouring countries. Political tensions could create a perception that an investment in Indian companies involves higher degrees of risk and on our business and price of our Equity Shares

Any unexpected changes in the political, social, economic or other conditions in the GCC states, India, or in neighbouring countries, could also have a material adverse effect on our business, financial condition and results of operations.

Additionally, changes in investment policies or shifts in the prevailing political climate in any of the countries in which we operate, or seek to operate, could result in the introduction of changes to Government regulations with respect to:

- price controls;
- export and import controls;
- income and other taxes;
- foreign ownership restrictions;
- foreign exchange and currency controls; and
- labour and welfare benefit policies.

Unexpected changes in these policies or regulations could lead to increased operating or compliance expenses, or may have the effect of decreasing access of people to healthcare. Any such changes could have a material adverse effect on our business, financial condition and results of operations.

65. *Challenges that affect the healthcare industry and other external factors also have an effect on our operations.*

We are impacted by the challenges currently facing the healthcare industry as a whole. We believe that the key ongoing industry-wide challenges are providing quality patient care in a competitive environment and managing costs.

In addition, our business and results of operations are also affected by other factors that affect the entire industry, including:

- technological and pharmaceutical improvements that increase the cost of providing, or reduce the demand for, healthcare;

- general social, economic, infrastructure and business conditions, both nationally and regionally;
- demographic changes;
- changes in the distribution process or other factors that increase the cost of supplies;
- more advanced healthcare services and infrastructure in neighbouring countries, which may reduce the number of patients in our healthcare facilities; and
- reputational and financial risks to our healthcare service operations caused by the independent actions of directors, who may be affiliated with us or employed by us.

In particular, the patient volumes and net operating revenues at our hospitals and related healthcare facilities are subject to economic and seasonal variations caused by a number of factors, including, but not limited to:

- unemployment levels;
- the business environment of local communities;
- the number of uninsured and underinsured patients in local communities;
- seasonal cycles of illness;
- climate and weather conditions;
- vacation patterns and religious observance of both patients and doctors;
- healthcare services competitors;
- physician recruitment, retention attrition; and
- other factors relating to the timing of elective procedures.

Any failure by us to effectively face these challenges could have a material adverse effect on our results of operations.

66. *Economic and seasonal variations and challenges that affect the healthcare industry affect our operations.*

We are impacted by economic and seasonal variations in patient volumes caused by a number of external factors, as well as the challenges currently facing the healthcare industry as a whole in each of the GCC states and India. We believe that the key on-going industry-wide challenges are licensing doctors in a timely manner and providing quality patient care in a competitive environment, while managing costs.

In particular, patient volumes and revenue at our hospitals and related healthcare facilities in the GCC states are affected by the summer holidays, which fall in the second half of the calendar year, and the month of Ramadan, which in recent years has also fallen within the second half of the year. During these holiday periods, people are less likely to seek medical treatment except when necessary. In addition, a large number of our doctors have historically taken holidays during these periods, which reduces the number of patients we can see. We may also be affected from time to time by the general economic environment, as people are less likely to seek medical treatment in more difficult economic environments, particularly for procedures that are not covered by insurance.

If we fail to mitigate these challenges effectively, this could have a material adverse effect on our business, financial condition and results of operations.

67. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, in India may adversely affect our business and financial performance.*

Our business and financial performance could be adversely affected by unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business in India. Please see the section “*Regulations and Policies*” on page 153.

The regulatory and policy environment in which we operate is evolving and subject to change. There can be no assurance that the Government of India may not implement new regulations and policies which will require us to obtain approvals and licenses from the GoI and other regulatory bodies or impose onerous requirements, conditions, costs and expenditures on our operations. Any such changes and the related uncertainties with respect to the implementation of the new regulations may have a material adverse effect on our business, financial condition and results of operations. In addition, we may have to incur capital expenditures to comply with the requirements of any new regulations, which may also materially harm our results of operations. Any changes to such laws, including the instances briefly mentioned below, may adversely affect our business, financial condition, results of operations and prospects:

- The Government of India has proposed a comprehensive national GST regime that will combine taxes and levies by the Central and state Governments into a unified rate structure. Given the limited availability of information in the public domain concerning GST, we are unable to provide any assurance as to the tax

regime following implementation of GST. The implementation of this new structure may be affected by any disagreement between certain state Governments, which could create uncertainty. Any such future amendments may affect our overall tax efficiency, and may result in significant additional taxes becoming payable.

- The General Anti Avoidance Rules (“GAAR”) have recently been notified by way of an amendment to the Income Tax Act, 1961, and are proposed to come into effect from April 1, 2017. While the intent of this legislation is to prevent business arrangements set up with the intent to avoid tax incidence under the Income Tax Act, certain exemptions have been notified, viz., (i) arrangements where the tax benefit to all parties under an arrangement is less than ₹300.00 lakhs, (ii) where Foreign institutional Investors (“FIIs”) have not taken benefit of a double tax avoidance tax treaty under Section 90 or 90A of the Income Tax Act, 1961 and have invested in listed or unlisted securities with SEBI approval, (iii) where a non-resident has made an investment, either direct or indirect, by way of an offshore derivative instrument in an FII. Further, investments made up to March 31, 2017 shall not be subject to GAAR provided that GAAR may apply to any business arrangement pursuant to which tax benefit is obtained on or after April 1, 2017, irrespective of the date on which such arrangement was entered into.
- The Government of India has recently released safe harbor rules with respect to acceptance by the Indian tax authorities of declared transfer prices for certain types of international transactions (including intra-group loans and corporate guarantees and for the manufacture and export of core and non-core automotive components) between an eligible assessee and its associated enterprises, either or both of which are not Indian residents. The benefit, if any that we may derive from the application of such rules in the future is unclear.

We have not determined the impact of these recent and proposed laws and regulations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy in the jurisdictions in which we operate, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future. Further, if we are affected, directly or indirectly, by the application or interpretation of any provision of such laws and regulations or any related proceedings, or are required to bear any costs in order to comply with such provisions or to defend such proceedings, our business and financial performance may be adversely affected.

In February 2016, the member states of the GCC agreed to implement value-added tax by the end of 2018 at a common rate of 5%. The application of various Indian and international sales, value-added and other tax laws, rules and regulations to our healthcare services, currently or in the future, is subject to interpretation by the applicable taxation authorities. Many of the statutes and regulations that impose these taxes were established before the growth of the Internet and mobile networks. If such tax laws, rules and regulations are amended, new adverse laws, rules or regulations are adopted or current laws are interpreted adversely to our interests, the results could increase our tax payments (prospectively or retrospectively) and/or subject us to penalties and, if we pass on such costs to our patients, it may result in a decrease in the demand for our healthcare services. Further, changes in capital gains tax or tax on capital market transactions or sale of shares could affect investor returns. As a result, any such changes or interpretations could have an adverse effect on our business and financial performance.

68. *Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws and regulations, in Oman may adversely affect our business and financial performance.*

New tax legislation effective in Oman has the effect of imposing an increase in the tax charge levied on profits generated by corporate entities in Oman from 12% to 15%. This increase may have a material impact on the profits generated in Oman during the current and future financial years.

The new Omani Foreign Investment Law is due to be issued later in 2016 and a draft of the law has not been made available to the public. While consultation of the new law has been focused on increasing inward foreign investment rather than imposing obligations on existing businesses in Oman, there is no guarantee that the new law will not have a direct or an indirect material adverse effect on the business and financial performance in Oman and may result in increased foreign competition in the healthcare sector in Oman.

69. *We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.*

The Competition Act, 2002, of India, as amended (“**Competition Act**”) regulates practices having an appreciable adverse effect on competition in the relevant market in India (“**AAEC**”). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among

competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the “CCI”). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations and prospects.

We are also subject to laws which prohibit anti-competitive activities in the GCC states, the adverse application or interpretation of which could adversely affect our acquisition driven growth strategy.

70. *Any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Red Herring Prospectus would be subject to certain compliance requirements, including prior shareholders’ approval.*

We propose to utilise the Net Proceeds for purchase of medical equipment, pre-payment of debt and general corporate purposes. For further details of the proposed objects of the Offer, please see the section “Objects of the Offer” on page 99. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Section 27 of the Companies Act, 2013, we cannot undertake any variation in the utilisation of the Net Proceeds or in the terms of any contract as disclosed in the Red Herring Prospectus without obtaining the shareholders’ approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders’ approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders’ approval may adversely affect our business or operations.

Further, our Promoters or controlling shareholders would be required to provide an exit opportunity to the shareholders who do not agree with our proposal to change the objects of the Offer or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoters or controlling shareholders to provide an exit opportunity to such dissenting shareholders may deter the Promoters or controlling shareholders from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoters or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Offer to use any unutilized proceeds of the Fresh Issue, if any, or vary the terms of any contract referred to in the Red Herring Prospectus, even if such variation is in the interest of our Company. This may restrict our Company’s ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

71. *Our Equity Shares have never been publicly traded, and after the Offer, the Equity Shares may experience price and volume fluctuations, and an active trading market for the Equity Shares may not develop. Further, the price of our Equity Shares may be volatile, and you may be unable to resell your Equity Shares at or above the Offer Price, or at all.*

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market on the Indian Stock Exchanges may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop, or if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book-building process and may not be indicative of the market price of the Equity Shares at the time of commencement of trading of the Equity Shares or at any time thereafter. The market price and liquidity of the Equity Shares may be subject to significant fluctuations in response to, among other factors:

- volatility in the Indian and other global securities markets;
- problems such as temporary closure, broker default and settlement delays experienced by the Indian Stock Exchanges;
- the performance and volatility of the Indian, the GCC and global economy;
- financial instability in emerging markets that may lead to loss of investor confidence;
- risks relating to our business and industry, including those discussed in this Draft Red Herring Prospectus;
- strategic actions by us or our competitors;
- investor perception of the investment opportunity associated with our Equity Shares and our future performance;
- adverse media reports about us, our shareholders or Group Entities;
- future sales of our Equity Shares;
- variations in our quarterly results of operations;
- differences between our actual financial and operating results and those expected by investors and analysts;
- our future expansion plans;
- perceptions about our future performance or the performance of the healthcare industry generally;
- significant developments in the regulation of the healthcare industry in our key locations;
- changes in the estimates of our performance or recommendations by financial analysts;
- significant developments relating to the GCC states;
- significant developments in India's economic liberalisation and deregulation policies; and
- significant developments in India's fiscal and environmental regulations.

There has been significant volatility in the Indian stock markets in the recent past, and our Equity Share price could fluctuate significantly as a result of market volatility. A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

72. *You will not be able to immediately sell any of the Equity Shares you subscribe to in this Offer on an Indian stock exchange.*

In accordance with Indian law and practice, permission for listing of the Equity Shares will not be granted until after the Equity Shares in this Offer have been Allotted. Approval will require all other relevant documents authorising the issuing of the Equity Shares to be submitted. There could be failure or delays in listing the Equity Shares on the Indian Stock Exchanges.

Further, pursuant to Indian regulations, certain actions must be completed before the Equity Shares can be listed and commence trading. Investors "book entry," or "demat", accounts with Depository Participants are expected to be credited within three Working Days of the date on which the Basis of Allotment is approved by the Designated Stock Exchange. Thereafter, upon receipt of final approval from the Designated Stock Exchange, trading in the Equity Shares is expected to commence within six Working Days from Bid/ Offer Closing Date.

We cannot assure you that the Equity Shares will be credited to the investors' demat account, or that the trading in the Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining the approvals would restrict your ability to dispose of the Equity Shares.

73. *Any future issuance of Equity Shares may dilute your shareholdings, and sales of our Equity Shares by our Promoters or other major shareholders may adversely affect the trading price of the Equity Shares.*

Any future equity issuances by us, including pursuant to our ESOP Scheme, may lead to the dilution of investors' shareholdings in our Company. In addition, any sales of substantial amounts of our Equity Shares in the public market after the completion of this Offer, including by IVF or Olympus (a portion of whose shareholding is exempt from statutory lock-in) or our Promoters or other major shareholders, or the perception that such sales could occur, could adversely affect the market price of our Equity Shares and could materially impair our future ability to raise capital through offerings of our Equity Shares. Our Promoters currently hold an aggregate of 51.50% of our outstanding Equity Shares. After the completion of the Offer, our Promoters and members of our Promoter Group will continue to hold a significant portion of our outstanding Equity Shares. We cannot predict

what effect, if any, market sales of our Equity Shares held by our Promoters or other major shareholders or the availability of these Equity Shares for future sale will have on the market price of our Equity Shares.

74. *It may not be possible for investors outside India to enforce any judgment obtained outside India against our Company or our management or any of our associates or affiliates in India, except by way of a suit in India.*

Our Company is incorporated as a public limited company under the laws of India and some of our directors and executive officers reside in India. Further, certain of our assets, and the assets of our executive officers and directors, may be located in India. As a result, it may be difficult to effect service of process outside India upon us and our executive officers and directors or to enforce judgments obtained in courts outside India against us or our executive officers and directors, including judgments predicated upon the civil liability provisions of the securities laws of jurisdictions outside India.

India has reciprocal recognition and enforcement of judgments in civil and commercial matters with only a limited number of jurisdictions, which includes the United Kingdom, Singapore and Hong Kong. In order to be enforceable, a judgment from a jurisdiction with reciprocity must meet certain requirements of the Indian Code of Civil Procedure, 1908 (the “Civil Code”). The Civil Code only permits the enforcement of monetary decrees, not being in the nature of any amounts payable in respect of taxes, other charges, fines or penalties. Judgments or decrees from jurisdictions which do not have reciprocal recognition with India cannot be enforced by proceedings in execution in India. Therefore, a final judgment for the payment of money rendered by any court in a non-reciprocating territory for civil liability, whether or not predicated solely upon the general laws of the non-reciprocating territory, would not be enforceable in India. Even if an investor obtained a judgment in such a jurisdiction against us, our officers or directors, it may be required to institute a new proceeding in India and obtain a decree from an Indian court. However, the party in whose favour such final judgment is rendered may bring a fresh suit in a competent court in India based on a final judgment that has been obtained in a non-reciprocating territory within three years of obtaining such final judgment. It is unlikely that an Indian court would award damages on the same basis or to the same extent as was awarded in a final judgment rendered by a court in another jurisdiction if the Indian court believed that the amount of damages awarded was excessive or inconsistent with public policy in India. In addition, any person seeking to enforce a foreign judgment in India is required to obtain prior approval of the RBI to repatriate any amount recovered pursuant to the execution of the judgment.

75. *Any downgrading of India’s debt rating by an international rating agency could have a negative impact on our business, results of operations, financial condition and prospects.*

Any adverse revisions to India’s credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have a material adverse effect on our business and future financial performance, our ability to obtain financing for capital expenditures, and the price of our Equity Shares.

76. *The requirements of being a listed company may strain our resources.*

We are not a listed company and have not, historically, been subjected to the increased scrutiny of our affairs by shareholders, regulators and the public at large that is associated with being a listed company. As a listed company, we will incur significant legal, accounting, corporate governance and other expenses that we did not incur as an unlisted company. We will be subject to the Equity Listing Agreements with the Stock Exchanges which will require us to file audited annual and unaudited quarterly reports with respect to our business and financial condition. If we experience any delays, we may fail to satisfy our reporting obligations and/or we may not be able to readily determine and accordingly report any changes in our results of operations as promptly as other listed companies.

Further, as a listed company, we will need to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, including keeping adequate records of daily transactions to support the existence of effective disclosure controls and procedures and internal control over financial reporting. In order to maintain and improve the effectiveness of our disclosure controls and procedures and internal control over financial reporting, significant resources and management attention will be required.

As a result, our management’s attention may be diverted from other business concerns, which may adversely affect our business, prospects, financial condition and results of operations. In addition, we may need to hire additional legal and accounting staff with appropriate listed company experience and technical accounting knowledge, but we cannot assure you that we will be able to do so in a timely and efficient manner.

77. *Significant differences exist between Indian GAAP and other accounting principles, such as U.S. GAAP and IFRS, which may be material to the financial statements prepared and presented in accordance with SEBI Regulations contained in this Draft Red Herring Prospectus.*

As stated in the reports of the Auditor included in this Draft Red Herring Prospectus on page 244, the financial statements included in this Draft Red Herring Prospectus are based on financial information that is based on the audited financial statements that are prepared and presented in conformity with Indian GAAP and restated in accordance with the SEBI Regulations, and no attempt has been made to reconcile any of the information given in this Draft Red Herring Prospectus to any other principles or to base it on any other standards. Indian GAAP differs from accounting principles and auditing standards with which prospective investors may be familiar in other countries, such as U.S. GAAP and IFRS. Significant differences exist between Indian GAAP and U.S. GAAP and IFRS, which may be material to the financial information prepared and presented in accordance with Indian GAAP contained in this Draft Red Herring Prospectus. Accordingly, the degree to which the financial information included in this Draft Red Herring Prospectus will provide meaningful information is dependent on familiarity with Indian GAAP, the Companies Act and the SEBI Regulations. Any reliance by persons not familiar with Indian GAAP on the financial disclosures presented in this Draft Red Herring Prospectus should accordingly be limited.

78. *Public companies in India, including us, are required to prepare financial statements under Ind AS and compute Income Tax under the Income Computation and Disclosure Standards (the “ICDS”). The transition to Ind AS and ICDS in India is very recent and we may be negatively affected by such transition.*

Our financial statements, including the restated financial information included in this Draft Red Herring Prospectus are prepared in accordance with Indian GAAP and restated in accordance with the requirement of SEBI ICDR Regulations. The Ministry of Corporate Affairs, GoI has, pursuant to a notification dated February 16, 2015, set out the Ind AS and the timelines for the implementation of Ind AS. Accordingly, our Company is required to prepare its financial statements in accordance with Ind AS from April 1, 2016. The Ind AS have been prepared on the basis of IFRS, and are different in many aspects from Indian GAAP under which our financial statements are currently prepared and presented. For instance, accounting policies related to determination of control for consolidation, accounting of acquisitions/business combinations, recording of minority interest, accounting for leases and revenue sharing arrangements, accounting of deferred taxes, use of fair value for recording assets and liabilities, classification of financial assets and liabilities, disclosure impact in connection with financial instruments, segment reporting, related party disclosures, interim financial reporting, etc. in terms of the Ind AS are different from the accounting policies for these items under Indian GAAP. As a result, our financial statements for the period commencing from April 1, 2016 may not be comparable to our historical financial statements.

Further, there can be no assurance that the adoption of Ind AS will not affect our reported results of operations or financial condition. Our management is devoting and will continue to need to devote time and other resources for the successful and timely implementation of Ind AS. A failure to successfully transition into the Ind AS regime may have an adverse effect on the trading price of the Equity Shares and/or may lead to regulatory action and other legal consequences against our Company. Moreover, our transition to Ind AS reporting may be hampered by increasing competition and increased costs for the relatively small number of Ind AS-experienced accounting personnel available as more Indian companies begin to prepare Ind AS financial statements. There is not yet a significant body of established practice from which to draw references/judgments regarding the implementation and application of Ind AS. Any of these factors relating to the use of Ind AS may adversely affect our financial condition and results of operations. For further details in relation to the impact of Ind AS on the preparation and presentation of our financial statements, see “*Significant Differences between Indian GAAP and Ind AS*” on page 400.

Additionally, the Ministry of Finance, GoI has issued a notification dated March 31, 2015 notifying ICDS which creates a new framework for the computation of taxable income. ICDS came into effect from April 1, 2015 and are applicable fiscal 2016 onward. Therefore, ICDS will have a direct impact on computation of taxable income of our Company fiscal 2016 onwards. ICDS differs on several aspects from accounting standards including the Indian GAAP and Ind AS. For instance, where ICDS-based calculations of taxable income differ from Indian GAAP or Ind AS-based concepts, the ICDS-based calculations have the effect of requiring taxable income to be recognized earlier, increasing overall levels of taxation or both. For further details, see “*Financial Statements*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operation – Our Tax Expenses*” on pages 244 and 409, respectively. There can be no assurance that the adoption of ICDS will not adversely affect our business, results of operations and financial condition.

79. *A decline in India’s foreign exchange reserves may affect liquidity and interest rates in the Indian economy, which could adversely affect our financial condition.*

According to a ‘Weekly Statistical Supplement’ released by RBI on June 10, 2016, India’s foreign exchange reserves totalled approximately USD 363.46 billion as of June 3, 2016. India’s foreign exchange reserves have

declined recently and may have negatively affected the valuation of the Rupee. Further declines in foreign exchange reserves could adversely affect the valuation of the Rupee and could result in reduced liquidity and higher interest rates that could adversely affect our future financial condition and the market price of the Equity Shares.

80. *You may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares.*

Under the Indian Income-tax Act, 1961, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. Any gain realised on the sale of shares on a stock exchange held for more than 12 months will not be subject to capital gains tax in India if the securities transaction tax (“STT”) has been paid on the transaction. The STT will be levied on and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of shares held for more than 12 months to an Indian resident, which are sold other than on a recognised stock exchange and as a result of which no STT has been paid, will be subject to long term capital gains tax in India. Further, any gain realised on the sale of shares held for a period of 12 months or less will be subject to capital gains tax in India. Further, any gain realised on the sale of listed equity shares held for a period of 12 months or less which are sold other than on a recognised stock exchange and on which no STT has been paid, will be subject to short term capital gains tax at a relatively higher rate as compared to the transaction where STT has been paid in India. Please see the section “*Statement of Tax Benefits*” on page 111. Capital gains arising from the sale of shares will be exempt from taxation in India in cases where an exemption is provided under a tax treaty between India and the country of which the seller is a resident. Generally, Indian tax treaties do not limit India’s ability to impose tax on capital gains. As a result, residents of other countries may be liable for tax in India as well as in their own jurisdictions on gains arising from a sale of the shares subject to relief available under the applicable tax treaty or under the laws of their own jurisdiction.

81. *Government regulation of foreign ownership of Indian securities may have an adverse effect on the price of the Equity Shares.*

Foreign ownership of Indian securities is subject to Government regulation. In accordance with foreign exchange regulations currently in effect in India, under certain circumstances the RBI must approve the sale of the Equity Shares from a non-resident of India to a resident of India or vice-versa if the sale does not meet certain requirements specified by the RBI. Additionally, any person who seeks to convert the Rupee proceeds from any such sale into foreign currency and repatriate that foreign currency from India is required to obtain a no-objection or a tax clearance certificate from the Indian income tax authorities. As provided in the foreign exchange controls currently in effect in India, the RBI has provided that the price at which the Equity Shares are transferred be calculated in accordance with internationally accepted pricing methodology for the valuation of shares at an arm’s length basis, and a higher (or lower, as applicable) price per share may not be permitted. We cannot assure investors that any required approval from the RBI or any other government agency can be obtained on terms favourable to a non-resident investor in a timely manner or at all. Because of possible delays in obtaining requisite approvals, investors in the Equity Shares may be prevented from realizing gains during periods of price increase or limiting losses during periods of price decline.

Further, as on the date of this Draft Red Herring Prospectus, our Company is a foreign owned or controlled company and we are required to comply with certain conditions specified under the FEMA Regulations and the foreign direct investment policy with respect to downstream investments by Indian companies that are not owned and/or controlled by resident entities. These conditions include restrictions on valuations, sources of funding for such investments and certain reporting requirements. Such restrictions may adversely affect our ability to make downstream investments. There can be no assurance that we will be able to comply with such restrictions or obtain any required approvals for future acquisitions or investments in India, or that we will be able to obtain such approvals on satisfactory terms, which may adversely affect our results of operations, financial condition, financial performance and the price of our Equity Shares.

82. *A third party could be prevented from acquiring control of our Company because of anti-takeover provisions under Indian law.*

There are provisions in Indian law that may delay, deter or prevent a future takeover or change in control of our Company, even if a change in control would result in the purchase of your Equity Shares at a premium to the market price or would otherwise be beneficial to you. Such provisions may discourage or prevent certain types of transactions involving actual or threatened change in control of us. Under the takeover regulations in India, an acquirer has been defined as any person who, directly or indirectly, acquires or agrees to acquire shares or voting rights or control over a company, whether individually or acting in concert with others. Although these provisions have been formulated to ensure that interests of investors/shareholders are protected, these provisions may also discourage a third party from attempting to take control of our Company. Consequently, even if a potential takeover of our Company would result in the purchase of the Equity Shares at a premium to their market price or

would otherwise be beneficial to its stakeholders, it is possible that such a takeover would not be attempted or consummated because of the Indian takeover regulations.

83. *Natural calamities could have a negative effect on the Indian economy and cause our business to suffer.*

India has experienced natural calamities such as earthquakes, a tsunami, floods and drought in the past few years. The extent and severity of these natural disasters determines their effect on the Indian economy. The erratic progress of a monsoon would also adversely affect sowing operations for certain crops. Further prolonged spells of below normal rainfall or other natural calamities in the future could have a negative effect on the Indian economy, adversely affecting our business and the price of our Equity Shares.

Prominent Notes:

- On November 29, 2013, the name of our Company was changed from DM Healthcare Private Limited to Aster DM Healthcare Private Limited. Subsequently, the name of our Company was changed to Aster DM Healthcare Limited when our Company was converted into a public limited company on January 1, 2015. For further details in relation to the change in the name of our Company, please see the section “*History and Certain Corporate Matters*” on page 176.
- Offer of up to 57,685,166 Equity Shares for cash at price of ₹[●] (including a premium of ₹[●]) aggregating to ₹[●] million comprising of a Fresh Issue of up to 21,614,366 Equity Shares aggregating to ₹[●] million by our Company and Offer of Sale of up to 36,070,800 Equity Shares aggregating to ₹[●] million by the Selling Shareholders. The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company. Our Company and UIPL may consider a pre-offer placement of up to 9,600,000 Equity Shares comprising of a fresh issue of up to 4,800,000 Equity Shares by our Company and a transfer of up to 4,800,000 Equity Shares by UIPL for an aggregate amount not exceeding ₹2,000 million for each portion at the discretion of the Company and UIPL. The Pre-IPO Placement will be at a price to be decided by our Company and UIPL and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares allotted and transferred will be reduced from the Fresh Issue and the Offer for Sale, as applicable, subject to a minimum offer of 10% of the post-Offer paid-up Equity Share capital being offered to the public.
- Our net worth was ₹32,897.44 million as on December 31, 2015, in accordance with our restated consolidated financial statements and ₹23,909.08 million as on December 31, 2015, in accordance with our restated standalone financial statements, each included in this Draft Red Herring Prospectus. For details, please see the section “*Financial Statements*” on page 244.
- Our net asset value per Equity Share was ₹83.42 as at December 31, 2015, as per our restated consolidated financial statements and was ₹60.63 as at December 31, 2015 as per our restated standalone financial statements.
- The average cost of acquisition of Equity Shares by our Promoter Union Investments Private Limited is ₹2.84 per Equity Share, respectively. Dr. Azad Moopen does not hold any Equity Shares in our Company.
- Except as disclosed in the chapter “*Our Group Entities*” and section “*Financial Statements- Statements of Related Parties and Related Party Transactions*” on pages 239 and 244, none of our Group Companies have business interests or other interests in our Company.
- For details of related party transactions entered into by our Company with the Group Companies, our subsidiaries and other related parties during the last financial year, the nature of transactions and the cumulative value of transactions, please see the section “*Financial Statements - Statements of Related Parties and Related Party Transactions*” on page 244.
- There have been no financing arrangements whereby our Promoter Group, the directors of our Promoter, UIPL, our Directors and their relatives have financed the purchase by any other person of securities of our Company other than in the normal course of the business of the financing entity during the period of six months immediately preceding the filing of this Draft Red Herring Prospectus.
- Investors may contact the Managers for any complaints, information or clarification pertaining to the Offer. For further information regarding grievances in relation to the Offer, see “*General Information*” on page 74.

SECTION III: INTRODUCTION

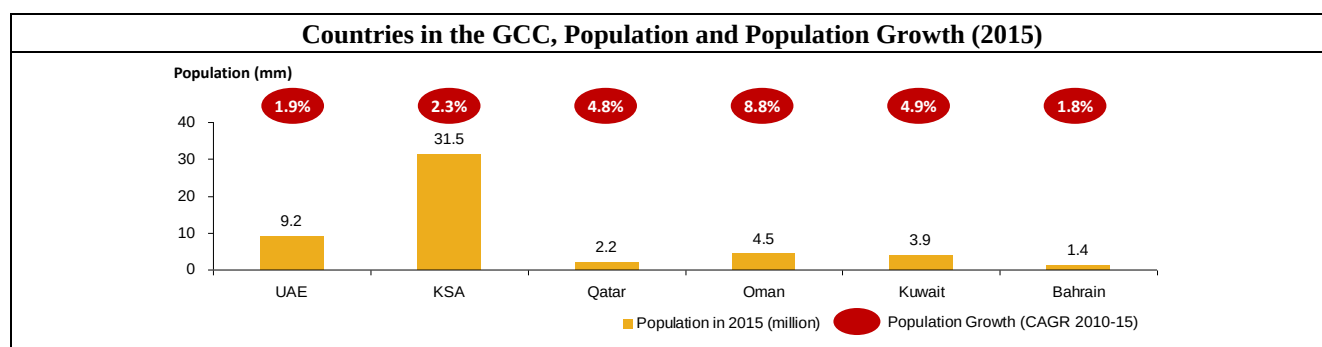
SUMMARY OF INDUSTRY

The information relating to the GCC states in this section is derived from the “Independent Market Report for Healthcare IPO Covering Selected Countries in the GCC (The UAE, the KSA, Oman, and Qatar)”, May 2016, prepared by Frost & Sullivan (the “Frost and Sullivan Report”), and the information in this section relating to India is derived from the “Report on healthcare delivery sector in India”, November 2014, prepared by CRISIL Research (the “CRISIL Report”). We commissioned the Frost and Sullivan Report and the CRISIL Report for the purposes of confirming our understanding of the industry in connection with the Offer. Neither we, nor any of the Managers, nor any other person connected with the Offer has verified the information in the Frost and Sullivan Report and the CRISIL Report. Further, these reports are prepared based on information as of specific dates and may no longer be current or reflect current trends. They may also base their opinion on estimates, projections, forecasts and assumptions that may prove to be incorrect. CRISIL Research, a division of CRISIL Limited (“CRISIL”), has advised that while it has taken due care and caution in preparing the CRISIL Report based on the information obtained by CRISIL from sources which it considers reliable, it does not guarantee the accuracy, adequacy or completeness of the CRISIL Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of CRISIL Report or the data therein. Further, the CRISIL Report is not a recommendation to invest / disinvest in any company covered in the report. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of the CRISIL Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL’s Ratings Division or CRISIL Risk and Infrastructure Solutions Limited (“CRIS”), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the CRISIL Report are that of CRISIL Research and not of CRISIL’s Ratings Division or CRIS. Prospective investors are advised not to unduly rely on the Frost and Sullivan Report and the CRISIL Report when making their investment decision. The information in this section should be read in conjunction with “Industry Overview”, “Risk Factors” and “Our Business” on pages 113, 17 and 134 respectively.

I. GCC STATES

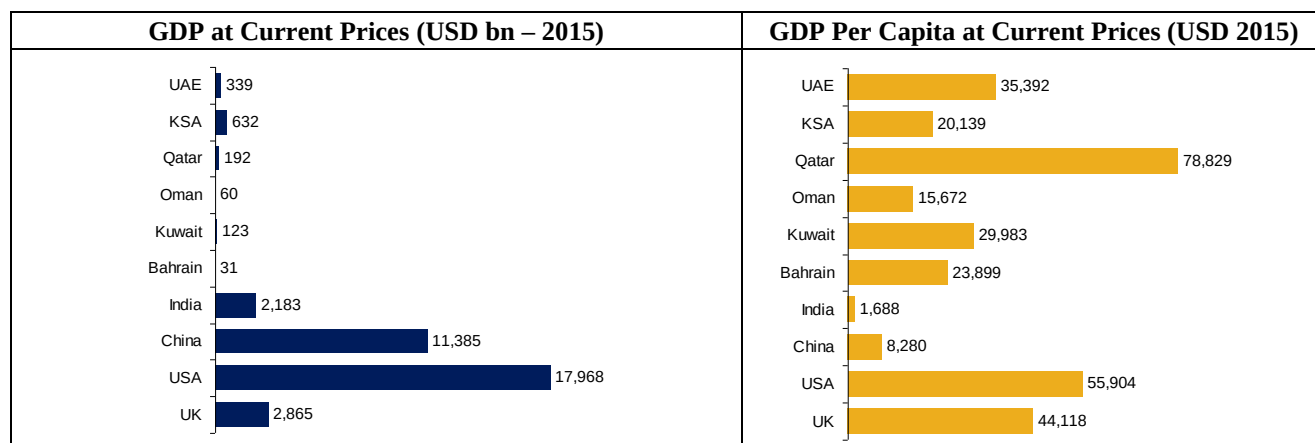
Macroeconomic and Demographic Overview

The Gulf Cooperation Council (GCC) consists of six countries in the Middle East viz. the Kingdom of Saudi Arabia (KSA), the United Arab Emirates (UAE), Qatar, the Sultanate of Oman (Oman), Kuwait, and Bahrain. Amongst the GCC countries, the KSA has the highest population, followed by the UAE.



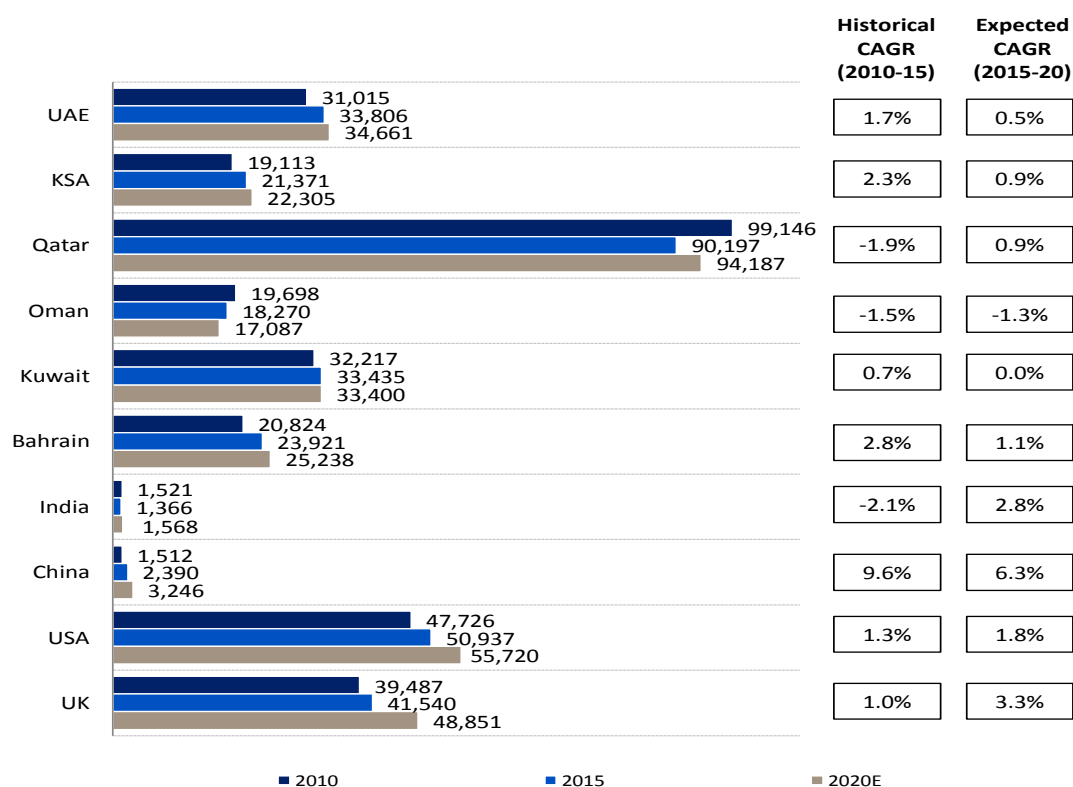
Source: World Bank Population Estimates, 2015, and Frost & Sullivan Analysis

Amongst the GCC countries, the KSA has the highest Gross Domestic Product (GDP) at current prices followed by the UAE. GDP per capita of GCC countries such as Qatar, the UAE and Kuwait is compared to that of the USA and the UK below.



Source: World Economic Outlook, International Monetary Fund Estimates, October 2015, and Frost & Sullivan Analysis

GDP Per Capita at Constant Prices* in USD (2010, 2015 and 2020E)

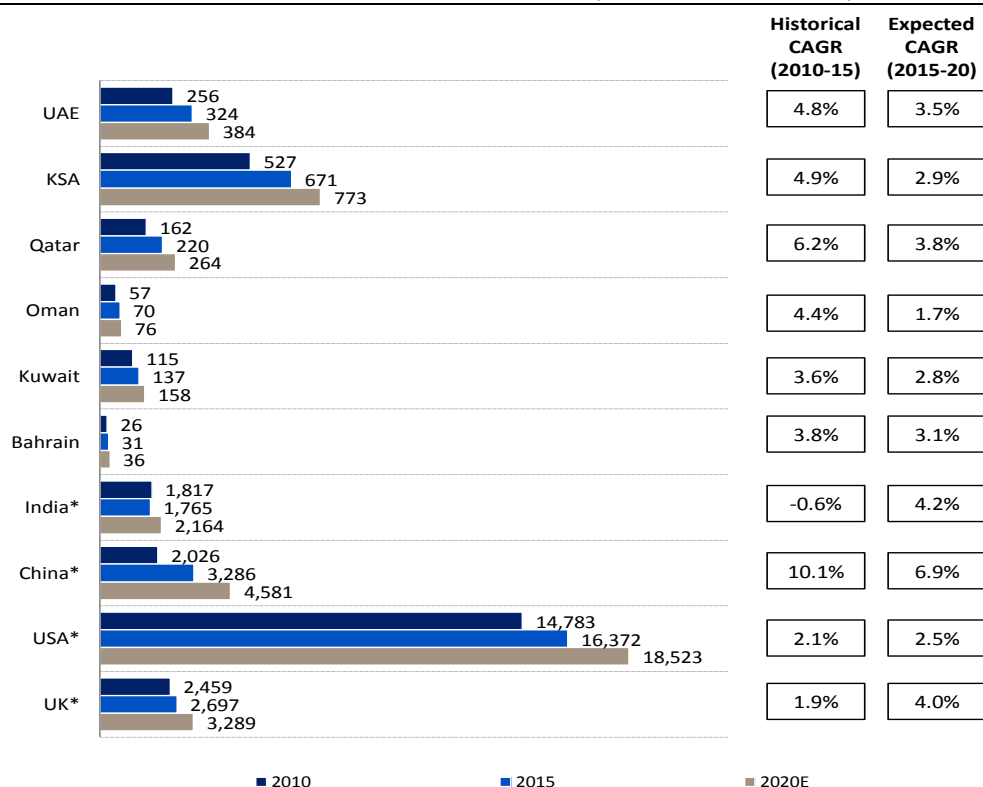


Source: World Economic Outlook, International Monetary Fund Estimates, October 2015, and Frost & Sullivan Analysis

*Note: Base year for USD conversion based on IMF data; varies by country. For UAE-2007, KSA-2010, Qatar-2013, Oman-2010, Kuwait-2010, Bahrain-2010, India-2011-12, China-1990, USA-2009, UK-2011

Going forward the GDP at constant prices of the UAE, KSA and Qatar is expected to grow at a CAGR of 3.5%, 2.9% and 3.8%, respectively, from 2015 to 2020, higher than the expected growth for the USA for the same period.

GDP at Constant Prices* in USD Bn (2010, 2015 and 2020E)

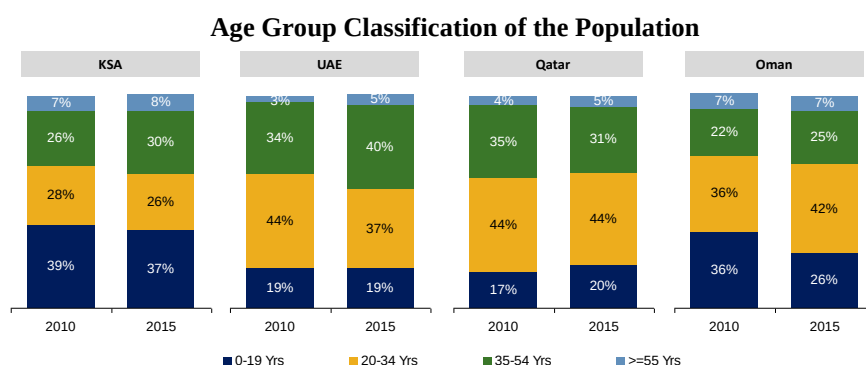


**Note1: base year for USD conversion based on IMF data; varies by country. For UAE-2007, KSA-2010, Qatar-2013, Oman-2010, Kuwait-2010, Bahrain-2010, India-2011-12, China-1990, USA-2009, UK-2011*

Note2: While actual values for US, UK, India, and China are shown, for this graphical representation, values have been further divided by a factor of 10 in order to enhance the visual appearance of GCC countries. UAE 2015 value represents IMF estimate based on the country's preliminary national accounts 2014. Also, the GDP growth rates mentioned here are taken on National Currency, so as to neutralise currency fluctuations.

Source: World Economic Outlook, International Monetary Fund Estimates, October 2015, and Frost & Sullivan Analysis

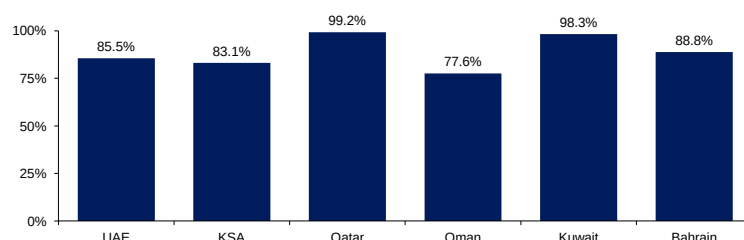
A large working population in the UAE is of expatriate origin, for whom work visas may be extended up to the age of 65 years. As a result, the population comprising people above 55 years was around 5% of the total in 2015. However, the population in the UAE for the 35-54 age groups is expected to increase significantly to 39% by 2020, indicating an ageing population.



Source: World Bank: Health Nutrition and Population Statistics: Population estimates and projections 2015 and Frost & Sullivan Analysis

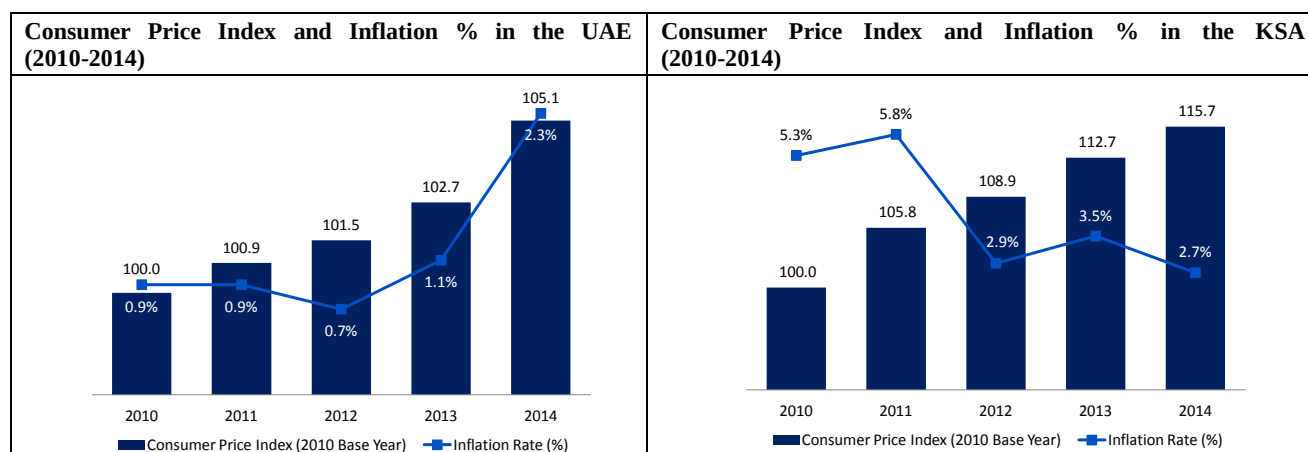
In 2015, countries in the GCC are highly urbanised having over 80% urban population in all GCC countries except in Oman. High urbanisation, especially since the discovery of oil in the region, has helped in the growth of various industries including healthcare.

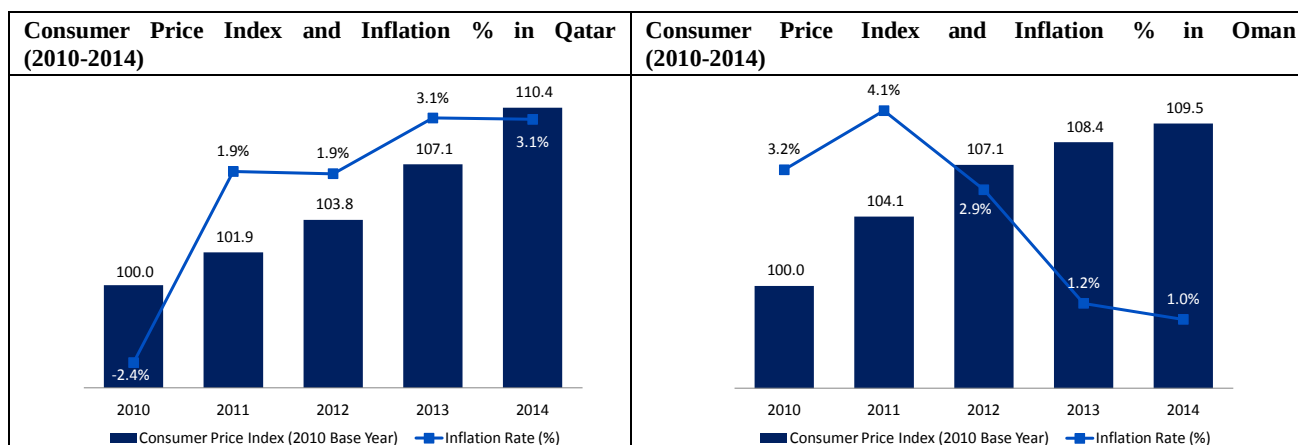
Urban Population (% of Total Population) Comparison (2015)



Source: World Bank Population Estimates, 2015, and Frost & Sullivan Analysis

Inflation rates in the UAE reached 2.3% in 2014 and the Consumer Price Index in the same year was 105.1. The average inflation rates in the KSA have fluctuated in the past few years, touching 5.3% in 2010 but decreasing to 2.7% in 2014. In Qatar, the average inflation rates in the country grew to 3.1% in 2014 from 1.9% in 2012, which was due to increasing Government expenditure, excess liquidity, and an increase in consumer demand. In Oman, The average consumer price inflation declined from 2.9% in 2012 to 1.0% in 2014 due to lower food prices and Government subsidies on core goods and services.





Source: World Bank Statistics 2015; and Frost & Sullivan Analysis

SUMMARY OF OUR BUSINESS

The following information should be read together with the more detailed financial and other information included in this Draft Red Herring Prospectus, including the information contained in “Our Business”, “Industry Overview”, “Risk Factors”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 134, 113, 17, 404 and 244, respectively.

Overview

We are one of the largest private healthcare service providers which operate in multiple GCC states based on numbers of hospitals and clinics, according to the Frost & Sullivan Report, and an emerging healthcare player in India. We currently operate in all of the GCC states, which comprise the United Arab Emirates, Oman, Saudi Arabia, Qatar, Kuwait and Bahrain, in Jordan (which we classify as a GCC state as part of our GCC operations), in India and the Philippines. Our GCC operations are headquartered in Dubai, United Arab Emirates and our Indian operations are headquartered in Kochi, Kerala.

We operate in multiple segments of the healthcare industry, including hospitals, clinics and retail pharmacies and provide healthcare services to patients across economic segments in several GCC states through our various brands “Aster”, “Medcare” and “Access”. We believe that “Aster” and our other brands are widely recognized in the GCC states both by healthcare professionals and patients. We commenced operations in 1987 as a single doctor clinic in Dubai established by our founder, Dr. Azad Moopen. Our Company was incorporated in 2008 in a reorganisation to facilitate the growth of our operations, subsequent to which operations in the GCC states and India were consolidated under Aster DM Healthcare Ltd. Our “MIMS”, or Malabar Institute of Medical Sciences Limited, hospital in Kozhikode, Kerala, India, commenced operations in 2001.

The execution capabilities of our experienced management team have enabled our consistent growth in recent years, both organically and through strategic acquisitions. We had 149 operating facilities, including 10 hospitals with a total of 1,419 beds, as of March 31, 2013 and have expanded to 280 operating facilities, including 13 hospitals with a total of 2,537 beds, as of March 31, 2016. Further, we have acquired a 29.97% stake in Dr. Ramesh Hospitals that owns and operates 3 hospitals in Andhra Pradesh. We also entered into an operation and management services agreement and a medical services agreement with DM Education and Research Foundation effective April 1, 2016 to provide operation and maintenance services and to provide medical services at the cardiac sciences and neurosciences super speciality centres in its hospital, DM WIMS. In August 2014, we launched Aster Medcity in Kochi, Kerala, a multi-speciality hospital with a 670 bed capacity, to be positioned as a destination for medical value travel. In the GCC states, the number of our clinics increased from 41 as of March 31, 2013 to 83 as of March 31, 2016, and the number of our retail pharmacies increased from 98 as of March 31, 2013 to 180 as of March 31, 2016. Our pharmacies in India are integrated with our hospitals and clinics, and cater to our patients.

We have a diversified portfolio of healthcare facilities, consisting of 6 hospitals, 83 clinics and 180 retail pharmacies in the GCC states, 7 multi-specialty hospitals and 3 clinics in India, and one clinic in the Philippines as of March 31, 2016. According to the Frost & Sullivan Report, we operate the largest chain of retail pharmacies in the UAE based on number of centres as of March 31, 2016. For further details, see “Industry Overview - GCC States” on page 113. Our hospitals in India are located in Kochi, Kolhapur, Kozhikode, Kottakkal, Bengaluru and Hyderabad and are generally operated under the “Aster”, “MIMS” or “Prime” brands. Our clinics in India are located at Kozhikode and Bengaluru. We had 12,774 employees as of March 31, 2016, including 1,003 full time doctors, 4,406 nurses, 1,063 pharmacists, 1,285 paramedics and 5,017 other employees. In addition, we had 703 “fee for service” doctors working across various specialities in our hospitals in India as of March 31, 2016.

We believe that our long standing operations, quality of medical care and track record of building long-term relationships with our doctors and other medical professionals has enabled us to build a strong brand name in the GCC states and will enable us to further establish the brand in India. We further believe that our brands, reputation, strong and stable management team, investment in medical technology and commitment to medical training and education have helped us to attract and retain well-known doctors and other health care professionals for our operations, who in turn draw more patients to our facilities.

A majority of our hospitals and clinics provide secondary and tertiary healthcare services to patients. In addition to providing core medical, surgical and emergency services, some of our hospitals provide complex and advanced quaternary healthcare in various specialties, including cardiology, oncology, radiology, ophthalmology, neurosciences, paediatrics, gastroenterology, orthopaedics and critical care services.

The quality of medical care we provide is evidenced by the number of quality certifications and other achievements that our facilities have obtained from various local and international accreditation agencies, including from the U.S.-based Joint Commission International, or JCI. Three of our hospitals and one clinic in the GCC states, and Aster Medcity in Kochi, Kerala, have obtained JCI accreditation. In 2006, our MIMS Hospital in Kozhikode, Kerala received accreditation from the National Accreditation Board for Hospitals and Healthcare Providers, or NABH. In 2007, our Medcare Hospital in Dubai

received JCI accreditation. Our Medcare Orthopaedics and Spine Hospital in Dubai received JCI accreditation in 2013. Our Sanad Hospital in Saudi Arabia obtained accreditation from the Saudi Central Board for Accreditation for Healthcare Institutions, or CBAHI which is valid until October 2016. Medinova Diagnostic Centre, our first central laboratory clinic in the GCC states, holds JCI accreditation which is valid until 2017.

Our total revenues from operations was ₹19,217.42 million, ₹28,711.45 million, ₹38,758.43 million and ₹37,315.16 million for fiscal 2013, 2014 and 2015 and the nine months ended December 31, 2015, respectively. Our Adjusted EBITDA was ₹2,661.34 million, ₹4,642.35 million, ₹5,787.22 million and ₹4,575.58 million for fiscal 2013, 2014 and 2015 and the nine months ended December 31, 2015, respectively. Of our total revenues from operations for the nine months ended December 31, 2015, our hospital segment (for both the GCC states and India) accounted for 50.98%, our clinic segment accounted for 23.85% and our retail pharmacy segment accounted for 25.12%. Our operations in India, which primarily consist of hospitals, accounted for 12.52% of our total revenues from operations for the nine months ended December 31, 2015.

Key Strengths

We believe that we are well positioned to benefit from favourable trends driving demand in the private healthcare services market in the GCC states and India by virtue of our principal competitive strengths as described below.

Long standing presence with strong brand equity

We are one of the largest private healthcare service providers which operate in multiple GCC states based on numbers of hospitals and clinics, according to the Frost & Sullivan Report, and an emerging healthcare player in India. We commenced operations in 1987 as a single doctor clinic in Dubai established by our founder, Dr. Azad Moopen and are able to draw upon our decades of experience in providing quality care to our patients.

We believe that our “Aster”, “Medcare” and “Access” brands are widely recognized in the GCC states by both healthcare professionals and patients. Our long-standing presence in the markets where we operate, especially the GCC states, has helped us gain an understanding of the respective markets and the regulatory environments and has contributed towards the success of our operations.

We believe that we are well placed to capitalize on the expected growth in healthcare sector in the GCC states due to our early mover advantage and strong brand presence. We further believe that our existing track record in the GCC states, our understanding of and long-term commitment to the Indian market and our financial strength will enable us to further establish the brand in India.

Well diversified portfolio of service offerings to leverage multiple market opportunities

We have an established presence across multiple geographies, multiple healthcare delivery verticals and serve multiple economic segments. We provide healthcare services in the United Arab Emirates, Oman, Saudi Arabia, Qatar, Kuwait and Bahrain, which comprise all of the GCC states, in Jordan (which we classify as part of our GCC operations) and in the Indian cities of Kochi, Kolhapur, Kozhikode, Kottakkal, Bengaluru and Hyderabad. Our clinic in Manila, Philippines commenced operations in August 2015. We operate in multiple formats providing a wide range of services through our diverse network of 6 hospitals, 83 clinics and 180 retail pharmacies in the GCC states, 7 multi-specialty hospitals and 3 clinics in India, and one clinic in the Philippines as of March 31, 2016.

The table below reflects our revenues from operations for the periods indicated based on region and business segments.

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Nine Months ended December 31, 2015
	(₹ million)			
Region				
GCC states	18,867.06	25,767.34	34,478.46	32,644.66
India	350.36	2,944.11	4,279.97	4,670.20
Other regions (Philippines)	-	-	-	0.30
Total	19,217.42	28,711.45	38,758.43	37,315.16
Business segments				
Hospitals	8,757.58	13,818.92	19,002.80	19,025.13
Clinics	4,697.96	6,795.81	9,085.70	8,901.53
Pharmacies	5,654.76	8,096.72	10,646.46	9,374.50
Others	107.12	-	23.47	14.00
Total	19,217.42	28,711.45	38,758.43	37,315.16

Our GCC operations encompass all levels of healthcare services from primary to tertiary and position us to be a one-stop destination for patients' needs once they enter our network. In addition to providing core medical, surgical and emergency services, we also offer advanced surgical treatments in various specialties, including cardiology, oncology, radiology, neurosciences, paediatrics, gastroenterology, orthopaedics and critical care services.

Through our various brands "Aster", "Medcare" and "Access", we offer differentiated healthcare services to patients across economic segments in the GCC states. Our "Medcare" and "Aster" brands address the needs of the upper and middle income segments in the GCC states, whilst our "Access" brand offers affordable healthcare services to blue collar expatriate workers in the GCC states. Further, the presence of our pharmacies at multiple locations across various GCC states also enhance the visibility of our brands.

We operate in India under our "Aster", "MIMS", "Prime", "Aster Aadhar" and "Aster CMI" brands. In fiscal 2015, we launched Aster Medcity in Kochi, Kerala, which is intended to be positioned as a destination for medical value travel from select markets including India and countries across the GCC states, the MENA region and South Asia.

While our healthcare network serves a diverse range of patient needs and is spread across a large region, we believe that this model has enabled us to expand our reach and leverage market opportunities to gain access to a larger patient base and achieve synergies across verticals and geographies, while efficiently deploying our resources. This has helped us to improve our operational efficiencies, by allowing us to centralise certain key functions, such as finance, sourcing, distribution and branding and marketing. We are in the process of centralising our information technology systems in order to deliver better healthcare services to our patients.

Provision of high quality healthcare service

Since our first clinic commenced operations in 1987, we have been focused on providing high quality healthcare service. We constantly strive for a high standard of clinical excellence at all our hospitals, clinics and retail pharmacies. We follow well-defined quality and patient safety protocols in patient handling and care. Our focus on quality is evidenced by the quality certifications and accreditations that our facilities have obtained from various local and international accreditation agencies, which include accreditation from the JCI. We believe that JCI is considered the gold standard of hospital accreditation in the healthcare industry and three of our hospitals and one clinic in the GCC states, and Aster Medcity in Kochi, Kerala, have obtained such accreditation. JCI accreditation for our Medcare Dubai hospital was obtained in only eight months of its commissioning. We have received JCI accreditation for Medcare Orthopaedics and Spine Hospital, Al Raffah Hospital in Sohar and Medinova Diagnostic Centre (our first central laboratory clinic in the GCC states). In the GCC states, Medcare Hospital and our Aster pharmacy retail chain received quality and service awards, respectively, from the Dubai Department of Economic Development in 2014. Our multi-specialty hospital MIMS Hospital in Kozhikode received accreditation by the NABH in 2006. Our MIMS hospital in Kottakkal, Aster Aadhar hospital in Kolhapur and Aster Medcity in Kochi have also received NABH accreditation. Our Sanad Hospital in Saudi Arabia has obtained an accreditation from the Saudi Central Board for Accreditation for Healthcare Institutions, or CBAHI, which is valid up to October, 2016.

We solicit after-service patient feedback through various means such as discussions, feedback forms and in some cases through call-centres. This helps in continuous improvement of our service delivery to our patients.

Ability to attract and retain high quality medical professionals

We had a total employee base of 12,774 as of March 31, 2016, including 1,003 full time doctors, 4,406 nurses, 1,063 pharmacists, 1,285 paramedics and 5,017 other employees. We also had 703 "fee for service" doctors working across various specialties in our hospitals in India as of March 31, 2016. Many of our specialists, physicians and surgeons have been trained in some of the best medical institutions across the world and have received accolades and awards. A number of our doctors are dedicated to clinical research and have published studies on topics such as "*Three-Dimensional Computed Tomography-Based Contouring of a Free Fibula Bone Graft for Mandibular Reconstruction*" and "*Mandibular Conservation in Oral Cancer*". As of March 31, 2016, 30% of the doctors in our hospitals and clinics specialise in various clinical fields such as cardiology, cardio vascular thoracic surgery, neurovascular surgery, nephrology, orthopaedics, oncology and gastroenterology.

Our brand, long-standing presence, investment in medical technology and advanced equipment, continuous expansion and reputation have helped us attract and retain well-known doctors and other health care professionals from an international and diverse talent pool for our facilities, who in turn draw more patients to our facilities. In addition to attracting doctors and other medical professionals to our facilities, we have a track record in building long-term relationships with our doctors and other medical and non-medical professionals through our various incentive programs such as our domestic and international conference travel policies and our sponsored training and education assistance policy. Our operations in India enable us to source doctors, nurses and other medical professionals from India to our operations in the GCC states. As of March 31, 2016, 55.14% of our doctors and 56.57% of our non-medical professionals in the GCC states are of Indian nationality.

Track record of operating and financial performance and growth

We have grown from 149 operating facilities in 5 countries, including 10 hospitals, as of March 31, 2013 to 280 operating facilities in 9 countries, including 13 hospitals, as of March 31, 2016.

We have increased the bed capacity of our hospitals from 1,419 beds as of March 31, 2013 to 2,537 beds as of March 31, 2016. Our operational beds increased from 1,309 as of March 31, 2013 to 1,976 as of March 31, 2016. This includes 337 operational beds out of a total capacity of 670 installed beds for Aster Medcity in Kochi, Kerala, which we launched in August 2014.

Our ARPOB in the GCC states increased from ₹93,264 in fiscal 2013 to ₹131,832 in fiscal 2015 and ₹158,213 in the nine months ended December 31, 2015 and our ARPOB in India increased from ₹8,130 to ₹15,936 and ₹18,287 during the same period.

We reported total operation revenues of ₹19,217.42 million, ₹28,711.45 million, ₹38,758.43 million and ₹37,315.16 million for fiscal 2013, 2014, 2015 and the nine months ended December 31, 2015, respectively. Our Adjusted EBITDA was ₹2,661.34 million, ₹4,642.35 million, ₹5,787.22 million and ₹4,575.58 million for 2013, 2014, 2015 and the nine months ended December 31, 2015, respectively, with Adjusted EBITDA margins of 13.77%, 16.09%, 14.90% and 12.23% for 2013, 2014 and 2015 and the nine months ended December 31, 2015, respectively.

The number of our clinics in GCC states increased from 41 as of March 31, 2013 to 83 as of March 31, 2016, and the number of our retail pharmacies increased from 98 as of March 31, 2013 to 180 as of March 31, 2016.

We assess the likely profitability of hospitals before we construct or acquire them. For example, our MIMS hospital commenced operations in 2001 with 200 beds and generated positive net profit after tax in fiscal 2004. Aster Hospital Mankhool commenced operations in 2015 and achieved positive Adjusted EBITDA seven months after commencing operations.

Experienced core management team

We benefit from an experienced management team in the healthcare services industry, which we believe will be important in executing our growth strategy, including potential acquisitions and organic expansion projects. Our management team is composed of directors and senior officers with an average of approximately 16 years of experience in the healthcare services industry, as well as doctors with both clinical and administrative experience. Several key members of our management team, including our Chief Executive Officer for Aster Pharmacies and Finance Controller for the GCC have been with us for over ten years. For further details, see “*Our Management*” on page 217. Given our extensive presence and operations across regions and verticals, we also have a second line of management with managerial, healthcare and regulatory experience in control of, and to provide stability across, our daily operations. Each of our vertical segments has its own management team led by its own Chief Executive Officer.

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. For further details, see “*Industry Overview - GCC States*” on page 113.

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. For further details, see “*Industry Overview - India*” on page 129.

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

Continue to grow within our existing centres

We intend to grow our existing hospitals and clinics by adding new specialities and services, increasing the number of beds and relocating certain specialities into new facilities. Our expansion plans are generally driven by our existing facilities functioning at close to maximum capacity, as the new or expanded facilities will have a ready customer base, resulting in quicker operational ramp-up and higher business volume with lower operational risks.

For example, we operated the Al Rafa Hospital for Maternity & Surgery LLC at Kuwait Street, Dubai from 2006 to 2015. This was a 16 bed facility which provided healthcare services such as maternity healthcare including obstetrics and gynaecology, general surgery and medicine which we converted into an IVF clinic under the name of Aster IVF and Women Clinic LLC. To cater to an unfulfilled need across these and other specialities, we have opened Aster Hospital Mankhool at Kuwait Street in the immediate vicinity of the previous facility. Aster Hospital Mankhool commenced operations in January 2015 and has 102 beds. This facility is equipped with latest medical and diagnostic technologies and provides healthcare services across obstetrics, gynaecology, neonatology, paediatrics, general surgery, dialysis, endoscopy and emergency medical care. Aster Hospital Mankhool achieved positive Adjusted EBITDA in August 2015, only seven months after commencing operations.

We intend to continue the growth of our retail pharmacy business through organic growth and acquisitions. In 2014, we expanded our product profile and commenced distribution of a number of products, including over-the-counter medicine, cosmetics and vitamin supplements, for which we have been granted exclusive distribution rights for the UAE by the supplier, to be sold in our retail pharmacies as well as those of third parties. A number of our retail pharmacies are open 24 hours a day and offer services such as home delivery.

We believe that India is geographically well positioned for medical value travel from the GCC states, MENA region and South-East Asia and is highly competitive in terms of healthcare costs compared to developed countries. We believe that medical value travellers, who are patients for whom it is less expensive to travel to receive quality medical treatment than to obtain such treatment locally, will contribute to higher revenues per bed per day than our other patients and will help drive our growth. Our Aster Medcity Kochi and Aster CMI Bengaluru hospitals are well-connected for both domestic and international travel to be preferred destinations for medical value travel. We intend to increase our marketing efforts to attract medical value travellers to these facilities. The presence of a large network of our clinics and hospitals in the GCC states help to drive medical value travellers to our hospitals in India. For instance our Aster Medcity Hospital in Kerala which commenced operations in August 2014, receives about 4.25% of patients from Oman with ARPOB of ₹65,527 for the nine months ended December 31, 2015, whereas the average ARPOB for our India hospitals is ₹18,287 for the nine months ended December 31, 2015.

Increase our presence by way of greenfield expansions

We have 6 hospitals in GCC states, with a total capacity of 549 beds, as of March 31, 2016. We intend to capitalize on the increasing demand for healthcare services in the GCC states by building or expanding four multi-specialty hospitals in the UAE together with a new multi-specialty hospital in Qatar, for a total additional capacity of 440 beds. These hospitals are in the process of construction and are expected to be completed within the next eighteen months. We also plan to build or expand 4 hospitals in India within the next three years to add 886 beds to our total bed capacity.

Each opportunity is evaluated on the basis of factors unique to that opportunity such as expected investment and financial returns, catchment area served, availability of appropriate talent and regulatory issues. For instance, Aster Medcity, our flagship facility in India, aims to offer a world class quaternary care facility in Kochi, where we believe there is significant unfulfilled need from the local population.

Pursue inorganic growth opportunities to expand into newer service offerings or newer micro-markets

In the past we have successfully used acquisitions and strategic partnerships to expand our operations and consolidate our presence in new markets. Since our incorporation, we acquired 5 hospitals in India as well as 1 hospital and 37 retail pharmacies in the GCC states. We intend to leverage our acquisition experience to successfully identify, execute and integrate new opportunities that may arise in the future.

We entered into strategic partnerships for the Kolhapur, Wayanad and Hyderabad facilities to achieve the multiple objectives of rapidly expanding our operations in India and also to gain insights into the local environment. We entered into a strategic partnership for the Bengaluru facility with a view to unlocking the true potential of the Bengaluru facility. For certain reasons, before the partnership with the Company, the Bengaluru facility was operating at suboptimal levels. We have now taken over the management and are making significant investments in infrastructure, talent building, marketing and branding. The Bengaluru facility is expected to be an important destination for medical value travellers because of its superior service offerings and its proximity to the international airport. Through strategic partnerships with us, the local partner benefits from access to our financial strength, network, sourcing and management practices.

To complement the expansion of services at our existing facilities and enhance our service offering, we intend to seek opportunities in new underpenetrated markets in India, mainly through exploring strategic investments in, or acquisitions of, hospitals. We intend to target Tier II and Tier III cities across India, which we believe are currently under-served in terms of healthcare services but have a sizable population and spending potential. We believe that expanding our operations to Tier II and Tier III cities would give patients in such locations greater access to quality healthcare services without having to travel to Tier I cities. At the same time, these hospitals would allow us to expand our network and penetrate different markets. We will also continue to assess opportunities in Tier 1 cities.

Capitalise on mandatory health insurance in GCC

The Emirate of Abu Dhabi introduced mandatory health insurance for all residents, locals as well as expatriates (along with their dependents), in 2006 and the number of people insured in Abu Dhabi increased at a CAGR of 7.9% between 2008 and 2013 to cover 3.31 million people in 2013, according to the Frost & Sullivan Report. All nationals and residents of Dubai (including those in the free zones), have been required to have coverage to pay for emergency and curative healthcare needs since 2014.

We believe we are well positioned to take advantage of the implementation of health insurance reforms and we can leverage our existing partnerships with insurers and suppliers to increase our presence in these markets. We believe that we have demonstrated our ability to provide high quality medical services along with quality customer service, to respond quickly and positively to health insurance reforms, and to be viewed as a reliable partner by insurers.

We have set up 1 multi-specialty hospital and added 33 new clinics in Dubai since 2012 to capitalize on the implementation of compulsory insurance and expected increase in expenditure on medical care.

Implementation of initiatives to improve existing operational efficiencies

We believe that maximizing operating efficiencies and profitability across our network is a key component of our growth strategy, including the integration of our acquisitions and the efficient management of our organic growth. We intend to focus on the following key areas to improve our clinical and administrative operating efficiencies and profitability:

- *Integrated healthcare network.* We plan to improve efficiencies at our hospitals and retail pharmacies through greater integration across our network. We have a central purchase committee and have implemented standardized procurement of high value medical equipment across our facilities in both the GCC states and India. Further, our hospitals, clinics and retail pharmacies are large consumers of drugs and pharmaceutical products and medical consumables like stents, implants, sutures and other surgical materials. To minimize costs and leverage our economies of scale, we intend to focus on standardizing the type of medical and other consumables used across our network, optimizing procurement costs, consolidating our suppliers and optimizing the use of medical consumables by establishing guidelines for medical procedures across our network of business segments, brands, verticals and geographical operations, as appropriate.
- *Integrated IT platform.* We are in the process of fully integrating our IT platform across our businesses and are implementing the use of electronic medical records and analytics which are intended to improve patient care, facilitate referrals among our facilities and allow us to more efficiently deploy our resources. To date, our integrated IT platform has been implemented at Aster Medcity, Kochi; Aster CMI, Bengaluru; and Aster Hospital, Dubai. Innovative uses for IT is expected to transform healthcare services and products and we intend to be at the forefront of these digital developments.
- *Medical technology.* We focus continually on investing in the latest medical technologies and innovations, attracting skilled physicians and surgeons and developing our expertise in high growth tertiary and quaternary care areas to serve the increasing demand for sophisticated clinical care and procedures. By implementing our strategy to focus on high growth facilities and other technologies and specialist skill-driven clinical areas, we intend to improve our case mix and increase revenues per occupied bed per day.

SUMMARY OF FINANCIAL INFORMATION

The following tables set forth summary financial information derived from the Restated Financial Statements of our Company.

These Restated Financial Statements have been prepared in accordance with the Companies Act, 2013 and restated in accordance with the SEBI ICDR Regulations and presented under “Financial Statements” on page 244. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 244 and 404 respectively.

RESTATED CONSOLIDATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES

(Amounts in ₹ million)

Particulars	As at March 31					As at December 31, 2015
	2011	2012	2013	2014	2015	
Equity and liabilities						
Shareholders' funds						
Share capital	1.06	1.25	1,248.44	3,745.31	3,978.64	4,626.33
Reserves and surplus	934.53	6,702.90	6,544.86	5,360.09	9,545.16	28,271.11
Share application money pending allotment	69.08	-	-	-	-	-
Minority interest	44.18	2,166.60	3,630.43	4,600.41	6,669.08	2,145.81
Non-current liabilities						
Long-term borrowings	103.20	1,987.06	2,407.85	5,263.11	5,051.49	8,007.37
Deferred tax liabilities (net)	-	0.48	113.86	116.36	132.51	133.80
Other long-term liabilities	6.65	-	-	32.59	1,003.50	3,308.08
Long-term provisions	0.73	275.09	566.45	723.48	1,052.82	1,476.70
Current liabilities						
Short-term borrowings	151.68	788.44	1,420.62	2,042.43	2,893.72	4,956.32
Trade payables	10.46	1,713.73	2,993.73	3,131.08	4,324.19	6,575.24
Other current liabilities	1,325.81	2,766.33	2,366.38	3,662.27	4,747.12	6,526.50
Short-term provisions	0.67	37.39	107.50	259.74	437.65	586.63
Total	2,648.05	16,439.27	21,400.12	28,936.87	39,835.88	66,613.89
Assets						
Non-current assets						
Fixed assets						
Tangible fixed assets	1,010.85	4,114.61	6,315.11	7,072.55	12,801.71	14,970.04
Intangible fixed assets	1.60	0.85	1.50	17.76	188.47	176.44
Capital work-in-progress	224.11	1,079.65	1,846.84	3,574.52	1,973.64	2,906.74
Goodwill on consolidation	74.23	1,851.93	2,405.79	3,783.17	4,328.78	20,692.38
Non-current investments	170.42	405.57	60.78	66.81	116.21	110.66
Long-term loans and advances	1,041.83	197.67	208.71	728.71	1,148.23	1,654.91
Deferred tax assets (net)	0.29	-	-	-	-	-
Other non-current assets		1.48	1.60	132.83	654.49	551.55
Current assets						
Current investments	-	-	-	-	27.16	51.12
Inventories	2.82	1,080.74	1,530.25	1,961.58	3,108.17	4,211.22
Trade receivables	11.43	3,889.72	4,999.56	6,774.69	9,549.77	13,639.28
Cash and bank balances	90.88	2,299.87	2,008.72	3,247.36	3,041.75	1,798.47
Short-term loans and advances	18.23	1,508.04	1,890.85	1,150.18	1,892.16	3,330.49
Other current assets	1.36	9.14	130.41	426.71	1,005.34	2,520.59
Total	2,648.05	16,439.27	21,400.12	28,936.87	39,835.88	66,613.89

Note :

- To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV

RESTATED CONSOLIDATED SUMMARY STATEMENT OF PROFIT AND LOSS

(Amounts in ₹ million)

Particulars	As at March 31					For the period from April 1, 2015 to December 31, 2015
	2011	2012	2013	2014	2015	
Revenue						
Revenue from operations	118.31	11,814.21	19,217.42	28,711.45	38,758.43	37,315.16
Other income	8.80	77.63	170.18	184.16	227.83	121.53
Total revenue	127.11	11,891.84	19,387.60	28,895.61	38,986.26	37,436.69
Expenditure						
Purchase of medicines and consumables	27.22	5,132.43	7,018.85	10,477.31	13,376.44	12,309.25
Changes in inventories	(0.16)	(345.76)	(381.55)	(423.29)	(1,154.74)	(1,103.27)
Employee benefits expense	48.43	2,220.24	5,138.19	7,911.17	11,589.03	11,986.17
Finance cost	6.04	153.69	449.03	478.42	659.18	593.60
Depreciation, amortisation and impairment	10.46	532.09	764.64	1,111.18	1,443.65	1,794.91
Other expenses	68.94	3,240.19	4,889.89	6,237.95	9,242.80	9,633.04
Total	160.93	10,932.88	17,879.05	25,792.74	35,156.36	35,213.70
Profit / (loss) before tax, as restated	(33.82)	958.96	1,508.55	3,102.87	3,829.90	2,222.99
Less: Provision for tax, as restated:-						
Current tax / minimum alternate tax	-	8.77	55.76	264.68	321.11	404.46
Deferred tax charge /(benefit)	(0.55)	0.29	(0.48)	2.50	20.43	1.29
	(0.55)	9.06	55.28	267.18	341.54	405.75
Profit/ (loss) after tax and before share of profit of associates and minority interest, as restated	(33.27)	949.90	1,453.27	2,835.69	3,488.36	1,817.24
Share of profit/ (loss) of associate companies	-	7.07	36.59	1.23	0.67	(6.46)
Profit/ (loss) before minority interest, as restated	(33.27)	956.97	1,489.86	2,836.92	3,489.03	1,810.78
Minority interest	-	(433.92)	(572.05)	(1,059.09)	(1,809.40)	(1,097.57)
Net profit/ (loss) for the year, as restated	(33.27)	523.05	917.81	1,777.83	1,679.63	713.21

Note :

- To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV

RESTATED CONSOLIDATED SUMMARY STATEMENT OF CASH FLOWS

(Amounts in ₹ million)

Particulars	For the year ended March 31					For the period from April 1, 2015 to December 31, 2015
	2011	2012	2013	2014	2015	
Cash flow from operating activities						
Profit before tax, minority interest and share in profit/(loss) of associates, as restated	(33.82)	958.96	1,508.55	3,102.87	3,829.90	2,222.99
Adjustments:						
Unrealised foreign exchange loss	-	-	-	-	-	3.91
Finance cost	6.04	153.69	449.03	478.42	659.18	593.60
Depreciation and amortisation	10.46	416.73	752.57	1,102.98	1,443.65	1,751.56
Impairment loss on goodwill	-	115.36	12.07	8.20	-	43.35
Interest income	(3.66)	(24.43)	(60.88)	(50.12)	(137.33)	(28.95)
Mark to market loss and premium on derivative Contracts	-	-	-	-	13.66	4.58
Loss on sale of associates	-	-	14.17	-	-	-
(Profit) /loss on sale of fixed assets	-	2.03	62.43	(2.53)	1.85	2.54
Provision for doubtful debts and unbilled revenue	-	251.61	719.90	907.36	1,576.89	1,418.19
Expenses on employee stock option scheme	-	-	2.20	24.98	42.46	151.30
Dividend on current non-trade investments	(4.99)	-	-	-	(8.18)	(6.97)
Operating cash flow before working capital changes	(25.97)	1,873.95	3,460.04	5,572.16	7,422.08	6,156.10
Adjustments for changes in working capital						
(Increase)/decrease in inventories	(1.01)	(136.09)	(284.24)	(289.32)	(1,024.42)	(915.13)
(Increase)/decrease in trade receivables	(9.88)	(857.11)	(1,396.07)	(2,205.99)	(3,926.41)	(4,675.92)
(Increase)/decrease in loans and advances	101.23	(2,642.99)	410.43	(446.33)	(1,825.51)	(2,645.87)
Increase/(decrease) in liabilities	27.96	375.59	38.00	897.23	1,950.56	3,137.68
Cash generated from/ (used in) operations	92.33	(1,386.65)	2,228.16	3,527.75	2,596.30	1,056.86
Income taxes paid, net of refund/ refund received net of income tax paid	(2.75)	(0.33)	0.48	(255.62)	(222.67)	(244.09)
Net cash generated from/ (used) operating activities (A)	89.58	(1,386.98)	2,228.64	3,272.13	2,373.63	812.77
Cash flow from investing activities						
Proceeds from issue of shares to minority	-	-	-	199.37	-	-
Consideration paid to entities/ minority for acquisition, net off assets acquired	(179.04)	(247.65)	(408.00)	(1,567.13)	(240.65)	(17,597.14)
Purchase of shares in associates	-	(266.93)	(71.44)	(4.80)	(277.92)	(0.91)
Proceeds from sale of investments	-	-	499.42	-	-	-
Interest received	3.36	24.43	60.84	44.26	103.99	58.34
Dividend on current non-trade investments	4.99	-	-	-	3.28	4.64
Investments in liquid mutual fund units	-	-	-	-	(650.00)	(460.00)
Disposal of liquid mutual fund units	-	-	-	-	629.79	438.37
Purchase of fixed assets	(494.45)	(1,910.90)	(2,093.01)	(3,626.54)	(4,178.90)	(4,908.22)
Proceeds from sale of fixed assets	-	11.97	(47.56)	39.54	54.22	41.04
Net cash used in investing activities (B)	(665.14)	(2,389.08)	(2,059.75)	(4,915.30)	(4,556.19)	(22,423.88)
Cash flow from financing activities						
Proceeds from issue of share capital (net of share issue expenses)	76.59	3,885.99	-	-	2,361.33	17,199.33
Share application money refunded	-	-	(85.82)	-	-	-
Secured loans availed, net	245.60	1,344.75	1,141.89	3,432.00	692.41	4,165.94
Disposal of subsidiaries	-	9.17	-	-	-	-
Dividend paid to minority share holders of subsidiaries	-	(362.01)	(103.44)	-	(168.00)	(15.60)
Dividend paid including dividend tax	-	-	-	(624.22)	(3.92)	(213.85)

Particulars	For the year ended March 31					For the period from April 1, 2015 to December 31, 2015
	2011	2012	2013	2014	2015	
Interest paid	(4.53)	(173.16)	(473.23)	(473.96)	(798.89)	(617.32)
Net cash generated by financing activities (C)	317.66	4,704.74	479.40	2,333.82	2,082.93	20,518.50
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(257.90)	928.68	648.29	690.65	(99.63)	(1,092.61)
Cash and cash equivalents transferred on composite scheme of arrangement (refer note 20 of Annexure IV)	-	-	-	-	-	0.06
Cash and cash equivalents at the beginning of the year	329.62	72.36	1,024.41	1,686.53	2,482.67	2,476.64
Effect of exchange rate changes on cash and cash equivalents	0.64	23.37	13.83	105.49	93.60	98.95
Cash and cash equivalents at the end of the year	72.36	1,024.41	1,686.53	2,482.67	2,476.64	1,483.04
Book overdraft included above	5.14	12.19	-	-	21.04	26.63

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV

RESTATED SUMMARY STANDALONE STATEMENT OF ASSETS AND LIABILITIES

(Amounts in ₹ million)

Particulars	As at March 31					As at December 31, 2015
	2011	2012	2013	2014	2015	
Equity and liabilities						
Shareholders' funds						
Share capital	1.06	1.25	1,248.44	3,745.31	3,978.64	4,626.33
Reserves and surplus	833.01	4,651.96	3,425.47	1,033.39	2,569.15	19,282.75
Share application money pending allotment	69.08	-	-	-	-	-
Non-current liabilities						
Long-term borrowings	2.85	1.18	160.36	2,283.65	2,248.83	3,002.54
Other long-term liabilities	-	-	4.03	16.32	965.09	262.29
Deferred tax liability (net)	-	-	-	-	-	-
Long-term provisions	0.54	0.67	0.80	1.87	12.69	16.97
Current liabilities						
Short-term borrowings	150.00	-	60.00	373.73	21.41	121.80
Trade payables	7.28	8.17	-	2.22	70.84	92.09
Other current liabilities	1,289.18	332.01	87.07	221.82	718.65	1,056.47
Short-term provisions	-	-	0.24	0.38	0.09	3.99
Total	2,353.00	4,995.24	4,986.41	7,678.69	10,585.39	28,465.23
Assets						
Non-current assets						
Fixed assets						
Tangible fixed assets	324.02	356.74	356.57	365.48	4,086.12	4,745.96
Intangible fixed assets	0.26	0.19	0.03	0.17	42.93	50.02
Capital work-in-progress	76.52	593.74	1,226.73	2,865.16	1,000.70	708.83
Non-current investments	1,472.38	1,806.09	2,266.62	2,662.82	3,149.62	20,606.39
Deferred tax assets (net)	-	-	-	-	-	-
Long-term loans and advances	421.03	899.13	726.17	922.91	966.23	1,263.50
Other non-current assets	-	0.05	0.05	7.78	89.41	14.14
Current assets						
Current investments	-	-	-	-	25.11	101.06
Inventories	-	-	-	3.52	74.22	122.38
Trade receivables	8.99	11.02	9.09	18.09	59.65	107.01
Cash and bank balances	35.78	1,243.50	282.93	529.81	810.21	286.44
Short-term loans and advances	14.01	78.96	117.19	119.98	230.01	333.46
Other current assets	0.01	5.82	1.03	182.97	51.18	126.04
Total	2,353.00	4,995.24	4,986.41	7,678.69	10,585.39	28,465.23

Note :

- To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV

RESTATED SUMMARY STANDALONE STATEMENT OF PROFIT AND LOSS

(Amounts in ₹ million)

Particulars	For the year ended March 31					For the nine months from April 1, 2015 to December 31, 2015
	2011	2012	2013	2014	2015	
Income						
Revenue from operations	10.69	2.90	9.09	8.86	530.15	1,290.54
Other income	7.26	31.93	90.57	864.74	392.72	78.72
Total revenue	17.95	34.83	99.66	873.60	922.87	1,369.26
Expenditure						
Direct operating expenses	-	-	-	-	-	-
Purchase of stock in trade	-	-		3.52	228.68	427.73
Changes in inventories	-	-	-	(3.52)	(70.70)	(48.16)
Employee benefits expense	13.50	16.80	27.09	32.01	233.43	362.66
Finance costs	3.98	1.41	2.83	26.56	198.01	241.14
Depreciation and amortisation	1.65	1.85	7.02	5.86	229.22	350.70
Other expenses	31.04	81.24	44.22	88.78	730.49	893.10
Total	50.17	101.30	81.16	153.21	1,549.13	2,227.17
Profit / (loss) before tax	(32.22)	(66.47)	18.50	720.39	(626.26)	(857.91)
Extraordinary items (net of tax)	-	-	-	-	-	-
Net profit / (loss) before tax, as restated	(32.22)	(66.47)	18.50	720.39	(626.26)	(857.91)
Less: provision for tax						
Current tax / minimum alternate tax	-	-	-	16.36	8.43	-
Deferred tax charge	(0.09)	-	-	-	-	-
Net profit/ (loss) after tax, as restated	(32.31)	(66.47)	18.50	704.03	(634.69)	(857.91)

Note

- To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV
- The reconciliation between the audited surplus in the statement of profit and loss and restated surplus in the summary standalone statement of profit and loss, as restated is given in note no. 2 of Annexure IV

RESTATED SUMMARY STANDALONE STATEMENT OF CASH FLOW

(Amounts in ₹ million)

Particulars	For the year ended March 31,					For the nine months from April 1, 2015 to December 31, 2015
	2011	2012	2013	2014	2015	
Cash flow from operating activities						
Net profit/ (loss) before tax	(32.22)	(66.47)	18.50	720.39	(626.26)	(857.91)
Adjustments:						
Interest	3.98	1.41	2.83	26.56	198.01	241.14
Depreciation and amortisation	1.65	1.85	7.02	5.86	229.22	350.70
Interest income	(2.20)	(24.43)	(60.88)	(37.39)	(124.10)	(18.33)
(Profit)/loss on sale of non current investments (net)	-	-	(6.99)	-	-	-
Provision for doubtful debts	-	-	-	-	1.08	8.72
Provision for doubtful advances	-	-	-	-	134.82	-
Premium for forward contracts	-	-	-	-	6.31	4.58
(Profit)/loss on sale of fixed assets	-	0.01	-	(0.52)	6.72	-
Provision for diminution in value of investment	-	-	-	-	-	62.09
Expenses on employee stock option scheme	-	-	2.20	0.51	7.11	24.49
Unrealised foreign exchange loss, net	-	(0.15)	-	0.49	2.50	3.90
Fixed assets written-off	-	-	-	-	-	-
Dividend income from mutual funds	-	-	-	-	(4.90)	(2.33)
Dividend income from current non-trade investments	(4.99)	(7.48)	(22.44)	(819.36)	(261.39)	(50.77)
Operating cash flow before working capital changes	(33.78)	(95.26)	(59.76)	(103.46)	(430.88)	(233.72)
Adjustments for changes in working capital						
Increase in inventories	-	-	-	(3.52)	(70.70)	(48.16)
(Increase)/ decrease in trade receivables	(8.49)	(1.97)	1.93	(9.00)	(42.63)	(56.08)
(Increase)/decrease in loans and advances	(121.00)	(1,385.49)	926.75	(325.80)	(430.59)	184.81
Increase/(decrease) in liabilities	21.01	114.00	(107.75)	35.67	284.66	185.53
Cash generated from/ (used in) operations	(142.26)	(1,368.72)	761.17	(406.11)	(690.14)	32.38
Income taxes (paid)/ refund received	0.03	3.26	(6.64)	(17.94)	(22.82)	(12.51)
Net cash generated from/(used in) operating activities (A)	(142.23)	(1,365.46)	754.53	(424.05)	(712.96)	19.87
Cash flow from investing activities						
Investments in subsidiaries and associates	(251.87)	(715.72)	(484.45)	(396.19)	(486.80)	(16,614.10)
Investments in liquid mutual fund units	-	-	-	-	(650.00)	(460.00)
Proceeds from sale of liquid mutual fund units	-	-	-	-	629.79	436.32
Proceeds from sale of investments	-	-	412.91	-	-	-
Advance given for investment in subsidiaries	-	-	-	-	(79.80)	-
Interest received	2.19	18.62	65.87	35.76	90.56	47.47
Dividend income	4.99	7.48	22.44	638.85	441.89	50.77
Dividend paid	-	-	-	(624.22)	-	(15.61)
Purchase of fixed assets	(95.65)	(480.28)	(749.82)	(1,642.92)	(1,097.60)	(1,041.12)
Proceeds from sale of fixed assets	-	0.03	-	1.21	0.27	-
Net cash used in investing activities (B)	(340.34)	(1,169.87)	(733.05)	(1,987.51)	(1,151.69)	(17,596.27)
Cash flow from financing activities						
Proceeds from issue of share capital -equity and preference	76.59	4,302.35	-	-	2,361.33	17,199.33
Share application money refunded	-	(1,251.86)	(85.82)	-	-	-
Redemption of preference shares	-	(400.00)	-	-	-	-
Interest paid including borrowing cost capitalised	(2.51)	(2.88)	(2.34)	(145.57)	(340.76)	(263.18)
Secured loans availed, net	148.78	(151.45)	217.80	2,436.50	112.55	357.10
Interest paid	-	-	-	-	-	-
Net cash generated from financing activities (C)	222.86	2,496.16	129.64	2,290.93	2,133.12	17,293.25
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(259.71)	(39.17)	151.12	(120.63)	268.47	(283.15)
Cash and cash equivalents transferred on composite scheme of arrangement (refer note	-	-	-	-	-	0.06

Particulars	For the year ended March 31,					For the nine months from April 1, 2015 to December 31, 2015
	2011	2012	2013	2014	2015	
20 of Annexure IV)						
Cash and cash equivalents at the beginning of the year	287.31	27.60	(11.57)	139.55	18.92	287.39
Cash and cash equivalents at the end of the year	27.60	(11.57)	139.55	18.92	287.39	4.30
Cash and cash equivalents at the end of the year is net of book overdrafts amounting to	-	12.10	-	-	1.51	18.46

Note:

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

THE OFFER

Equity Shares Offered	
Offer of Equity Shares [#]	Up to 57,685,166 Equity Shares
<i>of which</i>	
Fresh Issue ^{# (1)}	Up to 21,614,366 Equity Shares
Offer for Sale ^{# (2)}	Up to 36,070,800 Equity Shares
A) QIB Portion ⁽³⁾⁽⁴⁾	28,842,582 Equity Shares
<i>of which:</i>	
Anchor Investor Portion	17,305,549 Equity Shares
Balance available for allocation to QIBs other than Anchor Investors (assuming Anchor Investor Portion is fully subscribed)	11,537,033 Equity Shares
<i>of which:</i>	
Available for allocation to Mutual Funds only (5% of the QIB Portion (excluding the Anchor Investor Portion))	576,852 Equity Shares
Balance for all QIBs including Mutual Funds	10,960,181 Equity Shares
B) Non-Institutional Portion ⁽⁴⁾	Not less than 8,652,775 Equity Shares
C) Retail Portion ⁽⁴⁾	Not less than 20,189,809 Equity Shares
Pre and post Offer Equity and Preference Shares	
Equity Shares outstanding prior to the Offer [#]	403,220,324 Equity Shares
Equity Shares outstanding after the Offer	[•] Equity Shares
Preference shares outstanding prior to the Offer ⁽⁵⁾	64,009,568 preference shares
Preference shares outstanding after the Offer	Nil
Use of Net Proceeds	See “Objects of the Offer” on page 99 for information about the use of the Gross Proceeds. Our Company will not receive any proceeds from the Offer for Sale.

[#] Our Company and UIPL may consider a pre-offer placement of up to 9,600,000 Equity Shares comprising of a fresh issue of up to 4,800,000 Equity Shares by our Company and a transfer of up to 4,800,000 Equity Shares by UIPL for an aggregate amount not exceeding ₹2,000 million for each portion at the discretion of the Company and UIPL. The Pre-IPO Placement will be at a price to be decided by our Company and UIPL and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares allotted and transferred will be reduced from the Fresh Issue and the Offer for Sale, as applicable, subject to a minimum offer of 10% of the post-Offer paid-up Equity Share capital being offered to the public. Further, Rimco may exercise its pre-emptive rights and tag along rights in relation to the Pre-IPO Placement pursuant to the terms of the termination agreement dated June 17, 2016 to the SHA.

Allocation to all categories, except the Anchor Investor Portion and the Retail Portion, if any, shall be made on a proportionate basis. For further details, see “Offer Procedure - Basis of Allotment” on page 499.

- (1) This Fresh Issue has been authorized by a resolution of our Board of Directors dated May 18, 2016 and by a special resolution of our Shareholders in their EGM dated May 27, 2016
- (2) IVF and UIPL have authorised the offer of up to 4,800,000, and 12,058,000 Equity Shares in the Offer, respectively, by way of board resolutions dated June 13, 2016 and June 17, 2016 respectively. Olympus has authorised the offer of up to 19,212,800 Equity Shares pursuant to a letter dated June 23, 2016. The Selling Shareholders, severally and not jointly confirm that the Equity Shares being offered by the Selling Shareholders in the Offer, have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer as required by the SEBI ICDR Regulation
- (3) Our Company may, in consultation with the Selling Shareholders and the Managers allocate up to 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB portion will accordingly be reduced for the shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription in the Anchor Investor Portion, the remaining Equity Shares shall be added to the QIB Portion. 5% of the QIB Portion (excluding Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. However, if the aggregate demand from Mutual Funds is less than 576,852 Equity Shares, the balance Equity Shares available for Allotment in the Mutual Fund Portion will be added to the QIB Portion and allocated proportionately to the QIB Bidders (other than Anchor Investors) in proportion to their Bids. For details, see “Offer Procedure” on page 469
- (4) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill over from any other category or combination of categories at the discretion of our Company in consultation with the Selling Shareholders, the Managers and the Designated Stock Exchange
- (5) Pursuant to a Board resolution dated May 6, 2014, our Company had issued and allotted 9,309,822 and 4,544,080 CCPS of face value of ₹10 each to Olympus and Indium, respectively. The outstanding CCPS as on the date of this Draft Red Herring Prospectus, shall be converted into a maximum of 12,762,417 Equity Shares prior to the filing of the Red Herring Prospectus with the RoC as required under the SEBI ICDR Regulations. Further, pursuant to our Board resolution dated September 11, 2015, our Company had issued and allotted 50,155,666 RAR CCPS of face value ₹10 each to Rimco. The RAR CCPS shall be converted into a maximum of 51,086,710 Equity Shares prior to the filing of the Red Herring Prospectus with the RoC as required under the SEBI ICDR Regulations. For further details, see “Capital Structure” and “History and Certain Corporate Matters” on pages 82 and 176. The details of the conversion price will be updated in the Red Herring Prospectus prior to filing with the RoC

GENERAL INFORMATION

Our Company was incorporated as DM Healthcare Private Limited on January 18, 2008 at Kochi, Ernakulam, Kerala as a private limited company under the Companies Act, 1956. The name of our Company was changed to Aster DM Healthcare Private Limited and a fresh certificate of incorporation consequent upon change of name was issued on November 29, 2013. Our Company was converted into a public limited company consequent to a special resolution passed by our Shareholders at the EGM held on November 10, 2014 and the name of our Company was changed to Aster DM Healthcare Limited. A fresh certificate of incorporation consequent upon conversion to public limited company was issued on January 1, 2015. For details of change in the name and registered office of our Company see “*History and Certain Corporate Matters*” on page 176.

For details of the business of our Company, see “*Our Business*” on page 134.

Registered and Corporate Office of our Company

Aster DM Healthcare Limited

IX/475L, Aster Medcity
Kuttisahib Road
Near Kothad Bridge
South Chittoor P.O.
Cheranalloor, Kochi - 682 027
Ernakulam, Kerala, India
Tel: +91 484 6699 999
E-mail: investors@dmhealthcare.com
Website: www.asterdmhealthcare.com

Corporate Identification Number: U85110KL2008PLC021703

Registration Number: 021703

Address of the RoC

Our Company is registered with the RoC situated at the following address:

Registrar of Companies

1st Floor, Company Law Bhavan
B.M.C. Road, Thrikkakara P.O.
Kakkanad
Kochi - 682 021
Kerala, India

Board of Directors

The Board of our Company comprises the following:

Name	Designation	DIN	Address
Dr. Mandayapurath Azad Moopen	Chairman and Managing Director	00159403	Moopens, 28/1982, A2, Valiyaparamba, Thodayad, Kodamolikunnu Road, Kozhikode – 673 016, Kerala, India
T. J. Wilson	Non-Executive Director	02135108	Swagath Golfink Road, Chevayur, Calicut – 673 017, Kerala, India
Anoop Moopen	Non-Executive Director	02301362	Mandayapurath, Vadakkethil, Kalpakancherry Post, Malappuram – 676 551, Kerala, India
Alisha Moopen	Non-Executive Director	02432525	Mayan Palace, P.O., Challapuram, Kasaba, Calicut – 673 002, Kerala, India
Gaurav Malik	Non-Executive Director	00330078	Suite 3406, Exchange Square, 8 Connaught Road, Hong Kong
Shamsudheen Bin Mohideen Mammu Haji	Non - Executive Director	02007279	Villa No. 14, Opposite Dubai Mall, Post Box 5928, Dubai, 05928, UAE
Harsh Charandas Mariwala	Independent Director	00210342	2 nd Floor, ‘Seven on the Hill Apartments’, Auxilium Convent Road, Rajendra Kumar Chowk, Pali Hill, Bandra West, Mumbai – 400 050, Maharashtra, India
Rajagopal Sukumar	Independent Director	07049894	B – 303, Raheja Regency Apartments, 90, Santhome High Road, M.R.C. Nagar, Chennai – 600 028, Tamil Nadu
Ravi Prasad	Independent Director	07022310	No. 523, 2 nd Main, 3 rd Block, RMV 2 nd Stage, Bangalore – 560 094, Karnataka, India
Daniel James Snyder	Independent Director	02298099	3848, Utopia CT, Coconut Grove, FL 33133 – 6425,

Name	Designation	DIN	Address
			Florida, USA
M. Madhavan Nambiar	Independent Director	03487311	No. 3, Nawab Habibullah 3 rd Street, Chennai – 600 006, Tamil Nadu, India
Suresh M. Kumar	Independent Director	00494479	Apartment 813, B62 Building, Al Maktoum Road, Deira, Dubai

For further details of our Directors, see “Our Management” on page 217.

Company Secretary and Compliance Officer

Rajesh A.

Aster DM Healthcare Limited

IX/475L, Aster Medcity
Kuttisahib Road
Near Kothad Bridge
South Chittoor P.O.
Cheranalloor, Kochi - 682 027
Ernakulam, Kerala, India
Tel: +91 484 6699 228
Fax: +91 484 6699 234
E-mail: cs@dmhealthcare.com

Chief Financial Officer

Sreenath Reddy

Aster DM Healthcare Limited

Aster CMI Hospital
43/1 International Airport Road
Sahakar Nagar, Hebbal
Bengaluru – 560 092
Karnataka, India
Tel: +91 80 4342 0100
Fax: +91 80 2333 8242
E-mail: sreenath.reddy@dmhealthcare.com

Investor Grievances

Investors can contact the Company Secretary and Compliance Officer, the Managers or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems, such as non receipt of letters of Allotment, non credit of Allotted Equity Shares in the respective beneficiary account, non receipt of refund orders and non receipt of funds by electronic mode.

All grievances may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

All grievances relating to Bids submitted with Registered Brokers may be addressed to the Stock Exchanges with a copy to the Registrar to the Offer.

Further, the investor shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Global Co-ordinators and Book Running Lead Managers

Kotak Mahindra Capital Company Limited

1st Floor, 27 BKC, Plot No. 27
“G” Block, Bandra Kurla Complex, Bandra (East)
Mumbai - 400 051
Maharashtra, India
Tel: +91 22 4336 0000
Fax: +91 22 6713 2447
Email: asterdmhealthcare.ipo@kotak.com
Investor grievance e-mail: kmcccredressal@kotak.com
Website: www.investmentbank.kotak.com

DSP Merrill Lynch Limited

Ground Floor, “A” Wing, One BKC, “G” Block
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051, Maharashtra, India*
Tel: +91 22 6632 8000
Fax: +91 22 2204 8518
E-mail: dg.asterdmhealthcare_ipo@baml.com
Investor grievance email:
dg.india_merchantbanking@baml.com
Website: www.dspml.com

Contact Person: Ganesh Rane
SEBI Registration No.: INM000008704

Contact Person: Chirag Jain
SEBI Registration No.: INM000011625

Goldman Sachs India (Securities) Private Limited

Rational House
951-A, Appasaheb Marathe Marg, Prabhadevi
Mumbai - 400 025
Maharashtra, India
Tel: +91 22 6616 9000
Fax: +91 22 6616 9001
E-mail: gs-dm-ipo@gs.com
Investor grievance email: india-client-support@gs.com
Website: www.goldmansachs.com
Contact Person: Sonam Chopra
SEBI Registration No.: INM000011054

**The current address is DSP Merrill Lynch Limited, 16th Floor, Express Towers, Nariman Point, Mumbai – 400021. The address provided is effective from July 2, 2016*

Book Running Lead Managers

Edelweiss Financial Services Limited

14th Floor, Edelweiss House
Off. C.S.T. Road, Kalina
Mumbai - 400 098
Maharashtra, India
Tel: +91 22 4009 4400
Fax: +91 22 4086 3610
E-mail: dmhealthcare.ipo@edelweissfin.com
Investor grievance
email: customerservice.mb@edelweissfin.com
Website: www.edelweissfin.com
Contact Person: Siddharth Shah
SEBI Registration No.: INM0000010650

ICICI Securities Limited

ICICI Center, H.T. Parekh Marg
Churchgate
Mumbai 400 020
Maharashtra, India
Tel: +91 22 2288 2460
Fax: +91 22 2282 6580
E-mail: asterdmhealthcare.ipo@icicisecurities.com
Investor grievance email: customercare@icicisecurities.com
Website: www.icicisecurities.com
Contact Person: Prem D'Cunha /Govind Khetan
SEBI Registration No.: MB/INM000011179

JM Financial Institutional Securities Limited

5th Floor, Cnergy
Appasaheb Marathe Marg
Prabhadevi
Mumbai - 400 025
Maharashtra, India
Tel: +91 22 6630 3030
Fax: +91 22 6630 3330
E-mail: admh.ipo@jmfl.com
Investor grievance email: grievance.ibd@jmfl.com
Website: www.jmfl.com
Contact Person: Lakshmi Lakshmanan
SEBI Registration No.: INM00010361

SBI Capital Markets Limited

202, Maker Tower E
Cuffe Parade
Mumbai - 400 005
Maharashtra
India
Tel: +91 22 2217 8300
Fax: +91 22 2218 8332
Email: asterdmhealthcare.ipo@sbicaps.com
Investor grievance email: investor.relations@sbicaps.com
Website: www.sbicaps.com
Contact Person: Nithin Kanuganti/ Sambit Rath
SEBI Registration No.: INM000003531

Syndicate Members

[•]

Indian Legal Counsel to the Company

Cyril Amarchand Mangaldas

201, Midford House, Midford Garden
Off M.G. Road
Bengaluru - 560 001
Karnataka, India
Tel: +91 80 2558 4870
Fax: +91 80 2558 4266

Indian Legal Counsel to the Managers

S&R Associates

One Indiabulls Centre
1403 Tower 2B
841 Senapati Bapat Marg
Lower Parel
Mumbai - 400 013
Maharashtra, India
Tel: +91 22 4302 8000
Fax: +91 22 4302 8001

International Legal Counsel to the Managers

Latham & Watkins LLP

9 Raffles Place
#42-02 Republic Plaza
Singapore - 048619
Singapore
Tel: +65 6536 1161
Fax: +65 6536 1171

GCC Legal Counsel to the Company

Al Tamimi & Co.

Dubai International Financial Centre
Building 4 East
6th Floor, Sheikh Zayed Road
P. O. Box 9275, Dubai, UAE
Tel: +971 4364 1641
Fax: +971 4364 1777

Statutory Auditors to the Company

BSR and Associates

Chartered Accountants
Maruti Infotech Centre, 11-12/1, Inner Ring Road
Koramangala, Bangalore - 560 071
Karnataka, India
Email: ssachdev@bsraffiliates.com
Fax no: +91 80 3980 6999
Tel: +91 80 3980 6000
Firm Registration No.: 12901W

Internal Auditors to the Company

Grant Thornton India LLP

#65/02, Bagamane Tridib, Block A
5th Floor, Bagmane Tech Park
CV Raman Nagar
Bengaluru – 560 093
Karnataka, India
Tel: +91 80 4126 1228
Fax: +91 80 4126 1228
E-mail: contact@in.gt.com
Contact Person: Bhanu Prakash Kalmath S.J.

Registrar to the Offer

Link Intime India Private Limited

C-13, Pannalal Silk Mills Compound, L.B.S. Marg
Bhandup (West), Mumbai - 400 078
Maharashtra, India
Tel: +91 22 6171 5400
Fax: +91 22 2596 0329
E-mail: adhl.ipo@linkintime.co.in
Investor grievance email: adhl.ipo@linkintime.co.in
Website: www.linkintime.co.in
Contact Person: Shanti Gopalkrishnan
SEBI Registration No.: INR000004058

Bankers to the Offer and/or Escrow Collection Banks

[●]

Refund Bankers

[●]

Bankers to our Company

Axis Bank Limited

RS No. 505/3, Pathadipalam, South Kalamassery,
Kochi – 682 033, Kerala, India
Tel: +91 484 2544 604/+ 91 9633816471/
+91 95676 16472/+91 94460 31921
Fax: +91 484 2544 608
Email: suraj.das@axisbank.com/
kalamassery.branchhead@axisbank.com,
kalamassery.operationshead@axisbank.com
Website: www.axisbank.com
Contact Person: Tanuja Pillai/Vinu G. Nair/Suraj Das

Dhanalaxmi Bank Limited

17/1341, Ram Mohan Road
Chinthavalapu
Calicut – 673 004
Kerala, India
Tel: +91 495 6453 463/+91 95390 03652
Fax: Nil
Email: dlb.kozhikode@dhanbank.co.in/
mitusasadharan@dhanbank.co.in
Website: www.dhanbank.com
Contact Person: Mitu Sasidharan

HDFC Bank Limited

39/4157, HDFC Bank Limited
Ground Floor, Elmar Square
Ravipuram, M. G. Road Ernakulam – 682 016
Kerala, India
Tel: +91 85890 72330
Fax: +91 484 2359 594
Email: kavanat.sajan@hdfcbank.com
Website: www.hdfcbank.com
Contact Person: K. Sajan

Punjab National Bank

D. H. Road
Ernakulam South
Ernakulam – 682 016
Kerala, India
Tel: +91 484 2370 692
Fax: +91 484 2364 055
Email: bo4273@pnb.co.in
Website: www.pnb.co.in
Contact Person: R. Vikraman

State Bank of Travancore

Commercial Branch, 1st Floor
EEJEE Chambers, Ravipuram Road
Valanjambalam, Ernakulam – 682 016
Kerala, India
Tel: +91 484 2881 355
Fax: +91 484 2881 351
Email: cbernakulam@sbt.co.in
Website: www.statebankoftravancore.com
Contact Person: Hari K.R.

Designated Intermediaries**Self Certified Syndicate Banks**

The list of banks that have been notified by SEBI to act as the SCSBs for the ASBA process is provided on the website of SEBI at http://www.sebi.gov.in/cms/sebi_data/attachdocs/1365051213899.html. For the list of branches of the SCSBs named by the respective SCSBs to receive the ASBA Forms from the Designated Intermediaries, please refer to the above-mentioned link.

Registered Brokers

The list of the Registered Brokers, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at http://www.bseindia.com/Markets/PublicIssues/brokercentres_new.aspx?expandable=3 and http://www.nseindia.com/products/content/equities/ipos/ipo_mem_terminal.htm, respectively, as updated from time to time.

RTAs

The list of the RTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the BSE and NSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Collecting Depository Participants

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as name and contact details, is provided on the websites of the BSE and NSE at <http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?expandable=6> and http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm, respectively, as updated from time to time.

Experts

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors namely, BSR and Associates, Chartered Accountants, to include its name as an expert under Section 26(1)(a)(v) of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the report dated June 13, 2016 on the Restated Financial Statements of our Company, report dated June 13, 2016 in relation to the proforma financial information and the statement of tax benefits dated June 13, 2016, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Monitoring Agency

Our Company shall appoint a Monitoring Agency for the Offer prior to the filing of the Red Herring Prospectus in terms of Regulation 16(2) of SEBI ICDR Regulations.

Appraising Entity

None of the objects for which the Net Proceeds will be utilised have been appraised by any agency.

Inter-se allocation of Responsibilities:

The following table sets forth the inter-se allocation of responsibilities for various activities among the Managers for the Offer:

Sr. No	Activity	Responsibility	Co-ordinator
1.	Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing	GC BRLMs and BRLMs	Kotak
2.	Drafting and approval of all statutory advertisement	GC BRLMs and BRLMs	Kotak
3.	Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc.	GC BRLMs and BRLMs	Edelweiss
4.	Appointment of Intermediaries - Registrar to the Offer, Advertising Agency, Printers and Banker(s) to the Offer and Monitoring Agency	GC BRLMs and BRLMs	Kotak
5.	Marketing and road-show presentation and preparation of frequently asked questions for the road show team	GC BRLMs and BRLMs	GS
6.	Retail marketing of the Offer, which will cover, <i>inter alia</i> , - Finalising media, marketing and public relations strategy; - Finalising centres for holding conferences for brokers, etc; - Follow-up on distribution of publicity and Offer material including form, the Prospectus and deciding on the quantum of the Offer material; and - Finalising collection centres	GC BRLMs and BRLMs	Edelweiss
7.	Non-institutional marketing of the Offer	GC BRLMs and BRLMs	JM
8.	Domestic Institutional marketing of the Offer, which will cover, <i>inter alia</i> : - Institutional marketing strategy; - Finalizing the list and division of domestic investors for one-to-one meetings; and - Finalizing domestic road show and investor meeting schedule	GC BRLMs and BRLMs	Kotak
9.	International Institutional marketing of the Offer, which will cover, <i>inter alia</i> : - Institutional marketing strategy; - Finalizing the list and division of international investors for one-to-one meetings; and - Finalizing international road show and investor meeting schedule	GC BRLMs and BRLMs	BAML
10.	Coordination with Stock-Exchanges for book building software, bidding terminals and mock trading and payment of STT on behalf of Selling Shareholders	GC BRLMs and BRLMs	JM
11.	Managing the book and finalization of pricing in consultation with the Company	GC BRLMs and BRLMs	BAML
12.	Post-Bidding activities including management of escrow accounts, co-ordinating, underwriting, co-ordination of non-institutional allocation, announcement of allocation and dispatch of refunds to Bidders, etc. The post-Offer activities will involve essential follow up steps, including the finalization of trading, dealing of instruments, and demat of delivery of shares with the various agencies connected with the work such as the Registrar to the Offer, the Bankers to the Offer, the bank handling refund business and SCSBs	GC BRLMs and BRLMs	BAML

Credit Rating

As this is an offer of Equity Shares, there is no credit rating for the Offer.

Trustees

As this is an offer of Equity Shares, the appointment of trustees is not required.

Book Building Process

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus within the Price Band, which will be decided by our Company in consultation with the Selling Shareholders and the Managers, and advertised in [•] edition of [•], [•] edition of [•] and [•] edition of [•], which are widely circulated English, Hindi and Malayalam newspapers (Malayalam being the regional language of Kerala where our Registered and Corporate Office is located) at least five Working Days prior to the Bid/Offer Opening Date. The Offer Price shall be determined by our Company in consultation with the Selling Shareholders and the Managers after the Bid/Offer Closing Date. The principal parties involved in the Book Building Process are:

- our Company;
- the Selling Shareholders;
- the Managers;
- the Syndicate Members;
- the SCSBs;
- the Registered Brokers;
- the Registrar to the Offer;
- the Escrow Collection Bank(s);
- the RTAs; and
- the Collecting Depository Participants.

All Bidders, except Anchor Investors, can participate in the Offer only through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs bidding in the QIB Portion and Non-Institutional Bidders bidding in the Non-Institutional Portion are not allowed to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Bidders can revise their Bids during the Bid/Offer Period and withdraw their Bids until the Bid/Offer Closing Date. Further, Anchor Investors cannot withdraw their Bids after the Anchor Investor Bid/Offer Period. Allocation to the Anchor Investors will be on a discretionary basis.

Our Company confirms that it will comply with the SEBI ICDR Regulations and any other directions issued by SEBI for this Offer. Each of the Selling Shareholders, severally and not jointly, confirm that such Selling Shareholder will comply with the SEBI ICDR Regulations and any other directions issued by SEBI, as applicable, to the respective portion of their respective Equity Shares offered in the Offer for Sale.

The process of Book Building under the SEBI ICDR Regulations and the Bidding Process are subject to change from time to time and the investors are advised to make their own judgment about investment through this process prior to submitting a Bid in the Offer.

For further details on the method and procedure for Bidding, see “*Offer Procedure*” on page 469.

Notwithstanding the foregoing, the Offer is also subject to obtaining (i) the final approval of the RoC after the Prospectus is filed with the RoC; and (ii) final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment.

Illustration of Book Building Process and Price Discovery Process

For an illustration of the Book Building Process and price discovery process, see “*Offer Procedure – Part B – Basis of Allocation - Illustration of Book Building Process and Price Discovery Process*” on page 499.

Underwriting Agreement

After the determination of the Offer Price and allocation of Equity Shares, but prior to the filing of the Prospectus with the RoC, our Company and the Selling Shareholders intend to enter into an Underwriting Agreement with the Underwriters for the Equity Shares proposed to be offered through the Offer. It is proposed that pursuant to the terms of the Underwriting Agreement, the Managers will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters will be several and will be subject to certain conditions specified therein.

The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

(This portion has been intentionally left blank and will be completed before filing the Prospectus with the RoC.).

Name, address, telephone number, fax number and e-mail address of the Underwriters	Indicative Number of Equity Shares to be Underwritten	Amount Underwritten (₹ in millions)
[●]	[●]	[●]

The above-mentioned is indicative underwriting and will be finalised after determination of Offer Price and Basis of Allotment and subject to the provisions of the SEBI ICDR Regulations.

In the opinion of the Board of Directors (based on representations made by the Underwriters), the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). The Board of Directors/Committee of Directors, at its meeting held on [●], has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Allocation among the Underwriters may not necessarily be in proportion to their underwriting commitment.

Notwithstanding the above table, the Underwriters shall be severally responsible for ensuring payment with respect to the Equity Shares allocated to investors procured by them. In the event of any default in payment, the respective Underwriter, in addition to other obligations defined in the Underwriting Agreement, will also be required to procure subscribers for or subscribe to the Equity Shares to the extent of the defaulted amount in accordance with the Underwriting Agreement. The underwriting arrangements mentioned above shall not apply to the applications by the ASBA Bidders in the Offer, except for ASBA Bids procured by any member of the Syndicate.

CAPITAL STRUCTURE

The equity share capital of our Company as at the date of this Draft Red Herring Prospectus is set forth below:

(In ₹, except share data)

		Aggregate value at face value	Aggregate value at Offer Price
A	AUTHORIZED SHARE CAPITAL⁽¹⁾		
	550,000,000 Equity Shares of face value ₹10 each	5,500,000,000	
	66,200,000 preference shares of face value ₹10 each ⁽²⁾	662,000,000	
	Total	6,162,000,000	
B	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL BEFORE THE OFFER[#]		
	403,220,324 Equity Shares of face value ₹10 each	4,032,203,240	
	64,009,568 preference shares of face value ₹10 each ⁽³⁾	640,095,680	
	Total	4,672,298,920	
C	PRESENT OFFER IN TERMS OF THIS DRAFT RED HERRING PROSPECTUS		
	Fresh Issue of up to 21,614,366 Equity Shares ⁽⁴⁾	[●]	[●]
	Offer for Sale of up to 36,070,800 Equity Shares ⁽⁵⁾	[●]	[●]
D	SECURITIES PREMIUM ACCOUNT		
	Before the Offer [#]	21,100,544,247	
	After the Offer	[●]	
E	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER CONVERSION OF THE COMPULSORILY CONVERTIBLE PREFERENCE SHARES⁽³⁾		
	[●] Equity Shares	[●]	
F	ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER		
	[●] Equity Shares	[●]	

Our Company and UIPL may consider a pre-offer placement of up to 9,600,000 Equity Shares comprising of a fresh issue of up to 4,800,000 Equity Shares by our Company and a transfer of up to 4,800,000 Equity Shares by UIPL for an aggregate amount not exceeding ₹2,000 million for each portion at the discretion of the Company and UIPL. The Pre-IPO Placement will be at a price to be decided by our Company and UIPL and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares allotted and transferred will be reduced from the Fresh Issue and the Offer for Sale, as applicable, subject to a minimum offer of 10% of the post-Offer paid-up Equity Share capital being offered to the public. Rimco may exercise its pre-emptive rights and tag along rights in relation to the Pre-IPO Placement pursuant to the terms of the termination agreement dated June 17, 2016 to the SHA

- (1) For details in relation to the changes in the authorised share capital of our Company, see "History and Certain Corporate Matters" on page 176
- (2) The preference shares comprise 15,200,000 CCPS and 51,000,000 RAR CCPS
- (3) Pursuant to the Board resolution dated May 6, 2014, our Company has issued and allotted 9,309,822 and 4,544,080 CCPS to Olympus and Indium, respectively. Further, pursuant to the Board resolution dated September 11, 2015, our Company has issued and allotted 50,155,666 RAR CCPS to Rimco. For further details, see "History and Certain Corporate Matters" on page 176. The CCPS held by Olympus and Indium and the RAR CCPS held by Rimco shall be converted into Equity Shares in accordance with the SEBI ICDR Regulations prior to the filing of the Red Herring Prospectus with the RoC as follows. The details of the conversion price will be updated in the Red Herring Prospectus prior to filing with the RoC.

Sl. No.	Name of the Investor	At DRHP (compulsorily convertible preference shares)	Before filing of RHP (maximum number of Equity Shares to be issued on conversion)
1.	Olympus	9,309,822	8,576,344
2.	Indium	4,544,080	4,186,073
3.	Rimco	50,155,666	51,086,710
	TOTAL	64,009,568	63,849,127

- (4) The Fresh Issue has been authorised by the Board of Directors pursuant to their resolution dated May 18, 2016 and the Shareholders pursuant to their resolution dated May 27, 2016
- (5) IVF and UIPL have authorised the offer of up to 4,800,000, and 12,058,000 Equity Shares in the Offer, respectively, by way of board resolutions dated June 13, 2016 and June 17, 2016 respectively. Olympus has authorised the offer of up to 19,212,800 Equity Shares pursuant to a letter dated June 23, 2016. The Equity Shares offered by the Selling Shareholders in the Offer have been held by them for a period of more than one year as on the date of this Draft Red Herring Prospectus and are eligible for being offered for sale in the Offer, in terms of Regulation 26(6) of the SEBI ICDR Regulations

Notes to the Capital Structure

1. Share Capital History of our Company

(a) The history of the Equity Share capital of our Company is provided in the following table:

Date of allotment	No. of Equity Shares allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
February 23, 2008	10,000	10	10	Cash	Initial subscribers to the MoA ⁽¹⁾	10,000	100,000
February 28, 2008	100	10	10	Cash	Allotment to IVF	10,100	101,000
April 20, 2008	5,000	10	10	Cash	Allotment to Aster FZC	15,100	151,000
May 15, 2008	12,527	10	10,000	Cash	Allotment to UIPL	27,627	276,270
December 29, 2008	38,490	10	10,000	Cash	Allotment to (i) UIPL and (ii) IVF ⁽²⁾	66,117	661,170
May 7, 2011	7,659	10	10,000	Cash	Allotment to UIPL	73,776	737,760
October 22, 2011	10,762	10	10,000	Cash	Allotment to UIPL	84,538	845,380
November 29, 2011	3,511	10	10,000	Cash	Allotment to UIPL	88,049	880,490
December 29, 2011	11,749	10	10,000	Cash	Allotment to IVF	99,798	997,980
December 29, 2011	78	10	10,000	Cash	Allotment to UIPL	99,876	998,760
January 18, 2012	24,843	10	158,918	Cash	Allotment to Olympus	124,719	1,247,190
July 9, 2012	124,719,000	10	-	N/A	Bonus issue in the ratio of 1,000:1 ⁽³⁾	124,843,719	1,248,437,190
March 2, 2013	1,542,750	10	150	Cash	Allotment to DM Healthcare Employees Welfare Trust ⁽⁴⁾	126,386,469	1,263,864,690
November 20, 2013	252,772,938	10	-	N/A	Bonus issue in the ratio of 2:1 ⁽⁵⁾	379,159,407	3,791,594,070
May 6, 2014	9,478,985	10	102.85	Cash	Allotment to Olympus and Indium ⁽⁶⁾	388,638,392	3,886,383,920
August 27, 2015	7,029,092	10	-	Other than cash	Allotment in the ratio of 100 Equity Shares for every 222 equity shares of IHPL pursuant to the scheme of amalgamation of IHPL with our Company ⁽⁷⁾	395,667,484	3,956,674,840
August 27, 2015	4,908,029	10	-	Other than cash	Allotment of 4,908,029 Equity Shares in consideration for 10,895,833 equity shares of MIMS pursuant to the agreements dated October 30, 2014 entered into with certain shareholders of MIMS ⁽⁸⁾	400,575,513	4,005,755,130

Date of allotment	No. of Equity Shares allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction	Cumulative number of Equity Shares	Cumulative paid-up Equity Share capital (₹)
September 11, 2015	1	10	331.11	Cash	Allotment to Rimco	400,575,514	4,005,755,140
September 22, 2015	2,476,060	10	320.45	Cash	Allotment to seven individuals ⁽⁹⁾	403,051,574	4,030,515,740
April 25, 2016	168,750	10	320.00	Cash	Allotment to Ahamed Moopan	403,220,324	4,032,203,240

- (1) 5,000 Equity Shares were allotted to Dr. Azad Moopen and 5,000 Equity Shares were allotted to Naseera Azad, both on behalf of the beneficial owner, Aster FZC
- (2) 27,925 Equity Shares were allotted to UIPL and 10,565 Equity Shares were allotted to IVF
- (3) 77,462,000 Equity Shares were allotted to UIPL, 15,497,000 Equity Shares were allotted to IVF and 31,760,000 Equity Shares were allotted to Olympus
- (4) The Equity Shares are held jointly by the trustees of DM Healthcare Employees Welfare Trust, namely, Sooraj P., Ram Bhushan and Mathew T. S. on behalf of the trust
- (5) 142,170,028 Equity Shares were allotted to UIPL, 31,024,994 Equity Shares were allotted to IVF, 63,583,520 Equity Shares were allotted to Olympus, 3,085,500 Equity Shares were allotted to DM Healthcare Employees Welfare Trust, 1,683,682 Equity Shares were allotted to T. J. Wilson, 3,741,738 Equity Shares were allotted to Shamsudheen Bin Mohideen Mammu Haji and 7,483,476 Equity Shares were allotted to Rashid Aslam Bin Mohideen Mammu Haji. The Equity Shares allotted to DM Healthcare Employees Welfare Trust are held by its trustees, Sooraj P., Ram Bhushan and Mathew T. S.
- (6) 6,369,878 Equity Shares were allotted to Olympus and 3,109,107 Equity Shares were allotted to Indium
- (7) 439,189 Equity Shares were allotted to A. R. Salim, 112,613 Equity Shares were allotted to Abdul Razack, 22,522 Equity Shares were allotted to Abdul Wahab P. V., 816,441 Equity Shares were allotted to Abdurahman K. P., 923,423 Equity Shares were allotted to Ali M., 195,195 Equity Shares were allotted to Ali Mubarak P. V., 132,601 Equity Shares were allotted to Deepa Kuttan Malattiri, 112,613 Equity Shares were allotted to Hamza Cholakkal, 112,613 Equity Shares were allotted to Hashim Cholakkal, 681,306 Equity Shares were allotted to Hussain Mudasseri, 337,838 Equity Shares were allotted to Kazia Mohammed Ismail, 56,306 Equity Shares were allotted to Kuttan Malattiri, 112,613 Equity Shares were allotted to Mayan Kutty Cholakkal, 194,257 Equity Shares were allotted to Mohammed Jaleel M. C., 195,195 Equity Shares were allotted to Muneer P. V., 382,883 Equity Shares were allotted to Nazima Ismail, 302,928 Equity Shares were allotted to Padmini Kuttan Malattiri, 112,613 Equity Shares were allotted to Panchili Jameela, 112,613 Equity Shares were allotted to Saidalavi Cholakkal, 384,384 Equity Shares were allotted to Saidalavi Koya Thangal, 232,264 Equity Shares were allotted to Salahuddin M., 157,658 Equity Shares were allotted to Sara Beebi C. N., 225,225 Equity Shares were allotted to Sharfuldeen V. K., 478,604 Equity Shares were allotted to Syed Khail and 195,195 Equity Shares were allotted to Yasmine Wahab
- (8) 225,225 Equity Shares were allotted to A. R. Salim, 225,225 Equity Shares were allotted to Abdul Wahab P. V., 450,450 Equity Shares were allotted to Abdurahman K. P., 225,225 Equity Shares were allotted to Ali M., 236,486 Equity Shares were allotted to Hussain Mundasseri, 225,225 Equity Shares were allotted to Kazia Mohammed Ismail, 337,838 Equity Shares were allotted to Mayan Kutty Cholakkal, 253,378 Equity Shares were allotted to Mohammed Jaleel M. C., 225,225 Equity Shares were allotted to Saidalavi Koya Thangal, 225,225 Equity Shares were allotted to Salahuddin M., 56,306 Equity Shares were allotted to Sharfuldeen V. K., 153,153 Equity Shares were allotted to Syed Khalil, 36,036 Equity Shares were allotted to Syed Raees, 36,036 Equity Shares were allotted to Tahira Khalil, 233,671 Equity Shares were allotted to Salman Salahuddin, 225,225 Equity Shares were allotted to Jasser Mohammed Iqbal, 247,748 Equity Shares were allotted to Ali K. Hassan, 107,920 Equity Shares were allotted to Sirajudheen P. M., 281,532 Equity Shares were allotted to Ravindran N., 450,450 Equity Shares were allotted to Syed Mohamed, 450,450 Equity Shares were allotted to Sakhariya V. K.
- (9) 291,301 Equity Shares were allotted to Zahida Abdul Rahman, 436,952 Equity Shares were allotted to Methalepurayil Hassan Kunhi, 582,603 Equity Shares were allotted to Sameer Moopan, 291,301 Equity Shares were allotted to Mohammed Unni Olakara, 291,301 Equity Shares were allotted to Mandayaputh Mohamed Nazar, 291,301 Equity Shares were allotted to Keshavath Parambil Abdul Hameed, 291,301 Equity Shares were allotted to Vattakandi Mohamed Mukhtar

- (b) The history of preference share capital of our Company is provided in the following table:

Date of Allotment	No. of Preference Shares Allotted	Face Value (₹)	Issue price per Preference Share (₹)	Consideration	Nature of transaction	Cumulative Number of Preference Shares	Cumulative Paid-up Preference Share Capital (₹)
February 28, 2008	40,000	10	10,000	Cash	Allotment to IVF ⁽¹⁾	40,000	400,000,000
May 6, 2014	13,853,902	10	102.85	Cash	Allotment to Olympus and Indium ⁽²⁾	13,853,902	138,539,020
September 11, 2015	50,155,666	10	327.04	Cash	Allotment to Rimco ⁽³⁾	64,009,568	640,095,680

- (1) The 40,000 optionally convertible cumulative redeemable preference shares were redeemed by our Company pursuant to a Board resolution dated January 18, 2012
- (2) 9,309,822 CCPS were allotted to Olympus and 4,544,080 CCPS were allotted to Indium. The CCPS shall be converted to Equity Shares prior to filing of the Red Herring Prospectus with the RoC
- (3) The RAR CCPS shall be converted to Equity Shares prior to filing the Red Herring Prospectus with the RoC

- (c) The table below sets forth the details of the Equity Shares issued by our Company at a price which may be lower than the Offer Price during a period of one year preceding the date of this Draft Red Herring Prospectus. Our Company has not issued any Equity Shares to members of our Promoter Group in the one year preceding the date of this Draft Red Herring Prospectus.

Date of Allotment	No. of Equity Shares	Face Value (₹)	Issue price (₹)	Nature of Consideration	Nature of transaction	Allottees
August 27, 2015	7,029,092	10	-	Other than cash	Allotment in the ratio of 100 Equity Shares for every 222 equity shares of IHPL pursuant to the scheme of amalgamation of IHPL with our Company	Refer to footnote 7 to the Equity Share capital history of our Company on page 84
August 27, 2015	4,908,029	10	-	Other than cash	Allotment of 4,908,029 Equity Shares in consideration for 10,895,833 equity shares of MIMS pursuant to the agreements dated October 30, 2014 entered into with certain shareholders of MIMS	Refer to footnote 8 to the Equity Share capital history of our Company on page 84
September 11, 2015	1	10	331.11	Cash	Allotment	Rimco
September 22, 2015	2,476,060	10	320.45	Cash	Allotment to seven individuals	Refer to footnote 9 to the Equity Share capital history of our Company on page 84
April 25, 2016	168,750	10	320.00	Cash	Allotment	Ahamed Moopan

2. Issue of Shares in the last two preceding years

For details of issue of Equity Shares and preference shares by our Company in the last two preceding years, see “Capital Structure – Share Capital History of our Company” on page 83.

3. Issue of Shares for consideration other than cash

Our Company has not issued any Equity Shares or preference shares out of revaluation of reserves.

Except as set out below, we have not issued Equity Shares for consideration other than cash. Further, except as disclosed below, no benefits have accrued to our Company on account of allotment of Equity Shares for consideration other than cash:

Date of Allotment	Number of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Reason for allotment	Benefit accrued to our Company
July 9, 2012*	124,719,000	10	N/A	Bonus issue in the ratio of 1,000:1 ⁽¹⁾	-
November 20, 2013*	252,772,938	10	N/A	Bonus issue in the ratio of 2:1 ⁽²⁾	-
August 27, 2015	7,029,092	10	N/A	Allotment in the ratio of 100 Equity Shares for every 222 equity shares of IHPL pursuant to the scheme of amalgamation of IHPL with our Company ⁽³⁾	Amalgamation of IHPL into our Company
August 27, 2015	4,908,029	10	N/A	Allotment of 4,908,029 Equity Shares in consideration for 10,895,833 equity shares of MIMS pursuant to the agreements dated October 30, 2014 entered into with certain shareholders of MIMS ⁽⁴⁾	Acquisition of 10,895,833 equity shares of MIMS

* Bonus shares have been issued out of the securities premium account

(1) Refer to footnote 3 to the Equity Share capital history of our Company on page 84

(2) Refer to footnote 5 to the Equity Share capital history of our Company on page 84

(3) Refer to footnote 7 to the Equity Share capital history of our Company on page 84

(4) Refer to footnote 8 to the Equity Share capital history of our Company on page 84

4. History of the Equity Share Capital held by our Promoters

As on the date of this Draft Red Herring Prospectus, our Promoters hold 207,555,042 Equity Shares, equivalent to 51.47% of the issued, subscribed and paid-up Equity Share capital of our Company.

(a) Build-up of our Promoters' shareholding in our Company

Set forth below is the build-up of the shareholding of our Promoters since incorporation of our Company:

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue Price/ Transfer Price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital (%)
Dr. Azad Moopen							
February 23, 2008	Initial subscriber to the Memorandum of Association	5,000	Cash	10	10	Negligible*	[●]
April 20, 2008	Transfer to UIPL	(5,000)	Cash	10	10	Negligible*	[●]
Total		Nil				Nil	[●]
UIPL							
April 20, 2008	Transfer from Dr. Azad Moopen on behalf of Aster FZC	5,000	Cash	10	10	Negligible*	[●]
April 20, 2008	Transfer from Naseera Azad on behalf of Aster FZC	5,000	Cash	10	10	Negligible*	[●]
May 15, 2008	Preferential allotment	12,527	Cash	10	10,000	Negligible*	[●]
May 15, 2008	Transfer from Aster FZC	5,000	Cash	10	10	Negligible*	[●]
December 29, 2008	Preferential allotment	27,925	Cash	10	10,000	0.01	[●]
May 7, 2011	Preferential allotment	7,659	Cash	10	10,000	Negligible*	[●]
October 22, 2011	Preferential allotment	10,762	Cash	10	10,000	Negligible*	[●]
November 29, 2011	Preferential allotment	3,511	Cash	10	10,000	Negligible*	[●]
December 29, 2011	Preferential allotment	78	Cash	10	10,000	Negligible*	[●]
July 9, 2012	Bonus issue	77,462,000	N/A	10	-	19.21	[●]
September 11, 2013	Transfer to T. J. Wilson	(841,841)	Cash	10	73.89	(0.21)	[●]
September 11, 2013	Transfer to Shamsudheen Bin Mohideen Mammu Haji	(1,870,869)	Cash	10	73.92	(0.16)	[●]
September 11, 2013	Transfer to Rashid Aslam Bin Mohideen Mammu Haji	(3,741,738)	Cash	10	73.92	(0.80)	[●]
November 20, 2013	Bonus issue	142,170,028	N/A	10	-	35.26	[●]
May 6, 2014	Transfer to Olympus	(3,830,400)	Cash	10	102.85	(0.82)	[●]
May 6, 2014	Transfer to Indium	(1,869,600)	Cash	10	102.85	(0.40)	[●]
Total		207,555,042⁽¹⁾				51.47	[●]

*not more than 0.01%

- (1) The number of Equity Shares held by UIPL will be updated prior to filing of the Red Herring Prospectus with the RoC. UIPL will transfer the second tranche of Equity Shares to Olympus and Indium pursuant to the terms of the SPA. The number of Equity Shares to be transferred in the second tranche will be determined as per the conversion formula which is linked to the valuation of our Company at the time of filing the Red Herring Prospectus. As per the conversion formula, UIPL will be required to transfer such number of Equity Shares within a band of a maximum of 3,642,711 Equity Shares and a minimum of 1,141,369 Equity Shares to Olympus and such number of Equity Shares within a band of a maximum of 1,778,590 Equity Shares and a minimum of 557,697 Equity Shares to Indium. For further details, refer to "History and Certain Corporate Matters – Summary of Key Agreements" on page 202.

All the Equity Shares held by our Promoters were fully paid-up on the respective dates of acquisition of such Equity Shares. Our Promoters have confirmed to our Company and the Managers that the Equity Shares held by our Promoters which shall be locked-in for three years as Promoters' contribution have been financed from the stated capital of UIPL and no loans or financial assistance from any bank or financial institution has been availed by them for this purpose. Further, our Promoters have not pledged any of the Equity Shares that they hold in our Company.

(b) *Details of Promoters' contribution and lock-in:*

- (i) Pursuant to Regulations 32 and 36 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by our Promoters shall be locked in for a period of three years from the date of Allotment and our Promoters' shareholding in excess of 20% shall be locked in for a period of one year.
- (ii) As on the date of this Draft Red Herring Prospectus, our Promoter, UIPL holds 207,555,042 Equity Shares, out of which up to 12,058,000 Equity Shares are being offered by UIPL in the Offer for Sale and 6,007,008 Equity Shares are being held in escrow pursuant to the SPA out of which certain Equity Shares will be transferred to Olympus and Indium prior to filing the Red Herring Prospectus with the RoC in accordance with the SPA. Please refer to footnote 1 to the build up of our Promoters' shareholding in our Company for further details in relation to the Equity Shares placed in escrow. Accordingly, the remaining Equity Shares held by UIPL are eligible for promoters' contribution. Our individual Promoter, Dr. Azad Moopen, does not hold any Equity Shares.
- (iii) Details of the Equity Shares to be locked-in for three years are as follows:

Name	Date of transaction and when made fully paid-up	Nature of transaction	No. of Equity Shares	Face Value (₹)	Issue/ acquisition price per Equity Share (₹)	No. of Equity Shares locked-in	Percentage of post-Offer paid-up capital (%)	Date up to which the Equity shares are subject to lock-in
UIPL	[•]	[•]	[•]	[•]	[•]	[•]	[•]	[•]
Total						[•]		

- (iv) The minimum Promoters' contribution has been brought in to the extent of not less than the specified minimum lot and from the persons and body corporate defined as 'promoter' under the SEBI ICDR Regulations. Our Company undertakes that the Equity Shares that are being locked-in are not ineligible for computation of Promoters' contribution in terms of Regulation 33 of SEBI ICDR Regulations.
- (v) In this connection, we confirm the following:
 - The Equity Shares offered for Promoters' contribution do not include (a) Equity Shares acquired in the last three years for consideration other than cash and revaluation of assets or capitalisation of intangible assets; or (b) bonus shares out of revaluation reserves or unrealised profits of our Company or bonus shares issued against Equity Shares which are otherwise ineligible for computation of Promoters' contribution;
 - The Promoters' contribution does not include any Equity Shares acquired during the preceding one year and at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
 - Except for 6,007,008 Equity Shares which are placed in escrow in accordance with the SPA, all the Equity Shares of our Company held by the Promoters are in dematerialised form; and
 - The Equity Shares forming part of the Promoters' contribution are not pledged with any creditor.

(c) *Other lock-in requirements:*

- (i) In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by our Promoters and locked in for three years as specified above, the entire pre-Offer Equity Share capital of our Company, except (i) the Equity Shares Allotted pursuant to the Offer for Sale, (ii) 6,369,878 Equity Shares held by Olympus, under the FVCI route and 9,309,822 CCPS held by Olympus under the FVCI route and convertible into a maximum of 8,576,344 Equity Shares prior

to filing the Red Herring Prospectus with the RoC and (iii) all the Equity Shares held by India Value Fund III A, a VCF, will be locked-in for a period of one year from the date of Allotment.

- (ii) The 4,159,968 Equity Shares held by DM Healthcare Employees Welfare Trust will be permitted to be transferred to our employees upon exercise of vested options and such transferred Equity Shares will not be subject to any lock-in in the hands of our employees, subject to the SEBI ESOP Regulations. The Equity Shares received by employees from DM Healthcare Employees Welfare Trust pursuant to exercise of options shall be exempt from lock-in under regulation 37 of the SEBI ICDR Regulations, subject to the SEBI ESOP Regulations.
- (iii) The Equity Shares held by our Promoters which are locked-in may be transferred to and among the Promoter Group or to any new promoter or persons in control of our Company, subject to continuation of the lock-in in the hands of the transferees for the remaining period and compliance with the Takeover Regulations, as applicable.
- (iv) Pursuant to Regulation 39 of the SEBI ICDR Regulations, the Equity Shares held by our Promoters which are locked-in for a period of one year from the date of Allotment may be pledged only with scheduled commercial banks or public financial institutions as collateral security for loans granted by such banks or public financial institutions, provided that such pledge of the Equity Shares is one of the terms of the sanction of such loans.
- (v) The Equity Shares held by persons other than our Promoters and locked-in for a period of one year from the date of Allotment in the Offer may be transferred to any other person holding the Equity Shares which are locked-in, subject to the continuation of the lock-in in the hands of transferees for the remaining period and compliance with the Takeover Regulations.
- (vi) Any Equity Shares Allotted to Anchor Investors under the Anchor Investor Portion shall be locked-in for a period of 30 days from the date of Allotment.

5. Build up of Selling Shareholders' shareholding in our Company

As on the date of this Draft Red Herring Prospectus, the Selling Shareholders hold 359,668,091 Equity Shares, constituting 89.19% of the issued, subscribed and paid-up Equity Share capital of our Company. For details of the build up of UIPL's shareholding in our Company, see "*Capital Structure – History of the Equity Share Capital held by our Promoters*" on page 86.

The build up of Olympus' and IVF's equity shareholding in our Company is as follows. For details of the CCPS held by Olympus in our Company, see "*Capital Structure – History of preference share capital of our Company*" on page 84:

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	Percentage of the pre-Offer capital (%)	Percentage of the post-Offer capital (%)
Olympus							
January 18, 2012	Preferential Allotment	24,843	Cash	10	158,918.00	0.01	[●]
January 18, 2012	Transfer from IVF	6,917	Cash	10	158,912.82	Negligible*	[●]
July 9, 2012	Bonus issue in the ratio of 1000:1	31,760,000	N/A	10	N/A	7.88	[●]
November 20, 2013	Bonus issue in the ratio of 2:1	63,583,520	N/A	10	N/A	15.77	[●]
May 6, 2014	Preferential Allotment	6,369,878	Cash	10	102.85	1.58	[●]
May 6, 2014	Transfer from UIPL	3,830,400	Cash	10	102.85	0.95	[●]
Total		105,575,558				26.18	[●]
IVF							
February 28, 2008	Preferential Allotment	100	Cash	10	10.00	Negligible*	[●]
December 29, 2008	Preferential Allotment	10,565	Cash	10	10,000	Negligible*	[●]
December 29, 2011	Preferential Allotment	11,749	Cash	10	10,000	Negligible*	[●]
January 18,	Transfer to	(6,917)	Cash	10	158,912.82	Negligible*	[●]

Date of allotment/ transfer	Nature of transaction	No. of Equity Shares	Nature of consideration	Face value per Equity Share (₹)	Issue price/ transfer price per Equity Share (₹)	Percentage of the pre- Offer capital (%)	Percentage of the post- Offer capital (%)
2012	Olympus						
July 9, 2012	Bonus issue in the ratio of 1000:1	15,497,000	N/A	10	N/A	3.84	[●]
November 20, 2013	Bonus issue in the ratio of 2:1	31,024,994	N/A	10	N/A	7.69	[●]
Total		46,537,491				11.54	[●]

* Less than 0.01%

6. Shareholding Pattern of our Company

The table below presents the shareholding pattern of our Company as on the date of this Draft Red Herring Prospectus

Category (I)	Category of Shareholder (II)	No. of Shareholde rs (III)	No. of fully paid up Equity Shares held (IV)	No. of Partly paid-up Equity Shares held (V)	No. of shares underlying depository receipts (VI)	Total No. of shares held (VII) = (IV)+(V)+ (VI)	Shareholding as a % of total no. of shares (calculated as per SCRR) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			No. of shares underlying outstanding convertible securities (including warrants) (X)	Shareholding, as a % assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)= (VII)+(X) As a % of (A+B+C2)	No. of locked in shares (XII)		Number of shares pledged or otherwise encumbered (XIII)		No. of Equity Shares held in dematerialized form (XIV)
								No of Voting Rights					No. (a)	As a % of total shares held (b)	No. (a)	As a % of total shares held (b)	
								Class Equity	Total	Total as a % of (A+B+C)							
(A)	Promoter & Promoter Group	1	207,555,042	0	0	207,555,042	51.47	207,555,042	207,555,042	51.47	0	43.20	0	0	0	201,548,034	
(B)	Public	61	191,505,315	0	0	191,505,315	47.49	191,505,315	191,505,315	47.49	63,849,127	55.85	0	0	0	153,360,420	
(C)	Non Promoter- Non Public	1	4,159,968	0	0	4,159,968	1.03	4,159,968	4,159,968	1.03	0	0.95	0	0	0	0	
(C1)	Shares underlying depository receipts	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
(C2)	Shares held by employee trusts	1	4,159,968	0	0	4,159,968	1.03	4,159,968	4,159,968	1.03	0	0.95	0	0	0	0	
	Total	63	403,220,324	0	0	403,220,324	100.00	403,220,324	403,220,324	100.00	55,484,553	100.00	0	0	0	354,908,454	

7. **The list of top 10 Shareholders of our Company and the number of Equity Shares held by them as on the date of this Draft Red Herring Prospectus, 10 days before the date of filing and two years prior the date of filing of this Draft Red Herring Prospectus are set forth below:**

(a) The top 10 Shareholders as on the date of filing of this Draft Red Herring Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	UIPL*	207,555,042	51.47
2.	Olympus**	105,575,558	26.18
3.	IVF	46,537,491	11.54
4.	Rashid Aslam Bin Mohideen Mammu Haji	11,225,214	2.78
5.	Shamsudheen Bin Mohideen Mammu Haji	5,612,607	1.39
6.	Indium***	4,978,707	1.23
7.	DM Healthcare Employees Welfare Trust	4,159,968	1.03
8.	T. J. Wilson	2,633,343	0.65
9.	Abdurahman K. P.	1,266,891	0.31
10.	Ali M.	1,148,648	0.28
	Total	390,693,469	96.89

*Includes 6,007,008 Equity Shares held in escrow which will be transferred to Olympus and Indium pursuant to the terms of the SPA

**In addition, 9,309,822 CCPS have been allotted to Olympus which shall be converted to a maximum of 8,576,344 Equity Shares prior to filing the Red Herring Prospectus with the RoC

***In addition, 4,544,080 CCPS have been allotted to Indium which shall be converted to a maximum of 4,186,073 Equity Shares prior to filing the Red Herring Prospectus with the RoC

(b) The top 10 Shareholders 10 days prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	UIPL*	207,555,042	51.47
2.	Olympus**	105,575,558	26.18
3.	IVF	46,537,491	11.54
4.	Rashid Aslam Bin Mohideen Mammu Haji	11,225,214	2.78
5.	Shamsudheen Bin Mohideen Mammu Haji	5,612,607	1.39
6.	Indium***	4,978,707	1.23
7.	DM Healthcare Employees Welfare Trust	4,159,968	1.03
8.	T. J. Wilson	2,633,343	0.65
9.	Abdurahman K. P.	1,266,891	0.31
10.	Ali M.	1,148,648	0.28
	Total	390,693,469	96.89

*Includes 6,007,008 Equity Shares held in escrow which will be transferred to Olympus and Indium pursuant to the terms of the SPA

**In addition, 9,309,822 CCPS have been allotted to Olympus which shall be converted to a maximum of 8,576,344 Equity Shares prior to filing the Red Herring Prospectus with the RoC

***In addition, 4,544,080 CCPS have been allotted to Indium which shall be converted to a maximum of 4,186,073 Equity Shares prior to filing the Red Herring Prospectus with the RoC

(c) The top 10 Shareholders two years prior to the date of filing of this Draft Red Herring Prospectus are as follows:

Sl. No.	Name of the Shareholder	No. of Equity Shares	Percentage (%)
1.	UIPL*	207,555,042	53.41
2.	Olympus**	105,575,558	27.17
3.	IVF	46,537,491	11.97
4.	Rashid Aslam Bin Mohideen Mammu Haji	11,225,214	2.89
5.	Shamsudheen Bin Mohideen Mammu Haji	5,612,607	1.44
6.	Indium***	4,978,707	1.28
7.	DM Healthcare Employees Welfare Trust	4,628,250	1.19
8.	T. J. Wilson	2,525,523	0.65
	Total	388,638,392	100.00

*Includes 6,007,008 Equity Shares held in escrow which will be transferred to Olympus and Indium pursuant to the terms of the SPA

**In addition, 9,309,822 CCPS have been allotted to Olympus which shall be converted to a maximum of 8,576,344 Equity Shares prior to filing the Red Herring Prospectus with the RoC

***In addition, 4,544,080 CCPS have been allotted to Indium which shall be converted to a maximum of 4,186,073 Equity Shares

8. **Details of Equity Shares held by our Directors, Key Management Personnel and directors of our Promoter, UIPL and members of our Promoter Group**

(i) Set out below are details of the Equity Shares held by our Directors in our Company:

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
1.	T. J. Wilson	2,633,343	0.65	[●]
2.	Shamsudheen Bin Mohideen Mammu Haji	5,612,607	1.39	[●]

(ii) Set out below are details of the Equity Shares held by the Key Management Personnel in our Company:

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
1.	T.J. Wilson	2,633,343	0.65	[●]
2.	Kartik Thakrar	145,244	0.04	[●]

(iii) The following Key Management Personnel have been granted options under the DM Healthcare Employees Stock Option Plan 2013 (“ESOP 2013”):

Sl. No.	Name	No. of options granted as on date	No of options vested as on date*
1.	Sreenath Reddy	200,818	72,794
2.	Ala Atari	235,473	154,551
3.	Jobilal B. Vavachan	245,919	160,937
4.	Kartik Thakrar****	211,896	145,244
5.	Dr. Harish Pillai	223,261	60,666
6.	T.J. Wilson**	248,091	162,445

*The vesting of our incentive options and milestone options are linked to performances as evaluated at the end of each financial year. Accordingly, these details will be updated prior to filing the Red Herring Prospectus with the RoC after our Company declares its financial results for Financial Year ended March 31, 2016

** T. J. Wilson has been granted 248,091 outstanding options under ESOP 2013. Of these, 162,445 options have vested as of the date of this Draft Red Herring Prospectus. Of these vested options, 107,820 options were exercised and converted into Equity Shares as of the date of this Draft Red Herring Prospectus

**** Kartik Thakrar has been granted 211,896 options under ESOP 2013. Of these options, 145,244 options have been vested and exercised by Karthik Thakrar

(iv) The directors of UIPL and the members of our Promoter Group do not hold any Equity Shares in our Company.

9. As on the date of this Draft Red Herring Prospectus, the Managers and their respective associates do not hold any Equity Shares in our Company.

10. Except as disclosed below, our Company has not allotted any Equity Shares pursuant to any scheme approved under Sections 391 to 394 of the Companies Act, 1956:

Date of Allotment	No. of Equity Shares Allotted	Face Value (₹)	Issue price per Equity Share (₹)	Nature of consideration	Nature of transaction
August 27, 2015	7,029,092	10	-	N/A	Allotment in the ratio of 100 Equity Shares for every 222 equity shares of IHPL pursuant to the scheme of amalgamation of IHPL with our Company. For further details, please see foot note 7 to the Equity Share capital history of our Company on page 84 and “History and Certain Corporate Matters” on page 179

11. Our Company has not made any public issue or rights issue of any kind or class of securities since its incorporation.

12. No payment, direct or indirect in the nature of discount, commission and allowance or otherwise shall be made either by us or our Promoters to the persons who are Allotted Equity Shares.
13. Our Company, pursuant to resolutions passed by our Board and our Shareholders, both dated March 2, 2013, has adopted ESOP 2013, effective from March 2, 2013. Pursuant to ESOP 2013, options to acquire Equity Shares may be granted to eligible employees (as defined in ESOP 2013) including permanent employees, directors of our Company (excluding independent directors) and permanent employees and directors of our Subsidiaries and UIPL. ESOP 2013 is compliant with the SEBI ESOP Regulations and the Companies Act, 2013. Under ESOP 2013, no options will be granted to any employee who is a Promoter or belongs to the Promoter Group; or a Director, who either by himself or through his relatives or through any body corporate, directly or indirectly, holds more than 10% of the outstanding Equity Shares. The aggregate number of Equity Shares, which may be issued under ESOP 2013, shall not exceed 1.22% of the paid up Equity Shares capital of our Company. Our Company has provided loans aggregating to ₹231.41 million to the ESOP trust pursuant to intercompany loan arrangements dated June 12, 2012 and February 25, 2013.

Particulars	Details												
Options granted	As on the date of this DRHP, our Company has granted 2,491,102 options (comprising 1,049,086 incentive options, 998,016 milestone options and 444,000 loyalty options)												
	Financial Year/ Period	Incentive Options	Milestone Options	Loyalty Options	Total No. of Options Granted								
	Financial Year 2013	114,760	238,662	140,000	493,422								
	Financial Year 2014	229,520	477,324	280,000	986,844								
	Financial Year 2015	344,280	254,537	9,000	607,817								
	April 1 to December 31, 2015	360,526	27,493	15,000	403,019								
	Total	1,049,086	998,016	444,000	2,491,102								
Pricing formula	The exercise price fixed for the options granted is ₹50 per incentive option, ₹50 per milestone option and ₹10 per loyalty option. Bonus shares issued on loyalty options are exercisable free of cost. 226,037 milestone options granted to one of our employees, P.P. Noushique were priced at ₹10 per option												
Vesting period	<table><tr><th>Type of Options</th><th>Vesting Period</th></tr><tr><td>Incentive Options</td><td>Vesting is linked to actual performance at the end of each Financial Year. If the actual performance, as evaluated by the Nomination and Remuneration Committee is within 85% to 100% of the expected performance, proportionate Options shall vest at the end of such Financial Year. In the event that the actual performance is less than 85% of the target, all options shall lapse.</td></tr><tr><td>Milestone Options</td><td>Vesting at 25% at the end of each Financial Year over a period of 4 financial years from March 1, 2013 and linked to achievement of milestones as stated below: - If the milestone is achieved within the target date or upto a period of six months from the end of the target date, 25% of Options shall vest. - If the milestone is achieved after six months from the target date but before the end of 12 months from the target date, 12.5% of Options shall vest. - If the milestone is not achieved before the end of 12 months from the target date, nothing shall vest and 25% of Options shall lapse. </td></tr><tr><td>Loyalty Options</td><td>80% of the Options shall be granted on completion of six years with the group and the remaining 20% shall be granted on completion of nine years with the group. Loyalty options vest at the end of one year from the date of grant.</td></tr></table>					Type of Options	Vesting Period	Incentive Options	Vesting is linked to actual performance at the end of each Financial Year. If the actual performance, as evaluated by the Nomination and Remuneration Committee is within 85% to 100% of the expected performance, proportionate Options shall vest at the end of such Financial Year. In the event that the actual performance is less than 85% of the target, all options shall lapse.	Milestone Options	Vesting at 25% at the end of each Financial Year over a period of 4 financial years from March 1, 2013 and linked to achievement of milestones as stated below: - If the milestone is achieved within the target date or upto a period of six months from the end of the target date, 25% of Options shall vest. - If the milestone is achieved after six months from the target date but before the end of 12 months from the target date, 12.5% of Options shall vest. - If the milestone is not achieved before the end of 12 months from the target date, nothing shall vest and 25% of Options shall lapse.	Loyalty Options	80% of the Options shall be granted on completion of six years with the group and the remaining 20% shall be granted on completion of nine years with the group. Loyalty options vest at the end of one year from the date of grant.
Type of Options	Vesting Period												
Incentive Options	Vesting is linked to actual performance at the end of each Financial Year. If the actual performance, as evaluated by the Nomination and Remuneration Committee is within 85% to 100% of the expected performance, proportionate Options shall vest at the end of such Financial Year. In the event that the actual performance is less than 85% of the target, all options shall lapse.												
Milestone Options	Vesting at 25% at the end of each Financial Year over a period of 4 financial years from March 1, 2013 and linked to achievement of milestones as stated below: - If the milestone is achieved within the target date or upto a period of six months from the end of the target date, 25% of Options shall vest. - If the milestone is achieved after six months from the target date but before the end of 12 months from the target date, 12.5% of Options shall vest. - If the milestone is not achieved before the end of 12 months from the target date, nothing shall vest and 25% of Options shall lapse.												
Loyalty Options	80% of the Options shall be granted on completion of six years with the group and the remaining 20% shall be granted on completion of nine years with the group. Loyalty options vest at the end of one year from the date of grant.												

Options vested	1,408,267*																																			
	<table><tr><th>Financial Year/ Period</th><th>Incentive Options</th><th>Milestone Options</th><th>Loyalty Options</th><th>Total No. of Options Vested</th></tr><tr><td>Financial Year 2013</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Financial Year 2014</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Financial Year 2015</td><td>581,428</td><td>411,339</td><td>415,500</td><td>1,408,267</td></tr><tr><td>April 1 to December 31, 2015</td><td>-</td><td>-</td><td>-</td><td>-</td></tr><tr><td>Total</td><td>581,428</td><td>411,339</td><td>415,500</td><td>1,408,267</td></tr></table>	Financial Year/ Period	Incentive Options	Milestone Options	Loyalty Options	Total No. of Options Vested	Financial Year 2013	-	-	-	-	Financial Year 2014	-	-	-	-	Financial Year 2015	581,428	411,339	415,500	1,408,267	April 1 to December 31, 2015	-	-	-	-	Total	581,428	411,339	415,500	1,408,267					
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Options lapsed	272,667																																			
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Total	129,283	119,384	24,000	272,667																																
Variation of terms of options	Pursuant to the Nomination and Remuneration Committee resolution dated July 21, 2015, the terms of ESOP 2013 were aligned with the provisions of the Companies Act, 2013 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014. Pursuant to the resolutions dated June 13, 2016 and January 16, 2016, passed by the Board and Shareholders respectively, the exercise period under the ESOP 2013 was amended in order to ensure compliance with the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.																																			
Money realized by exercise of options	₹10,583,340																																			
Total number of options in force	2,018,216																																			
Employee-wise detail of options granted to																																				
(i) Senior managerial personnel	<table><tr><th>Name</th><th>No. of Options</th></tr><tr><td>Ala Atari</td><td>235,473</td></tr><tr><td>Jobilal B. Vavachan</td><td>245,919</td></tr><tr><td>T. J. Wilson**</td><td>248,091</td></tr><tr><td>Kartik Thakrar***</td><td>211,896</td></tr><tr><td>Sreenath Reddy</td><td>200,818</td></tr></table>	Name	No. of Options	Ala Atari	235,473	Jobilal B. Vavachan	245,919	T. J. Wilson**	248,091	Kartik Thakrar***	211,896	Sreenath Reddy	200,818																							
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Kartik Thakrar***	211,896																																			
Sreenath Reddy	200,818																																			

	Dr. Harish Pillai	223,261												
	** T. J. Wilson has been granted 248,091 outstanding options under ESOP 2013. Of these, 162,445 options have vested as of the date of this Draft Red Herring Prospectus. Of these vested options, 107,820 options were exercised and converted into Equity Shares as of the date of this Draft Red Herring Prospectus *** Kartik Thakrar has been granted 211,896 options under ESOP 2013. Of these options, 145,244 options have been vested and exercised by Karthik Thakrar													
(ii) Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year	For the nine months ended December 31, 2015: Nil For Financial Year 2015: <table><tr><th>Employee</th><th>No. of Options</th></tr><tr><td>Noushique P. P.</td><td>226,037</td></tr></table> For Financial Year 2014: <table><tr><th>Employee</th><th>No. of Options</th></tr><tr><td>Sameer Moopan</td><td>56,492</td></tr></table> For Financial Year 2013: <table><tr><th>Employee</th><th>No. of Options</th></tr><tr><td>Sameer Moopan</td><td>28,246</td></tr></table>		Employee	No. of Options	Noushique P. P.	226,037	Employee	No. of Options	Sameer Moopan	56,492	Employee	No. of Options	Sameer Moopan	28,246
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Noushique P. P.	226,037													
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Employee	No. of Options													
Sameer Moopan	28,246													
(iii) Identified employees who were granted options during any one year equal to/ exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of the Company at the time of grant	For the nine months ended December 31, 2015: Nil For Financial Year 2015: Nil For Financial Year 2014: Nil For Financial Year 2013: Nil													
Fully diluted EPS pursuant to issue of Equity Shares on exercise of options in accordance with the relevant accounting standard	For the nine months ended December 31, 2015: (2.18) For Financial Year 2015: (1.66) For Financial Year 2014: 1.87 For Financial Year 2013: 0.05													
Lock-in	Nil													
Impact on profit and EPS of the last three years if the accounting policies prescribed in the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 had been followed	For the nine months ended December 31, 2015: Nil For Financial Year 2015: Nil For Financial Year 2014: Nil For Financial Year 2013: Nil													
Difference if any, between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost calculated on the basis of fair value of stock options	Nil													
Impact on the profits of the Company and on the EPS arising due to the difference	Nil													

of the fair value of stock options over the intrinsic value of the stock options	
Weighted average exercise price and the weighted average fair value of options whose exercise price either equals or exceeds or is less than the market price of the stock	For the nine months ended December 31, 2015: N/A For Financial Year 2015: N/A For Financial Year 2014: N/A For Financial Year 2013: N/A
Method and significant assumptions used to estimate the fair value of options granted during the year including weighted average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in the market at the time of grant of the option	Fair value of the options have been calculated using the Black Scholes model.
Intention of the holders of Equity Shares allotted on exercise of options to sell their Equity Shares within three months after the listing of Equity Shares pursuant to the Offer	Nil
Intention to sell Equity Shares arising out of the ESOP 2013 within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of ESOP 2013 amounting to more than 1% of the issued capital of our Company (excluding outstanding warrants and conversions)	Nil

**The vesting of our incentive options and milestone options are linked to performances as evaluated at the end of each financial year. Accordingly, these details will be updated prior to filing the Red Herring Prospectus with the RoC after our Company declares its financial results for Financial Year ended March 31, 2016*

14. Except for (i) T. J. Wilson who received 107,820 Equity Shares from the DM Healthcare Employees Welfare Trust pursuant to exercise of his employee stock options on May 7, 2016 for an aggregate consideration of ₹2,591,000 and a price of ₹24.03 per Equity Share and (ii) Dr. Azad Moopen, Naseera Azad and T.J. Wilson who transferred 75, 10 and 10 equity shares respectively that they held in our Subsidiary, Eurohealth, none of the members of our Promoter Group, our Promoters, directors of our Promoter, or our Directors and their immediate relatives have purchased or sold any securities of the Company or the Subsidiaries during the period of six months immediately preceding the date of filing of this Draft Red Herring Prospectus with the SEBI. However, pursuant to the SPA, our Promoter UIPL will, prior to filing the Red Herring Prospectus with the RoC, transfer such number of Equity Shares to Olympus and Indium as determined as per the conversion formula which is linked to the valuation of our Company at the time of filing of the Red Herring Prospectus. For further details, see “*Capital Structure – Notes to Capital Structure – History of the Equity Share Capital held by our Promoters*” on page 86.
15. As of the date of the filing of this Draft Red Herring Prospectus, the total number of our Shareholders is 63.

16. Neither our Company nor our Directors have entered into any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person. Further, the Managers have not entered into any buy-back, safety net and/or standby arrangements for purchase of Equity Shares from any person.
17. All Equity Shares issued pursuant to the Offer shall be fully paid up at the time of Allotment and there are no partly paid up Equity Shares as on the date of this Draft Red Herring Prospectus.
18. Any oversubscription to the extent of 10% of the Offer can be retained for the purposes of rounding off to the nearer multiple of minimum allotment lot.
19. Except the sale of Equity Shares in the Offer for Sale by UIPL, our Promoters, Promoter Group and Group Companies will not participate in the Offer.
20. There have been no financing arrangements whereby our Promoter Group, our Directors, the directors of UIPL and their relatives have financed the purchase by any other person of securities of our Company, other than in the normal course of business of the financing entity during a period of six months preceding the date of filing of this Draft Red Herring Prospectus.
21. Our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares or further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares) whether on a preferential basis or by way of issue of bonus shares or on a rights basis or by way of further public issue of Equity Shares or qualified institutions placements or otherwise. Provided, however, that the foregoing restrictions do not apply to: (a) the issuance of any Equity Shares under this Offer; and (b) any issuance, offer, sale or any other transfer or transaction of a kind referred to above of any Equity Shares under or in connection with the exercise of any options or similar securities, as disclosed in this Draft Red Herring Prospectus and as will be disclosed in the Red Herring Prospectus and the Prospectus, provided they have been approved by our Board.
22. In terms of Rule 19(2)(b)(iii) of the SCRR, this is an Offer for at least 10% of the post-Offer capital of our Company. The Offer is being made under Regulation 26(1) of the SEBI ICDR Regulations and through a Book Building Process wherein 50% of the Offer shall be allocated on a proportionate basis to QIBs. Our Company may, in consultation with the Selling Shareholders and the Managers, allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price, on a discretionary basis, out of which at least one-third shall be available for allocation to domestic Mutual Funds only. 5% of the QIB Portion (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion shall be available for allocation on a proportionate basis to all QIB Bidders other than Anchor Investors, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation to Non-Institutional Bidders and not less than 35% of the Offer shall be available for allocation to Retail Individual Bidders in accordance with SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.
23. Under-subscription, if any, in any category, except in the QIB Portion, would be allowed to be met with spill over from any other category or a combination of categories at the discretion of our Company in consultation with the Selling Shareholders, Managers and the Designated Stock Exchange.
24. There shall be only one denomination of the Equity Shares, unless otherwise permitted by law.
25. Our Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.
26. Our Company shall ensure that transactions in the Equity Shares by our Promoters and the Promoter Group between the date of filing of the Red Herring Prospectus with RoC and the date of closure of the Offer shall be intimated to the Stock Exchanges within 24 hours of such transaction.
27. No person connected with the Offer, including, but not limited to, the Managers, the members of the Syndicate, our Company, the Directors, the Promoters, members of our Promoter Group and Group Companies, shall offer any

incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any Bidder for making a Bid.

28. Except as disclosed in this section, there are no outstanding convertible securities or any other right which would entitle any person any option to receive Equity Shares, as on the date of this Draft Red Herring Prospectus.

OBJECTS OF THE OFFER

The Offer comprises the Fresh Issue and the Offer for Sale.

Offer for Sale

Our Company will not receive any proceeds from the Offer for Sale.

Requirement of Funds

Our Company proposes to utilise the Net Proceeds from the Fresh Issue towards funding the following objects:

1. Purchase of medical equipment;
2. Pre-payment of debt; and
3. General corporate purposes (collectively, referred to herein as the “**Objects**”).

In addition, our Company expects to receive the benefits of listing of the Equity Shares on the Stock Exchanges and enhancement of our Company’s brand name and creation of a public market for our Equity Shares in India.

The main objects clause as set out in the Memorandum of Association enables our Company to undertake its existing activities and the activities for which funds are being raised by our Company through the Fresh Issue.

Net Proceeds

The details of the proceeds of the Fresh Issue are summarised in the table below:

(₹ in million)	
Particulars	Amount
Gross Proceeds of the Fresh Issue ⁽¹⁾	[•]
(Less) Fresh Issue related expenses ⁽²⁾	[•]
Net Proceeds	[•]

⁽¹⁾ Includes, the proceeds, if any, received pursuant to the Pre-IPO Placement by our Company. Upon allotment of Equity Shares pursuant to the Pre-IPO Placement, we may utilise the proceeds from such Pre-IPO Placement towards the Objects of the Offer prior to the completion of the Offer

⁽²⁾ To be finalised upon determination of the Offer Price.

Utilization of Net Proceeds

The proposed utilisation of the Net Proceeds is set forth in the table below:

Particulars	Amount (in ₹ million)
Purchase of medical equipment	2,551.18
Pre-payment of debt	3,538.10
General corporate purposes ⁽¹⁾	[•]
Total Net Proceeds	[•]

⁽¹⁾ To be finalised upon determination of the Offer Price. The amount shall not exceed 25% of the Gross Proceeds of the Fresh Issue.

The fund requirements for the Objects are based on internal management estimates, purchase orders, contracts and quotations received from vendors and have not been appraised by any bank or financial institution.

Schedule of Implementation and Deployment of Net Proceeds

The Net Proceeds are currently expected to be deployed in accordance with the schedule set forth below:

(In ₹ million)					
Particulars	Total Estimated Cost	Amount which will be financed from Net Proceeds ⁽¹⁾	Estimated Utilisation of Net Proceeds		
			Fiscal 2017	Fiscal 2018	Fiscal 2019
Purchase of medical equipment	2,551.18	2,551.18	-	841.89	1,709.29

Particulars	Total Estimated Cost	Amount which will be financed from Net Proceeds ⁽¹⁾	Estimated Utilisation of Net Proceeds		
			Fiscal 2017	Fiscal 2018	Fiscal 2019
Pre-payment of debt	3,538.10	3,538.10	3,538.10	-	-
General corporate purposes ⁽¹⁾	[●]	[●]	[●]	[●]	[●]
Total	[●]	[●]	[●]	[●]	[●]

(1) To be finalised upon determination of Offer Price

Means of Finance

The fund requirements for all objects are proposed to be entirely funded from the Net Proceeds. Given the dynamic nature of our business, we may have to revise our funding requirements and deployment on account of a variety of factors such as our financial condition, business and strategy and external factors such as market conditions, competitive environment and interest or exchange rate fluctuations, which may not be within the control of our management. This may entail rescheduling or revising the planned expenditure and funding requirements, including the expenditure for a particular purpose at the discretion of our management. Subject to applicable law, if the actual utilisation towards any of the Objects is lower than the proposed deployment such balance will be used for general corporate purposes to the extent that the total amount to be utilized towards general corporate purposes will not exceed 25% of the gross proceeds from the Fresh Issue in accordance with Regulation 4(4) of the SEBI ICDR Regulations. In case of a shortfall in raising requisite capital from the Net Proceeds or an increase in the total estimated costs of the Objects of the Offer, business considerations may require us to explore a range of options including utilising our internal accruals and seeking additional debt from existing and future lenders which we could repay from the Net Proceeds. We believe that such alternate arrangements would be available to fund any such shortfalls. Further, in case of variations in the actual utilization of funds earmarked for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any, available in respect of the other purposes for which funds are being raised in this Offer.

The above fund requirements are based on internal management estimates and have not been appraised by any bank or financial institution and are based on quotations received from vendors and suppliers, which are subject to change in the future. These are based on current conditions and are subject to revisions in light of changes in external circumstances or costs, or our financial condition, business or strategy. For further details of factors that may affect these estimates, see “Risk Factors” on page 17.

Details of the Objects of the Fresh Issue

1. Purchase of medical equipment

We plan to expand our operations in India by expanding the capacity and service offerings of certain of our existing hospitals by either adding new services or new equipment to cater to increasing demand. For further details refer to “History and Certain Corporate Matters” and “Our Business – Our Strategies” on pages 176 and 137. As part of this expansion, we will require various medical equipment such as (i) critical care equipment; (ii) surgical equipment; (iii) laboratory equipment; (iv) radiology equipment; (v) medical furniture; and (vi) other medical equipment.

Our Company estimates to incur capital expenditure for the purchase of such medical equipment of approximately ₹2,551.18 million. The break-down of such estimated costs are set forth below:

(in ₹ million)

Particulars	Total estimated costs ⁽¹⁾	Amount to be funded from the Net Proceeds
Critical Care Equipment	396.40	396.40
Surgical Equipment	723.71	723.65
Laboratory Equipment	72.82	72.82
Radiology Equipment	822.52	822.52
Medical Furniture	263.79	263.79
Other Medical Equipment	271.94	271.94
Total	2,551.18	2,551.18

A. Critical Care Equipment

Critical care equipment are used in intensive care units, to diagnose and treat critical illnesses which require constant, close monitoring and support from specialised equipment and medications. Such equipment include haemodialysis machines, Continuous Renal Replacement Therapy (CRRT) and Reverse Osmosis (RO) systems, phototherapy, ventilators, anaesthesia work stations, defibrillators, High Frequency Oscillator (HFO) units, etc. For the purpose of purchasing critical care equipment, we have received quotations from Fresenius Medical Care India Private Limited, Philips India Limited and Wipro GE Healthcare Private Limited.

B. Surgical Equipment

Surgical equipment are used to perform various surgeries including cardiac surgeries, neurosurgeries, general surgeries, minimally invasive surgeries and organ transplants. Such equipment include those used in operation theatres and endoscopy suites including operation theatre tables, operation theatre lights, Extracorporeal Membrane Oxygenation (ECMO) units, Intra Aortic Balloon Pump (IABP) units, Extracorporeal Shock Wave Lithotripsy (ESWL) equipment, nerve monitors, intra operative monitors and arthroscopy systems, among others. For the purpose of purchasing surgical equipment, we have received quotations from BET Medical Private Limited, Stryker India Private Limited, Surgitronic, Maquet Medical India Private Limited, Healthware Private Limited, Carl Zeiss India (Bangalore) Private Limited, Erbe Medical India Private Limited, Alliance Biomedica Private Limited, Medicon Surgical Technologies Private Limited, Siemens Limited and Karl Storz Endoscopy India Private Limited.

C. Laboratory Equipment

Laboratory equipment are required to conduct experiments and collect data to analyse the medical condition of a patient and prescribe the appropriate course of treatment. We use a wide range of equipment for these purposes including blood bank equipments, microtomes, cryostats, tissue processors, stainers, wax bath, etc. For the purpose of purchasing laboratory equipment, we have received quotations from Kochin Inlab Equipments India Private Limited and Labindia Instruments Private Limited.

D. Radiology Equipment

Radiology is a medical specialty that uses imaging to diagnose and treat diseases with the help of imaging techniques. We use a range of equipment for this purpose including CT machines, MRI machine, ultrasound equipment, C-Arm unit, X-Ray and mobile X-Ray machine, full room Digital Radiography (DR) and Computer Radiography (CR) system, etc. For the purpose of purchasing radiology equipment, we have received quotations from Philips India Limited, Wipro GE Healthcare Private Limited and Fujifilm India Private Limited.

E. Medical Furniture

Medical furniture is required to cater to the safety and comfort of a patient during the course of treatment and include Central Sterile Services Department (CSSD) furniture, scrub stations for operation theatres and intensive care units, hospital beds, carts, etc. For the purpose of purchasing medical furniture, we have received quotations from ArjoHuntleigh Healthcare India Private Limited, Mutual Engineering Services and Biomed Healthcare.

F. Other Medical Equipment

Other medical equipment primarily include supporting medical equipment such as blood pressure apparatus, medical gas pipeline systems, nebulizers, suction, ophthalmoscopes, weighing scales etc. For the purpose of purchasing other medical equipment, we have received quotations from Getinge Singapore, Fresenius Medical Care India Private Limited, Vaansari Marketing Services, Healthware Private Limited, JK Medical Systems Private Limited, Naik Meditechs and Devices Private Limited, Biomed Healthcare, Alliance Biomedica Private Limited, Unire Healthcare and Life Care Systems.

All quotations received from the vendors mentioned above are valid as on the date of the Draft Red Herring Prospectus. However, we have not entered into any definitive agreements with any of these vendors and there can be no assurance that the same vendors would be engaged to eventually supply the medical equipment or at the same costs. The quantity of medical equipment to be purchased is based on the present estimates of our management. We purchase equipment from a number of foreign suppliers, in foreign currencies. In view of the fluctuation in the value of the Rupee against foreign currencies, we face a degree of foreign exchange risk. For further details, see “*Risk Factors – We have purchased, and will continue to purchase, medical equipment from foreign manufacturers and suppliers. Hence, we may face foreign exchange risks which could have a material adverse effect on our cash flows, revenues and financial condition*” on page 41.

Our Company shall have the flexibility to deploy such medical equipment at our existing and future hospitals in India (including hospitals set up or being set up by our Subsidiaries, or hospitals that we may acquire management rights in pursuant to operations and management agreements that we may enter into), according to the business requirements of such hospitals and based on the estimates of our management. To the extent, any such medical equipment will be utilised by our Subsidiaries, our Company shall deploy the Net Proceeds for this Object in the form of debt or equity or in any other manner as may be mutually decided. The actual mode of deployment has not been finalised as on the date of the Draft Red Herring Prospectus.

Our Promoters or Directors have no interest in the proposed procurements as stated above.

2. **Repayment or pre-payment in full of certain indebtedness**

Our Company has entered into various financing arrangements with banks, financial institutions and certain vendors. Arrangements entered into by our Company include borrowings in the form of secured loans, long term and short terms loans (including cash credit facilities) and letter of credit facilities. For details of these financing arrangements including the terms and conditions, see “*Financial Indebtedness*” on page 426. As on April 30, 2016, the amounts outstanding from the loan agreements entered into by our Company were ₹5,146.26 million.

Our Company intends to utilize the Net Proceeds aggregating up to ₹3,538.10 million towards full pre-payment of the following borrowings availed by our Company. The selection of borrowings proposed to be pre-paid from our facilities provided is based on various factors, including (i) any conditions attached to the borrowings restricting our ability to prepay the borrowings and time taken to fulfil, or obtain waivers for fulfilment of, such requirements, (ii) receipt of consents for prepayment from the respective lenders, (iii) terms and conditions of such consents and waivers, (iv) levy of any prepayment penalties and the quantum thereof, (v) provisions of any law, rules, regulations governing such borrowings, and (vi) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan. Payment of prepayment penalty, if any, shall be made out of the Net Proceeds of the Fresh Issue. In the event that the Net Proceeds of the Fresh Issue are insufficient for the said payment of prepayment penalty, such payment shall be made from the existing internal accruals of our Company.

We believe that such repayment will help reduce our outstanding indebtedness and debt servicing costs and enable utilization of our accruals for further investment in our business growth and expansion. In addition, we believe that this would improve our ability to raise further resources in the future to fund our potential business development opportunities. The details of the outstanding loans proposed to be pre-paid from the Net Proceeds are set out below.

- (a) Our Company has availed a secured term loan facility of ₹3,000.00 million from State Bank of Travancore pursuant to the sanction letter dated February 4, 2013, sanction letter dated January 16, 2013 and term loan agreement dated March 14, 2013. The relevant terms of the facility are set out below:

Particulars	Details
Amount Sanctioned	₹3,000.00* million
Purpose	Setting up our Aster Medcity project situated at Cheranallloor, Kerala, India and for the purchase/import of medical equipments related to the project
Rate of interest	Base rate + 0.80% per annum
Repayment Schedule	Our Company is obligated to repay the amounts in 32 quarterly repayment instalments commencing from the quarter ending June

Particulars	Details
	2017
Prepayment penalty	Prepayments made by our Company pursuant to equity infusions into our Company are waived provided that our Company intimates the State Bank of Travancore regarding the prepayment 60 days in advance
Amount outstanding as of April 30, 2016	₹2,988.28 [^]

**Pursuant to a novation notice dated February 13, 2014, a portion of the State Bank of Travancore facility amounting to ₹750.00 million (including letter of credit facility having a sublimit of ₹375.00 million) has been down sold to Punjab National Bank, Ernakulam. Further, pursuant to a novation notice dated March 25, 2014 and a sanction letter dated October 10, 2014, a portion of the SBT facility amounting to ₹350.00 million (including letter of credit facility having a sublimit of ₹175.00 million) has been down sold to State Bank of Bikaner and Jaipur, Ernakulam. However, pursuant to a letter dated June 6, 2015, the State Bank of Travancore has confirmed that notwithstanding the down selling of portions of the State Bank of Travancore facility, the repayment obligations of our Company shall be only towards State Bank of Travancore, Ernakulam, being the lead fronting bank*

[^]The outstanding amount of ₹2,988.28 million includes Letter of Credit (Non Fund Limit) to the extent of ₹735.37 million due for payment in Fiscal 2017

- (b) Our Company has availed a secured corporate term loan facility of ₹200.00 million from State Bank of Travancore pursuant to the sanction letter dated July 7, 2015. The relevant terms of the facility are set out below:

Particulars	Details
Amount Sanctioned	₹200.00 million
Purpose	Part financing the operational expenses and working capital expenses of our Company
Rate of interest	Base rate + 0.80% per annum
Repayment Schedule	Our Company is obligated to repay the amounts in 16 quarterly repayment instalments commencing from the quarter ending June 2016
Prepayment penalty	Prepayments made by our Company pursuant to equity infusions into our Company are waived provided that our Company intimates the State Bank of Travancore regarding the prepayment 60 days in advance
Amount outstanding as of April 30, 2016	₹200.00 million

- (c) Our Company has availed a secured capex term loan facility of ₹350.00 million from State Bank of Travancore pursuant to the sanction letter dated July 7, 2015. The relevant terms of the facility are set out below:

Particulars	Details
Amount Sanctioned	₹350.00 million
Purpose	Proposed expansion of Aster Medcity Hospital, Kochi
Rate of interest	Base rate + 0.80% per annum
Repayment Schedule	Our Company is obligated to repay the amounts in 32 quarterly repayment instalments commencing from the quarter ending June 2017
Prepayment penalty	1% of such amount prepaid
Amount outstanding as of April 30, 2016	₹349.82 million

Given the nature of these borrowings and the terms of pre-payment, the aggregate outstanding loan amounts may vary from time to time. In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are pre-paid or further drawn-down prior to the completion of the Offer, we may utilize the Net Proceeds towards pre-payment of such additional indebtedness.

As per the certificate dated June 23, 2016 issued by Rangamani & Co., Chartered Accountants, the above facilities have been utilized for the purposes for which they were sanctioned.

3. General Corporate Purposes

We, in accordance with the policies set up by our Board, will have flexibility in utilizing the balance Net Proceeds of the Fresh Issue, if any, for general corporate purposes, subject to such utilisation not exceeding 25% of the Gross Proceeds in accordance with Regulation 4(4) of the SEBI ICDR Regulations, including but not restricted towards strategic initiatives and acquisitions, investment in subsidiaries, funding initial stages of equity contribution towards our projects, working capital requirements, part or full debt repayment, strengthening of our marketing capabilities and towards repayment and prepayment penalty on loans as may be applicable.

In case of variations in the actual utilization of funds designated for the purposes set forth above, increased fund requirements for a particular purpose may be financed by surplus funds, if any which are not applied to the other purposes set out above.

In addition to the above, our Company may utilize the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and approved periodically by the Board. Our management, in response to the competitive and dynamic nature of the industry, will have the discretion to revise its business plan from time to time and consequently our funding requirement and deployment of funds may also change. This may also include rescheduling the proposed utilization of Net Proceeds and increasing or decreasing expenditure for a particular object i.e., the utilization of Net Proceeds. In case of a shortfall in the Net Proceeds, our management may explore a range of options including utilizing our internal accruals or seeking debt from future lenders. Our management expects that such alternate arrangements would be available to fund any such shortfall. Our management, in accordance with the policies of our Board, will have flexibility in utilizing the proceeds earmarked for general corporate purposes. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of Net Proceeds in a Financial Year, we will utilize such unutilized amount in the next Financial Year.

Interim use of Net Proceeds

Pending utilization of the Net Proceeds for the purposes described above, our Company will deposit the Net Proceeds only in one or more Scheduled Commercial Banks included in the Second Schedule of the Reserve Bank of India Act, 1934, as may be approved by our Board.

In accordance with section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in shares of any other listed company or for any investment in the equity markets.

Bridge Financing Facilities

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Draft Red Herring Prospectus, which are proposed to be repaid from the Net Proceeds.

Offer Expenses

The total expenses of the Offer are estimated to be approximately ₹[●] million. The Offer expenses consist of listing fees, fees payable to the Managers, underwriting fees, selling commission, legal counsel, advisors to the Offer, Registrar to the Offer, Bankers to the Offer including processing fee to the SCSBs for processing ASBA Forms submitted by ASBA Bidders procured by the Syndicate and submitted to SCSBs, brokerage and selling commission payable to Registered Brokers, RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental expenses for listing the Equity Shares on the Stock Exchanges. The fees and expenses relating to the Offer shall be shared, upon successful completion of the Offer, in the proportion mutually agreed among the Company and the Selling Shareholders in proportion to the respective Equity Shares offered by each of them in the Offer in accordance with Applicable Law. However, in the event that the Offer is withdrawn by the Company for any reason whatsoever, all the Offer related expenses will be borne by the Company. The Selling Shareholders shall reimburse the Company for all expenses incurred by the Company in relation to the Offer for Sale on each of their behalf. The break-up for the estimated Offer expenses are as follows:

Activity	Amount ⁽¹⁾ (₹ in million)	As a % of total expenses ⁽¹⁾	As a % of Offer ⁽¹⁾
Payment to Managers (including underwriting commission, brokerage and selling commission)	[●]	[●]	[●]
Commission and processing fees for SCSBs ⁽²⁾	[●]	[●]	[●]

Activity	Amount ⁽¹⁾ (₹ in million)	As a % of total expenses ⁽¹⁾	As a % of Offer ⁽¹⁾
Brokerage and selling commission for Registered Brokers ⁽³⁾ , RTAs and CDPs	[●]	[●]	[●]
Fees payable to Registrar to the Offer	[●]	[●]	[●]
Printing and stationery expenses	[●]	[●]	[●]
Advertising and marketing expenses	[●]	[●]	[●]
Others: i. Listing fees; ii. SEBI, BSE and NSE processing fees; iii. Fees payable to Legal Counsels; iv. Fees payable to Monitoring Agency; and v. Miscellaneous.	[●]	[●]	[●]
Total estimated Offer expenses	[●]	[●]	[●]

(1) Amounts will be finalized at the time of filing of the Prospectus and on the determination of the Offer Price

- (2) SCSBs will be entitled to a processing fee of ₹[●] (plus applicable taxes) per valid ASBA Form for processing the ASBA Forms procured by Members of the Syndicate, Registered Brokers, RTAs or CDPs from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs. The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal is as captured in the Bid book of BSE or NSE
- (3) Registered Brokers will be entitled to a commission of ₹[●] (plus applicable taxes) per valid ASBA Form which are directly procured by the Registered Brokers from Retail Individual Bidders and Non-Institutional Bidders and submitted to the SCSBs for processing

The Offer expenses shall be payable within 30 working days post the date of receipt of the final invoice from the respective Designated Intermediaries by the Company in accordance with the arrangements or agreements entered into by the Company with the respective Designated Intermediary.

Monitoring Utilization of Funds

Our Company shall appoint a Monitoring Agency for the Offer prior to the filing of the Red Herring Prospectus. Our Board and the Monitoring Agency will monitor the utilization of Net Proceeds and submit its report to us in terms of Regulation 16(2) of the SEBI ICDR Regulations.

Pursuant to the Listing Regulations, our Company shall on a quarterly basis disclose to the Audit and Risk Management Committee the uses and application of the Net Proceeds. Additionally, the Audit and Risk Management Committee shall review the report submitted by the Monitoring Agency and make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Draft Red Herring Prospectus and place it before the Audit and Risk Management Committee. Such disclosure shall be made only till such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the statutory auditors of our Company. Furthermore, in accordance with Regulation 32 of the Listing Regulations, our Company shall furnish to the Stock Exchanges on a quarterly basis, a statement including deviations, if any, in the utilization of the Net Proceeds of the Offer from the objects of the Offer as stated above. The information will also be published in newspapers simultaneously with the interim or annual financial results and explanation for such variation (if any) will be included in our Director's report, after placing the same before the Audit and Risk Management Committee. We will disclose the utilization of the Net Proceeds under a separate head along with details in our balance sheet(s) until such time as the Net Proceeds remain unutilized clearly specifying the purpose for which such Net Proceeds have been utilized. In the event that we are unable to utilize the entire amount that we have currently estimated for use out of the Net Proceeds in a Financial Year, we will utilize such unutilized amount in the next Financial Year.

Variation in Objects

In accordance with Sections 13(8) and 27 of the Companies Act, 2013 and the SEBI ICDR Regulations, our Company shall not vary the objects of the Fresh Issue without our Company being authorised to do so by the Shareholders by way of a special resolution through a postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution ("Postal Ballot Notice") shall specify the prescribed details as required under the Companies Act. The Postal Ballot Notice shall simultaneously be published in the newspapers, one in English and one in Malayalam, the vernacular language of the jurisdiction where our Registered and Corporate Office is situated. Our Promoters will be required to provide an exit opportunity to such Shareholders who do not agree to the above stated proposal, at a price as prescribed by SEBI, in this regard.

Other Confirmations

No part of the Net Proceeds will be paid by our Company as consideration to our Promoters, our Directors, our Key Management Personnel or Group Entities except in the normal course of business and in compliance with applicable law.

There are no existing or anticipated transactions in relation to the utilization of the Net Proceeds with the Promoters, Directors, key management personnel, Associates and Group Entities.

BASIS FOR OFFER PRICE

The Offer Price will be determined by our Company in consultation with the Selling Shareholders and Managers, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹10 each and the Offer Price is [●] times the Floor Price and [●] times the Cap Price of the Price Band. Investors should also refer to “Our Business”, “Risk Factors” and “Financial Statements” on pages 134, 17 and 244, respectively, to have an informed view before making an investment decision.

Qualitative Factors

We believe the following business strengths allow us to successfully compete in the industry:

- Long standing presence with strong brand equity
- Well diversified portfolio of service offerings to leverage multiple market opportunities
- Provision of high quality healthcare service
- Ability to attract and retain high quality medical professionals
- Track record of operating and financial performance and growth
- Experienced core management team

For details, see “Our Business – Key Strengths” on page 135.

Quantitative Factors

The information presented below relating to our Company is based on the Restated Consolidated Financial Statements prepared in accordance with Indian GAAP and the Companies Act, 1956 and restated in accordance with the SEBI ICDR Regulations. For details, see “Financial Statements” on page 244.

Note:

1. Pursuant to the Board resolution dated May 6, 2014, our Company has issued and allotted 9,309,822 CCPS and 4,544,080 CCPS to Olympus and Indium, respectively. Further, pursuant to the Board resolution dated September 11, 2015, our Company has issued and allotted 50,155,666 RAR CCPS to Rimco. For further details, see “History and Certain Corporate Matters” on page 176. The CCPS held by Olympus and Indium and the RAR CCPS held by Rimco shall be converted into Equity Shares in accordance with the SEBI ICDR Regulations prior to the filing of the Red Herring Prospectus with the RoC as follows:

Sl. No.	Name of the Investor	At DRHP (compulsorily convertible cumulative preference shares)	Before filing of RHP (maximum number of Equity Shares to be issued on conversion)
1.	Olympus	9,309,822	8,576,344
2.	Indium	4,544,080	4,186,073
3.	Rimco	50,155,666	51,086,710
	TOTAL	64,009,568	63,849,127

The ratios shown below are after considering the impact of the dilutive effect of these convertible instruments.

2. Subsequent to December 31, 2015, the following allotment of Equity Shares has been completed:
 - a. Company has issued 168,750 Equity Shares to Ahamed Moopan on April 25, 2016

The ratios shown below are without considering the impact of these share allotments subsequent to December 31, 2015.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

A. Basic and Diluted Earnings Per Share (“EPS”):

On an unconsolidated basis:

Fiscal Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2013	0.05	1	0.05	1
March 31, 2014	1.88	2	1.87	2
March 31, 2015	(1.66)	3	(1.66)	3
Weighted Average	(0.20)		(0.20)	

For the nine month period ended December 31, 2015, the Basic EPS was ₹(2.18) and the Diluted EPS was ₹(2.18).(not annualized)

Note:

1. Earning per shares (EPS) calculation is in accordance with Accounting Standard 20 "Earnings per share" prescribed by the Companies (Accounting Standards) Rules, 2006.
2. The ratios have been computed as below:
 - a. Basic earnings per share = Net profit attributable to equity shareholders / weighted average number of shares outstanding during the year
 - b. Diluted earnings per share = Net profit attributable to equity shareholders / weighted average number of diluted shares outstanding during the year. The conversion of compulsorily convertible preference shares and employee stock options made would have the effect of reducing the loss per share and would therefore be anti-dilutive. Hence such conversion has not been considered for the purpose of calculating diluted earnings per share

On a consolidated basis:

Fiscal Year ended	Basic		Diluted	
	EPS (in ₹)	Weight	EPS (in ₹)	Weight
March 31, 2013	2.45	1	2.44	1
March 31, 2014	4.75	2	4.73	2
March 31, 2015	4.38	3	4.27	3
Weighted Average	4.18		4.12	

For the nine month period ended December 31, 2015, the Basic EPS was ₹1.81 and the Diluted EPS was ₹1.66 (not annualized)

Note:

1. Earning per shares (EPS) calculation is in accordance with Accounting Standard 20 "Earnings per share" prescribed by the Companies (Accounting Standards) Rules, 2006.
2. The ratios have been computed as below:
 - a. Basic earnings per share = Net profit attributable to equity shareholders / weighted average number of shares outstanding during the year
 - b. Diluted earnings per share = Net profit attributable to equity shareholders / weighted average number of diluted shares outstanding during the year

B. Price/Earning ("P/E") ratio in relation to Price Band of ₹[●] to ₹[●] per Equity Share:

- 1) P/E based on basic and diluted EPS for the year ended March 31, 2015 at the lower end of the Price Band are [●] and [●] respectively.
- 2) P/E based on basic and diluted EPS for the year ended March 31, 2015 at the higher end of the Price Band are [●] and [●] respectively.

Industry Peer Group P/E ratio

Apollo Hospital Enterprise Limited and Healthcare Global Enterprises Limited are the only listed public industry peers of our Company with a positive P/E ratio.

	Industry P/E*
Highest	2,276.25
Lowest	59.16
Industry Composite	1,167.70

* Source: For Industry P/E, P/E figures for the peers are computed based on closing market price as on June 14, 2016, of Apollo Hospitals Enterprise Limited and Healthcare Global Enterprises Limited as ₹1,325.7 and ₹182.1 per equity share, respectively, at NSE, (available at www.nseindia.com) divided by Basic EPS (on consolidated basis) based on the annual reports of such companies for the Fiscal Year 2015.

C. Return on Net Worth ("RoNW")

As per unconsolidated Restated Financial Statements:

Fiscal Year ended	RoNW (%)	Weight
March 31, 2013	0.40	1
March 31, 2014	14.73	2
March 31, 2015	(9.69)	3
Weighted Average	0.13	

For the nine month period ended December 31, 2015, the RoNW was (3.59%) (not annualized)

As per consolidated Restated Financial Statements:

Fiscal Year ended	RoNW (%)	Weight
March 31, 2013	11.78	1
March 31, 2014	19.53	2
March 31, 2015	12.42	3
Weighted Average	14.68	

For the nine month period ended December 31, 2015, the RoNW was 2.17% (not annualized)

Note:

Return on net worth (%) = Net profit attributable to equity shareholders / net worth as at the end of year

D. Minimum Return on Increased Net Worth after Offer needed to maintain Pre-Offer EPS for the year ended March 31, [●]

1) Based on Basic EPS:

At the Floor Price – [●] based on the Restated Financial Statements.

At the Cap Price – [●] based on the Restated Financial Statements.

2) Based on Diluted EPS:

At the Floor Price – [●] based on the Restated Financial Statements.

At the Cap Price – [●] based on the Restated Financial Statements.

E. Net Asset Value (“NAV”) per Equity Share of face value of ₹ 10 each

Fiscal year ended/ Period ended	Restated Standalone Financial Statements (₹)	Restated Consolidated Financial Statements
As on March 31, 2015	17.09	35.30
As on December 31, 2015	60.63	83.42
Offer Price	[●]	[●]
After the Offer	[●]	[●]

Note:

Net asset value (₹) = Net Worth /Number of equity shares outstanding at the end of the year/period

F. Comparison with Listed Industry Peers

Our Company has operations across multiple countries. We believe none of the listed companies in India have such international operations. There are, however large multi-specialty hospital chains listed in India.

Name of the company	Revenue from operations (₹ in million)	Face Value per Equity Share (₹)	P/E	EPS (Basic) (₹)	Return on Net Worth (%)	Net Asset Value/ Share (₹)
Apollo Hospitals Enterprise Limited	51,784.53	5.00	59.16	22.41	10.72%	227.87
Fortis Healthcare Limited	39,658.62	10.00	-*	(2.56)^	(2.60)%^^	87.46
Narayana Hrudayalaya Limited	13,638.51	10.00	-*	(0.57)	(1.42)%	38.24
Healthcare Global Enterprises Limited	5,193.75	10.00	2,276.25	0.08	0.20%	36.26

^ Basic EPS (on continuing operations) for FY 2015

^^ Return on Net Worth is calculated as loss for the year FY 2015 from continuing operations divided by sum of equity share capital, compulsorily convertible preference shares, reserves and surplus (excluding minority interests)

Source: NSE

*P/E ratio is negative

Note:

1. All financials are on a consolidated basis for the financial year ending March 31, 2015
2. Revenue indicates Revenue from Operations
3. Net Income indicates the Net Profit after Taxes and Exceptional Items
4. P/E ratio is calculated as closing share price (June 14, 2016, 2015, NSE) * Equity Shares Outstanding (as on March 31, 2015) / Net Income (as defined above)
5. EPS is as reported in the audit report filed with the stock exchanges
6. Net Worth includes Equity Share Capital and Reserves & Surplus (excluding revaluation reserves)
7. RoNW is calculated as Net Income (as defined above) / Closing Net Worth (as defined above)
8. NAV per share is calculated as Net Worth / Equity Shares Outstanding (both as on March 31, 2015)

G. The Offer Price will be [●] times of the face value of the Equity Shares

The Offer Price of ₹[●] has been determined by our Company, in consultation with the Selling Shareholders and Managers, on the basis of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters.

Investors should read the above mentioned information along with “Risk Factors”, “Our Business”, “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and “Financial Statements” on pages 17, 134, 404 and 244, respectively, to have a more informed view.

STATEMENT OF TAX BENEFITS

STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

To

The Board of Directors
Aster DM Healthcare Limited
IX / 475 L, Aster Medcity, Kuttisahib Road
Near Kothad Bridge, South Chittoor P O
Cheranalloor, Kochi 682 027
Kerala, India

Dear Sirs

Sub: Statement of possible special tax benefits ('the Statement') available to Aster DM Healthcare Limited and its shareholders prepared in accordance with the requirements under Schedule VIII – Clause (VII) (L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 as amended (the 'Regulations')

We hereby report that the enclosed Annexure prepared by Aster DM Healthcare Limited (the 'Company'), states the possible special tax benefits available to the Company under the Income-tax Act, 1961 presently in force in India and to the shareholders of the Company under the Income-tax Act, 1961. Several of these benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which is based on business imperatives the Company may face in the future and accordingly, the Company may or may not choose to fulfill.

The benefits discussed in the enclosed Annexure cover only special tax benefits available to the Company and do not cover any general tax benefits available to the Company. Further, the preparation of the enclosed statement and its contents is the responsibility of the Management of the Company. We were informed that, this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the Offer.

We do not express any opinion or provide any assurance as to whether:

- The Company or its shareholders will continue to obtain these benefits in future; or
- The conditions prescribed for availing the benefits have been / would be met with.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company.

Our views expressed herein are based on the facts and assumptions indicated to us. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretations, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to the Company for any claims, liabilities or expenses relating to this assignment except to the extent of fees relating to this assignment, as finally judicially determined to have resulted primarily from bad faith or intentional misconduct. We will not be liable to any other person in respect of this Statement.

The enclosed annexure is intended solely for your information and for inclusion in the Draft Red Herring Prospectus, Red Herring Prospectus, Prospectus or any other document in connection with the offer of equity shares and is not to be used, referred to or distributed for any other purpose without our prior written consent.

for B S R and Associates
Chartered Accountants
Firm Registration No.: 128901W

Supreet Sachdev
Partner
Membership No.: 205385
Bangalore
June 21, 2016

ANNEXURE TO THE STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE APPLICABLE TAX LAWS IN INDIA

Outlined below are the possible Special tax benefits available to the Company and its shareholders under the direct tax laws in force in India (i.e. applicable for the Financial Year 2016-17 relevant to the assessment year 2017-18). These benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant tax laws. Hence, the ability of the Company or its shareholders to derive the special tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may not choose to fulfill.

1 Special tax benefits available to the Company

The following special tax benefits are available to the Company after fulfilling conditions as per the respective provisions of the relevant tax laws.

- ***Income arising from the business of operating and maintaining hospital***
 - The Company engaged in the specified business, which includes building and operating a new hospital having more than 100 beds for patients, is eligible to claim deduction of 150 percentage (100 percentage from FY 2017-18) of capital expenditure incurred in relation to operating and maintaining the hospital under section 35AD of the Income Tax Act, 1961 ('the I-T Act') upon satisfying certain conditions specified therein. The quantum of deduction available to the eligible unit is with respect to capital expenditure incurred wholly or exclusively for the purpose of the specified business, for units which have commenced its operations on or after 1 April 2012.
 - The deduction under section 35AD of the I-T Act is available to the Company in addition to the deductions available under the normal provisions of the I-T Act;
 - It should be noted that, any expenditure such as depreciation or repairs incurred in relation to the capital asset for which deduction under section 35AD has been claimed, shall not be allowed for the purpose of computation of taxable income in any financial years. Further, no deduction under Chapter VI-A is permissible, in the financial year in which such deduction is claimed;
 - However, the aforesaid deduction is not available while computing tax liability of the Company under section 115JB of the I-T Act i.e. Minimum Alternative Tax ('MAT') provisions.

2 Special tax benefits available to the shareholders of the Company

There are no Special tax benefits available to the shareholders of the Company.

Notes:

- i. All the above benefits are as per the Current Tax Laws and any change or amendment in the laws/regulation, which when implemented would impact the same.
- ii. The special tax benefits are subject to conditions and eligibility criteria which need to be examined for tax implications.

SECTION IV: ABOUT OUR COMPANY

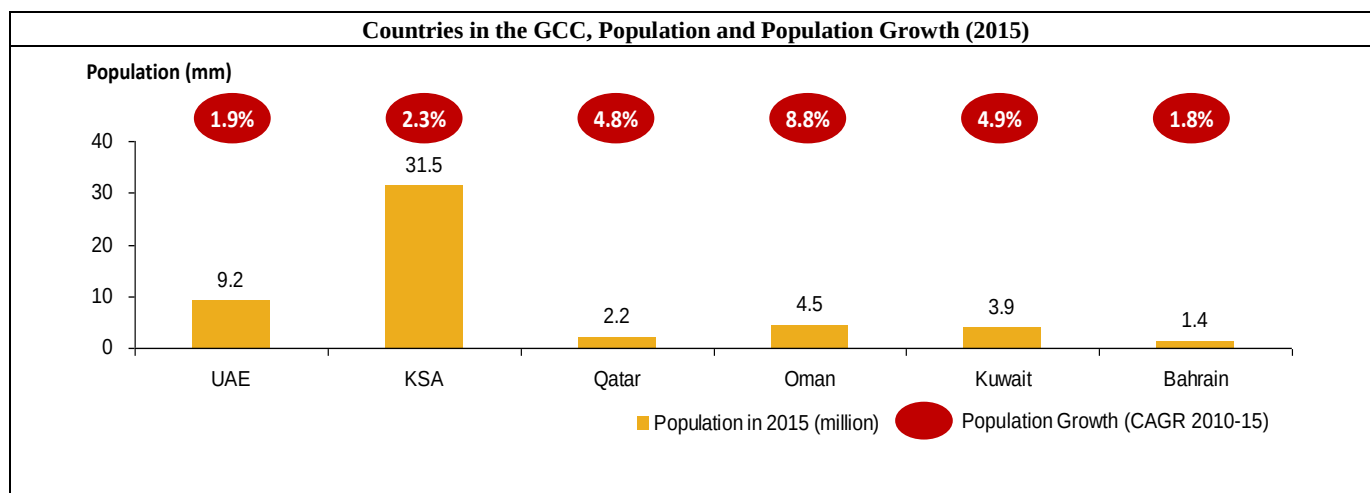
INDUSTRY OVERVIEW

The information relating to the GCC states in this section is derived from the “Independent Market Report for Healthcare IPO Covering Selected Countries in the GCC (The UAE, the KSA, Oman, and Qatar)”, May 2016, prepared by Frost & Sullivan (the “Frost and Sullivan Report”), and the information in this section relating to India is derived from the “Report on healthcare delivery sector in India”, November 2014, prepared by CRISIL Research (the “CRISIL Report”). We commissioned the Frost and Sullivan Report and the CRISIL Report for the purposes of confirming our understanding of the industry in connection with the Offer. Neither we, nor any of the Managers, nor any other person connected with the Offer has verified the information in the Frost and Sullivan Report and the CRISIL Report. Further, these reports are prepared based on information as of specific dates and may no longer be current or reflect current trends. They may also base their opinion on estimates, projections, forecasts and assumptions that may prove to be incorrect. CRISIL Research, a division of CRISIL Limited (“CRISIL”), has advised that while it has taken due care and caution in preparing the CRISIL Report based on the information obtained by CRISIL from sources which it considers reliable, it does not guarantee the accuracy, adequacy or completeness of the CRISIL Report or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of CRISIL Report or the data therein. Further, the CRISIL Report is not a recommendation to invest / disinvest in any company covered in the report. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters / distributors of the CRISIL Report. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL’s Ratings Division or CRISIL Risk and Infrastructure Solutions Limited (“CRIS”), which may, in their regular operations, obtain information of a confidential nature. The views expressed in the CRISIL Report are that of CRISIL Research and not of CRISIL’s Ratings Division or CRIS. Prospective investors are advised not to unduly rely on the Frost and Sullivan Report and the CRISIL Report when making their investment decision.

I. GCC STATES

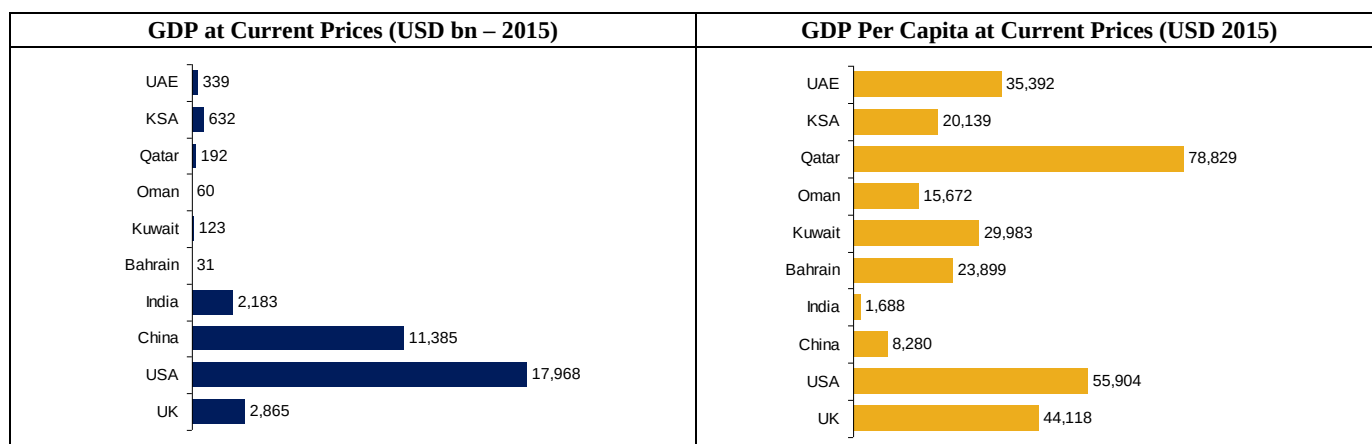
Macroeconomic and Demographic Overview

The Gulf Cooperation Council (GCC) consists of six countries in the Middle East viz. the Kingdom of Saudi Arabia (KSA), the United Arab Emirates (UAE), Qatar, the Sultanate of Oman (Oman), Kuwait, and Bahrain. Amongst the GCC countries, the KSA has the highest population, followed by the UAE.

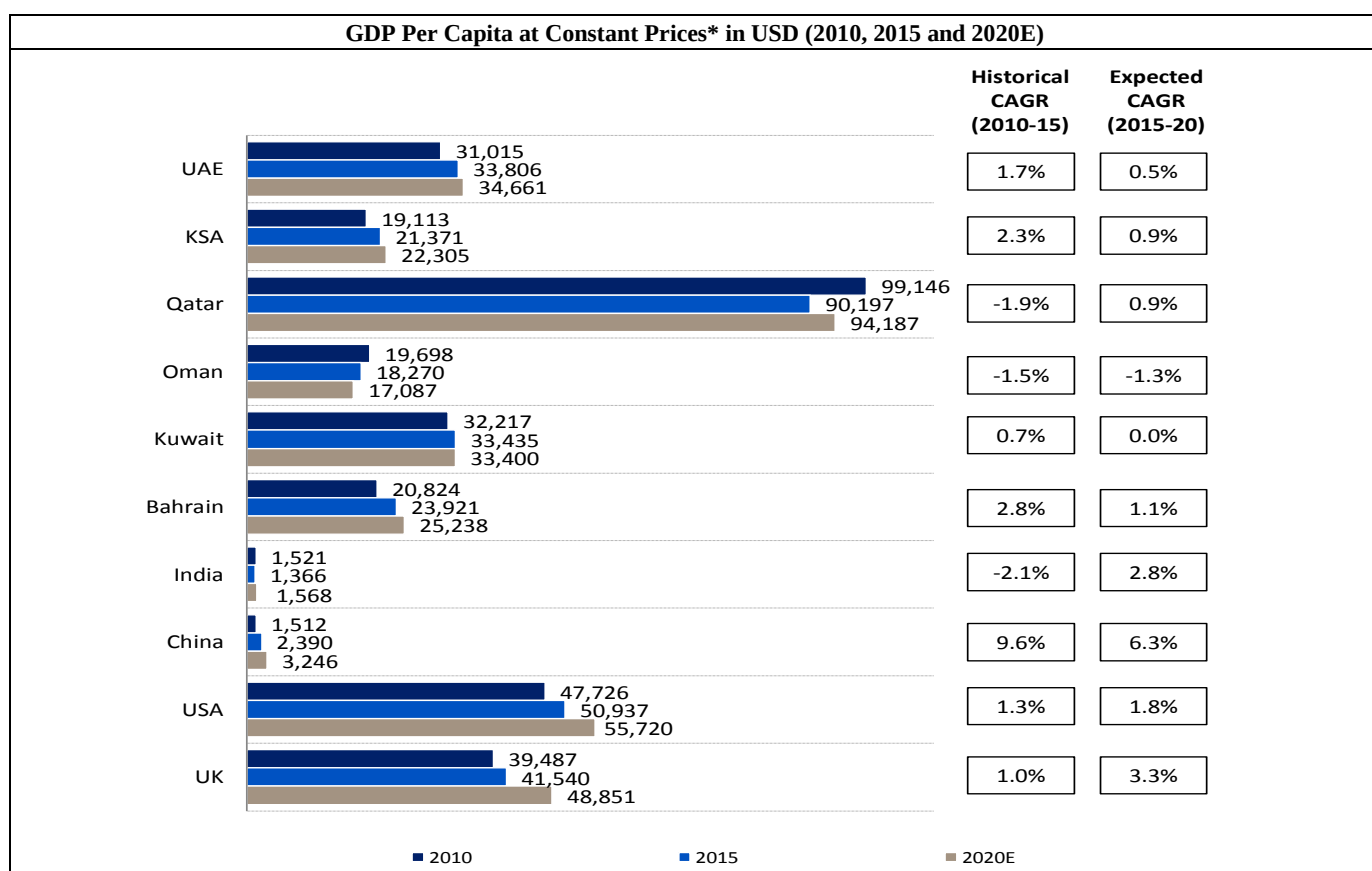


Source: World Bank Population Estimates, 2015, and Frost & Sullivan Analysis

Amongst the GCC countries, the KSA has the highest Gross Domestic Product (GDP) at current prices followed by the UAE. GDP per capita of GCC countries such as Qatar, the UAE and Kuwait is compared to that of the USA and the UK below.



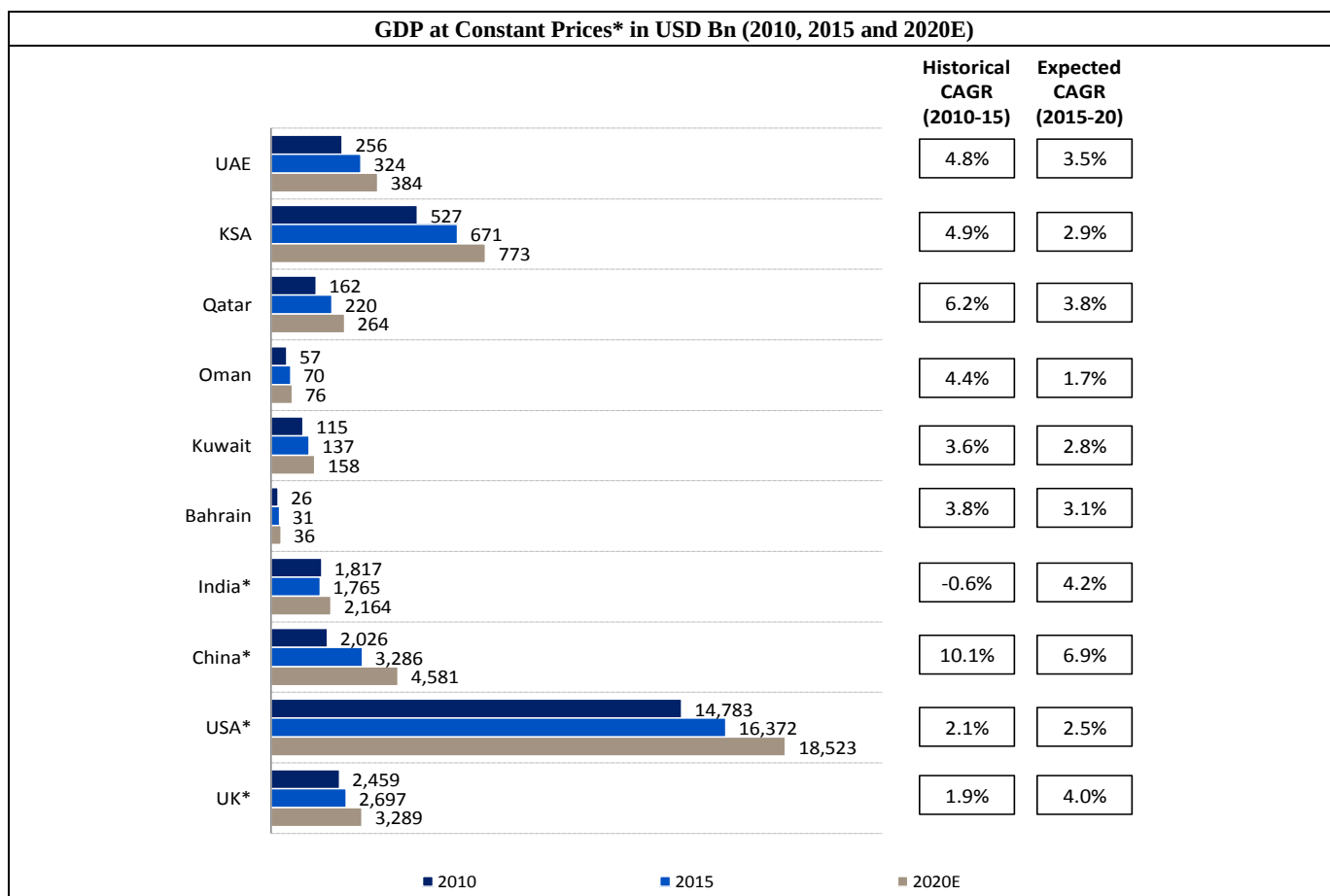
Source: World Economic Outlook, International Monetary Fund Estimates, October 2015, and Frost & Sullivan Analysis



Source: World Economic Outlook, International Monetary Fund Estimates, October 2015, and Frost & Sullivan Analysis

*Note: Base year for USD conversion based on IMF data; varies by country. For UAE-2007, KSA-2010, Qatar-2013, Oman-2010, Kuwait-2010, Bahrain-2010, India-2011-12, China-1990, USA-2009, UK-2011

Going forward the GDP at constant prices of the UAE, KSA and Qatar is expected to grow at a CAGR of 3.5%, 2.9% and 3.8%, respectively, from 2015 to 2020, higher than the expected growth for the USA for the same period.

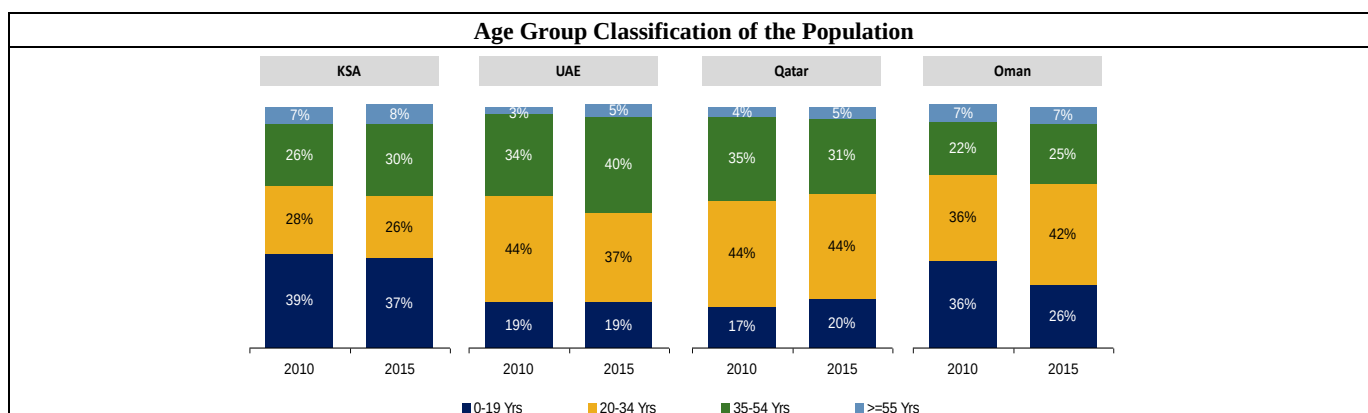


*Note1: base year for USD conversion based on IMF data; varies by country. For UAE-2007, KSA-2010, Qatar-2013, Oman-2010, Kuwait-2010, Bahrain-2010, India-2011-12, China-1990, USA-2009, UK-2011

Note2: While actual values for US, UK, India, and China are shown, for this graphical representation, values have been further divided by a factor of 10 in order to enhance the visual appearance of GCC countries. UAE 2015 value represents IMF estimate based on the country's preliminary national accounts 2014. Also, the GDP growth rates mentioned here are taken on National Currency, so as to neutralise currency fluctuations.

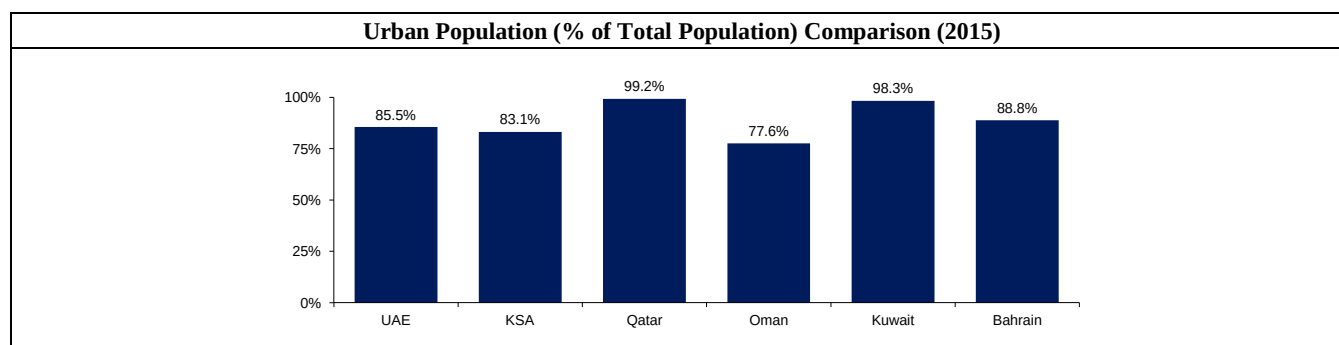
Source: World Economic Outlook, International Monetary Fund Estimates, October 2015, and Frost & Sullivan Analysis

A large working population in the UAE is of expatriate origin, for whom work visas may be extended up to the age of 65 years. As a result, the population comprising people above 55 years was around 5% of the total in 2015. However, the population in the UAE for the 35-54 age groups is expected to increase significantly to 39% by 2020, indicating an ageing population.



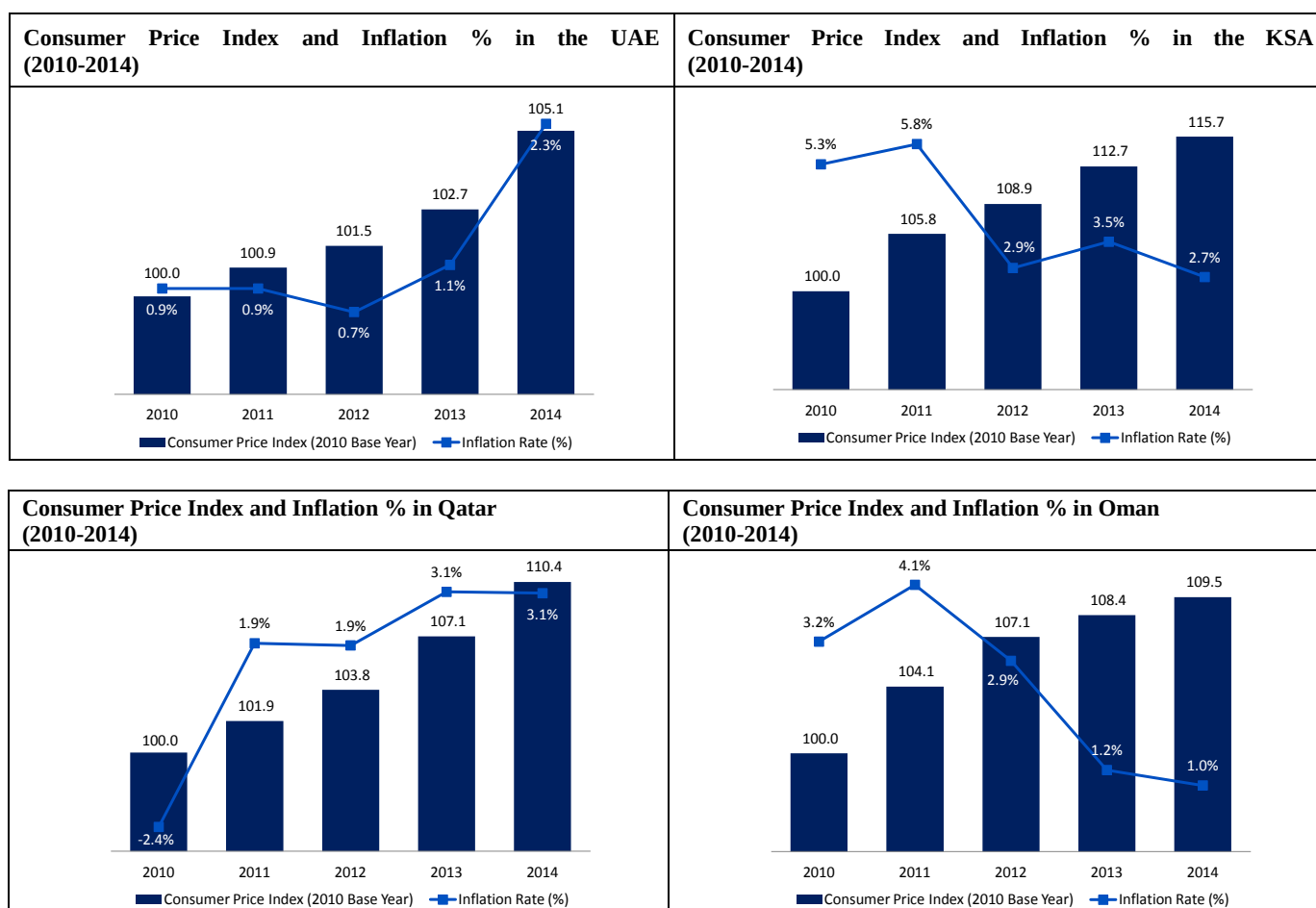
Source: World Bank: Health Nutrition and Population Statistics: Population estimates and projections 2015 and Frost & Sullivan Analysis

In 2015, countries in the GCC are highly urbanised having over 80% urban population in all GCC countries except in Oman. High urbanisation, especially since the discovery of oil in the region, has helped in the growth of various industries including healthcare.



Source: World Bank Population Estimates, 2015, and Frost & Sullivan Analysis

Inflation rates in the UAE reached 2.3% in 2014 and the Consumer Price Index in the same year was 105.1. The average inflation rates in the KSA have fluctuated in the past few years, touching 5.3% in 2010 but decreasing to 2.7% in 2014. In Qatar, the average inflation rates in the country grew to 3.1% in 2014 from 1.9% in 2012, which was due to increasing Government expenditure, excess liquidity, and an increase in consumer demand. In Oman, The average consumer price inflation declined from 2.9% in 2012 to 1.0% in 2014 due to lower food prices and Government subsidies on core goods and services.



Source: World Bank Statistics 2015; and Frost & Sullivan Analysis

Healthcare Industry Overview

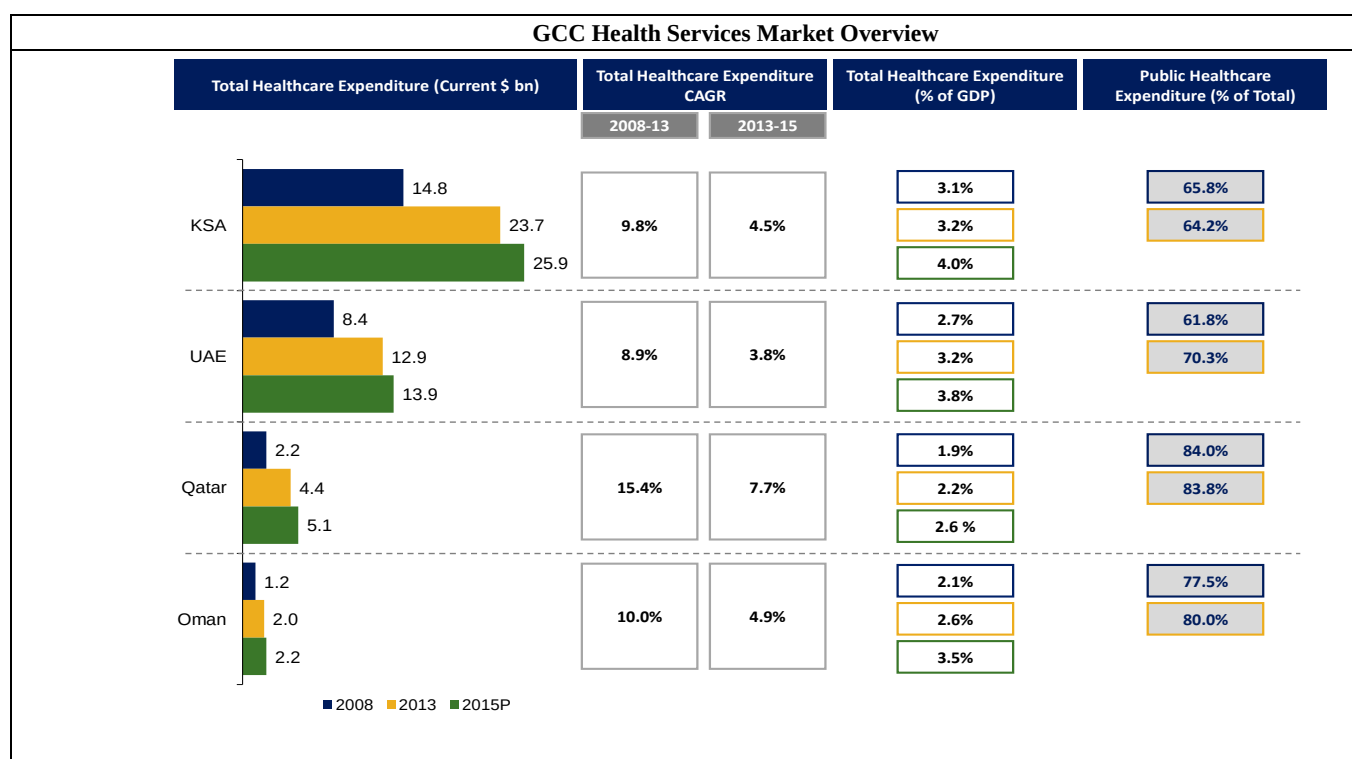
Healthcare Services Market Size

The UAE had significant healthcare expenditures with a share in the GDP of 3.2% in 2013. The total healthcare expenditure was USD 12.88 billion in 2013, growing at a CAGR of 8.9% since 2008. The healthcare expenditure can be estimated to reach USD 13.93 billion in 2015, which is 3.8% of the estimated GDP of the UAE in the same year. In absolute value terms, while the public health expenditure increased at a CAGR of 11.7% between 2008 and 2013, the private health expenditure increased at a lower rate of 3.5%. However, in recent years, the growth in private health expenditure has been increasing.

Overall, healthcare expenditure in the KSA has shown continuous growth with the increasing number of inpatient and outpatient visits in private hospitals, increasing per outpatient visit realisation in private hospitals (USD 97 per visit in 2010 to USD 113 in 2013), and increasing per capita expenditure on healthcare. It has also been a major focus sector by the Government and this growth is attributed to the numerous new and planned hospital projects by the Government as well as the private sector.

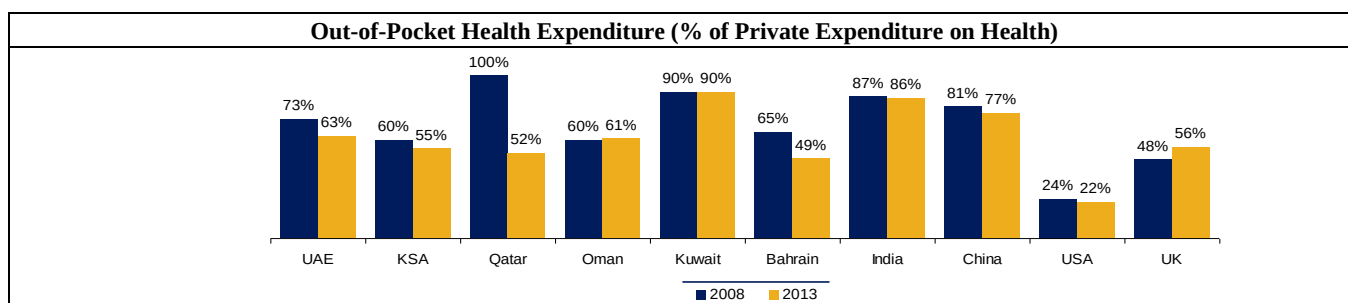
Qatar has seen growth rate of population in the recent past (CAGR of 8.9% over 2008-14) and accounts for the second highest migrant population in the world. Qatar has been one of the fastest growing markets in the GCC region with significant healthcare expenditure contribution by the Government.

Likewise, Oman with a low population base has also experienced high growth in population (CAGR of 7.2% over 2008-14). Healthcare spend in Oman is mostly dependent on the public sector, which contributed to around 80% (during the 2008-13 period) of the total healthcare expenditure.



Source: World Bank Data 2015, Frost & Sullivan Analysis

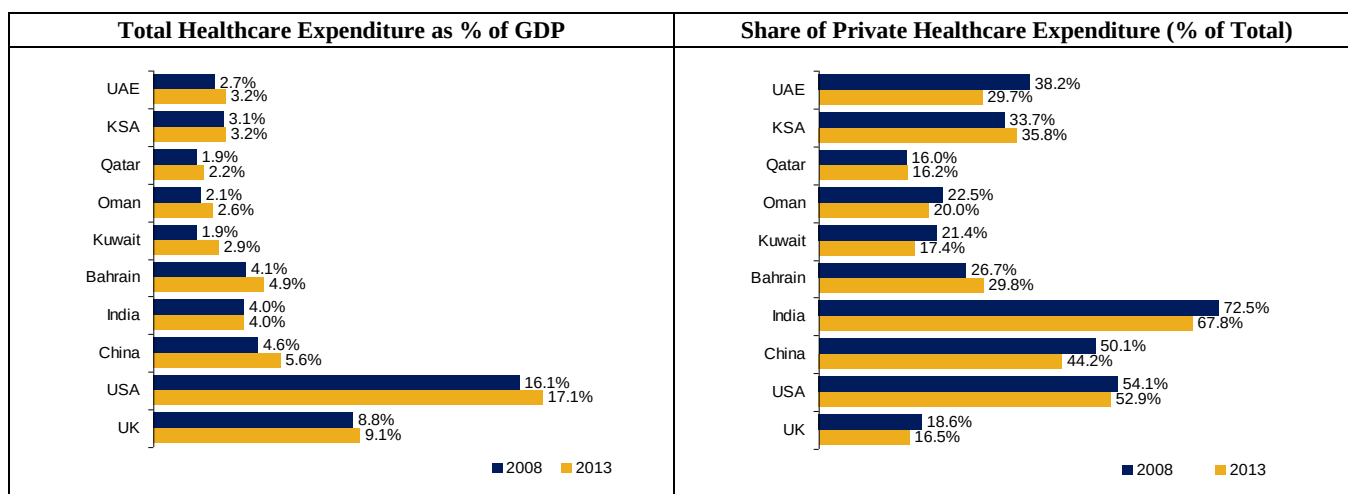
There has been a significant change in the out-of-pocket (OOP) healthcare expenditure in most of the countries in the GCC between 2008 and 2013. The biggest change has been observed in Qatar, where OOP changed from 100% in 2008 to 52% of total private healthcare expenditure in 2013.



Source: World Bank Statistics, 2015, Frost & Sullivan Analysis

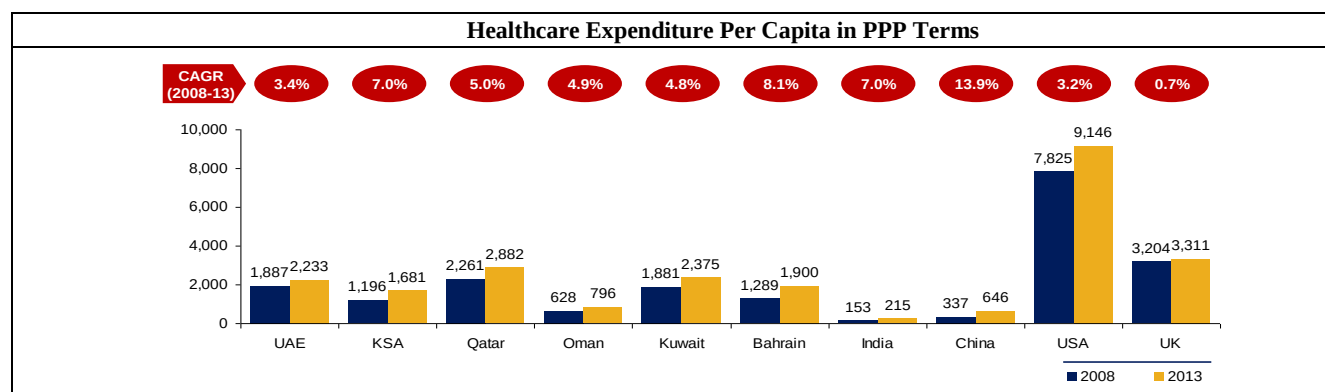
Healthcare Expenditure

GCC countries have a lower share of healthcare expenditure as a percentage of the respective country's GDP. In the GCC, Bahrain had the highest healthcare expenditure (4.9% of the GDP) in 2013, followed by the KSA and UAE (3.2% of the GDP for each). The USA and the UK have significantly higher healthcare expenditure as a percentage of their GDP.



Source: World Bank Statistics, 2015, Frost & Sullivan Analysis

Majority of the healthcare expenditure made in the GCC is by the Government. Initially the private sector focused more on less specialised care in specialties like Dermatology, Dentistry, Urology, Gastroenterology etc. As the private healthcare facilities developed, they have started offering more specialized care, thus providing an alternative for the nations' populations.

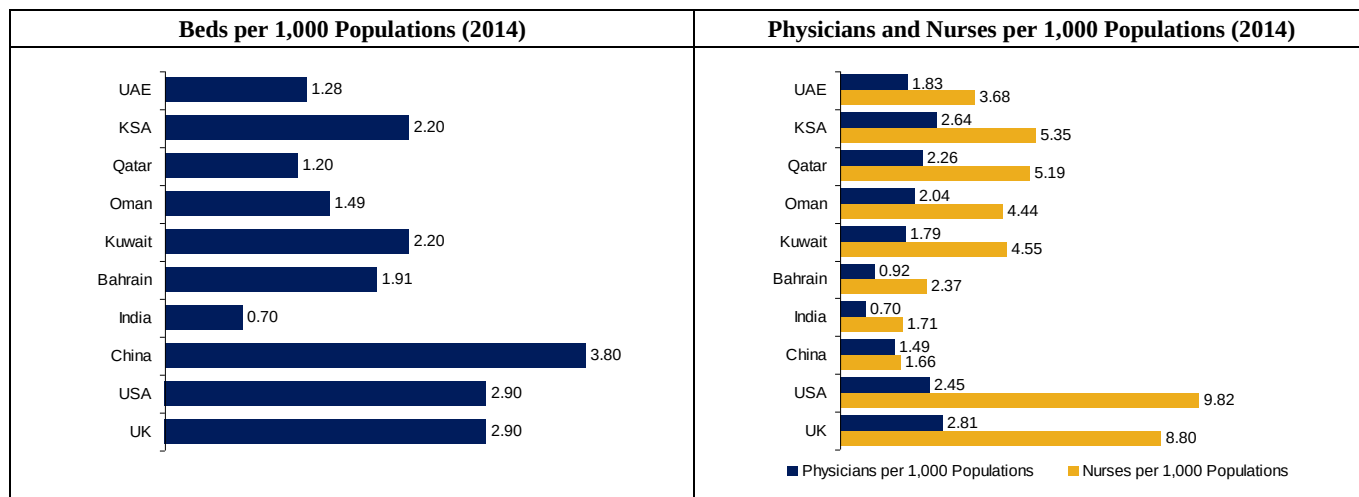


Source: World Bank Statistics, 2015, Frost & Sullivan Analysis

The healthcare expenditure per capita (in PPP terms) of the countries in the GCC is very low when compared to the USA and the UK. Healthcare expenditure per capita in Qatar is the highest in the GCC (USD 2,882), but is still very low compared to the USA (USD 9,146) and the UK (USD 3,311) in 2013.

Healthcare Infrastructure

The GCC have low bed density as compared to the USA, the UK, and China. Kuwait and the KSA, with 2.20 beds per 1,000 populations each, are closer to the developed countries of the USA and the UK in terms of availability of beds, which has 2.90 beds per 1,000 populations each. The UAE and Qatar have a low bed density of 1.28 beds and 1.20 beds per 1,000 populations, respectively.

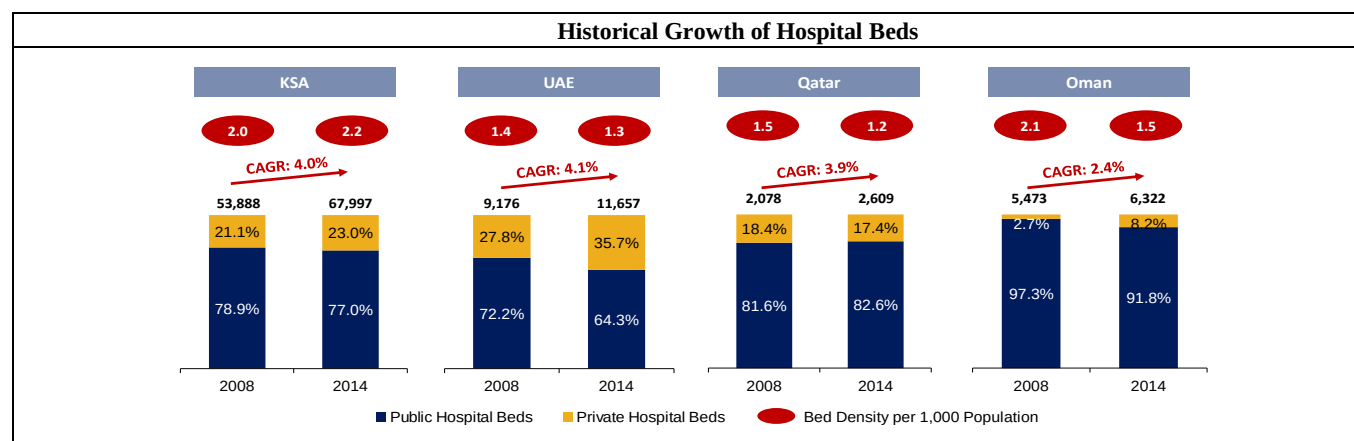


Source: National Bureau of Statistics, UAE (2014), MoH KSA (2014), SCH Qatar (2014), MoH Oman (2014), World Bank Statistics (updated 2016), Frost & Sullivan Analysis

In terms of presence of physicians and nurses (including midwives), the KSA leads amongst the GCC countries, with 2.64 physicians and 5.35 nurses per 1,000 populations in 2014. A majority of countries in the GCC have shown robust growth in the number of healthcare professionals in the recent years.

Healthcare Delivery Market

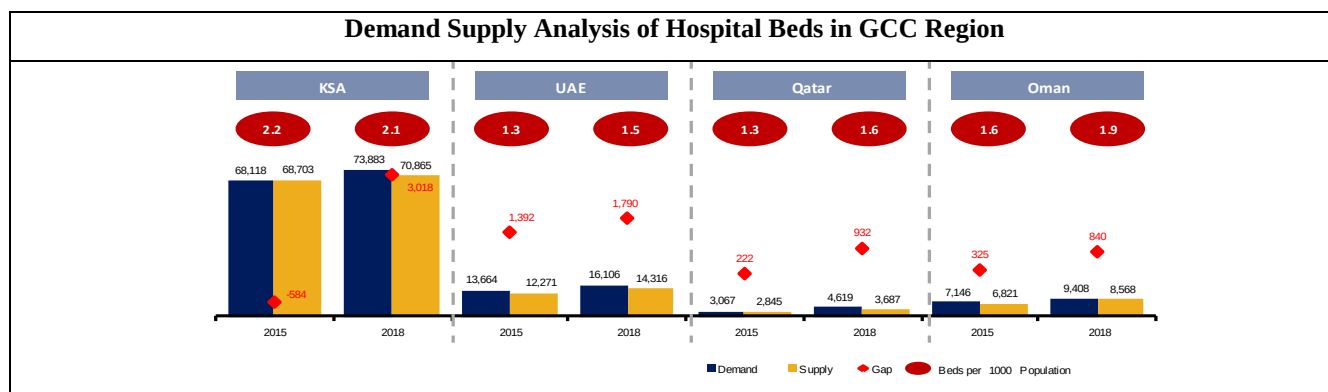
The KSA, UAE, Qatar and Oman have seen increases in terms of number of hospital beds. Growth in hospital beds have been driven by additions in private hospital beds in Oman (2008-14 CAGR of 23.2%), the UAE (2008-14 CAGR of 8.5%) and the KSA (2008-14 CAGR of 5.5%). In Qatar, the growth in hospital beds has been primarily driven by the public sector primarily because the private sector growth has been mainly in medical centres rather than hospitals.



Source: UAE National Bureau of Statistics, 2014 (UAE), MOH Report 2014 (KSA), SCH Report (Qatar), National Centre for Statistics and Information (Oman), Ministry of Health (Oman) and Frost & Sullivan Analysis

Demand – Supply Gap Analysis

The chart below describes the demand supply gap in terms of projected demand to supply in GCC countries. In Oman, based on the supply analysis, 1,747 beds are planned to be added between 2015 and 2018. This translates to a growth in beds of 7.9% YoY from 2015 to 2018. Amongst the KSA, UAE, Qatar and Oman, the KSA is expected to have the largest increase in demand supply gap between 2015 and 2018, from -584 to 3,018 beds, respectively, followed by the UAE, where the demand supply gap is expected to increase from 1,392 to 1,790 beds between 2015 and 2018, respectively.

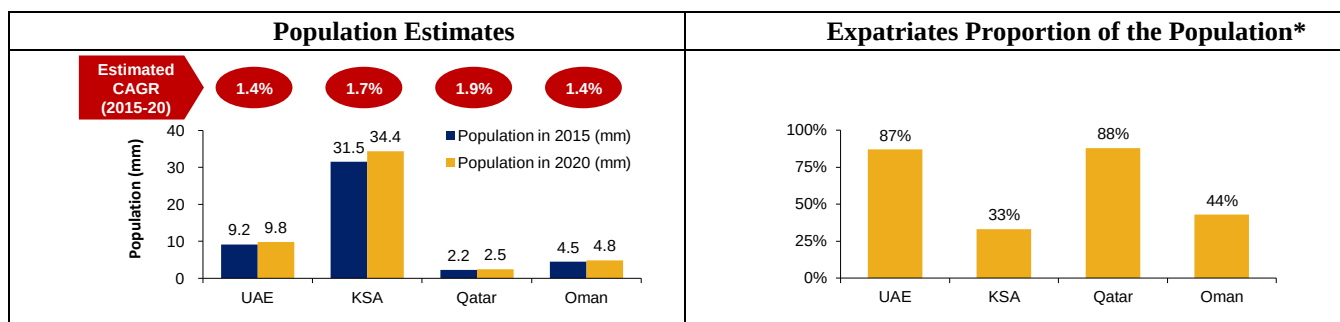


Source: Frost and Sullivan Analysis

Growth Drivers

Strong population growth and evolving demographics

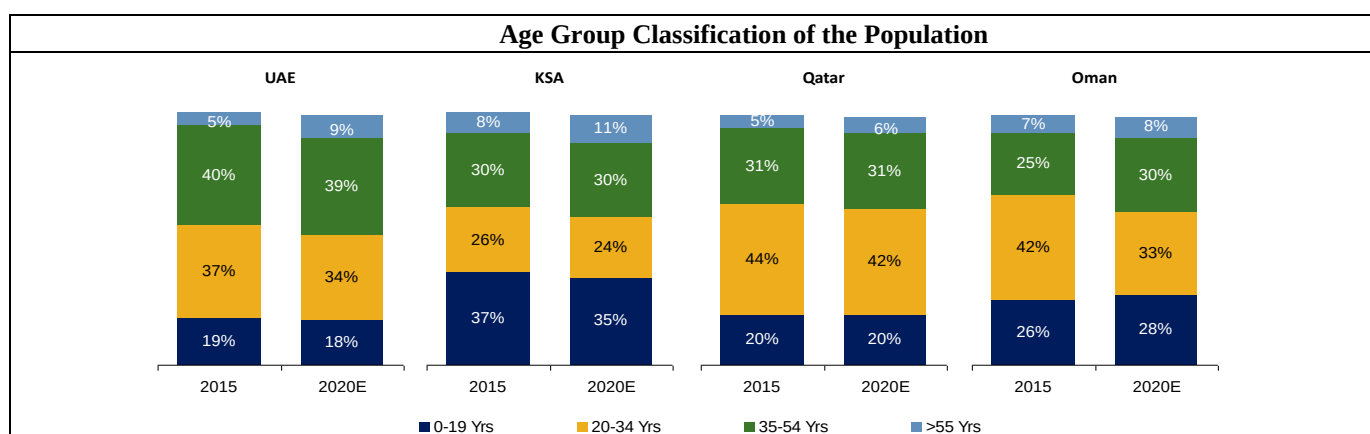
GCC states are expected to experience population growth between 2015-20, with Qatar expected to register the highest growth of 1.9%. The growth of populations in Dubai and Abu Dhabi has been greater than the growth of population in other Emirates. Expatriates constitute a substantial proportion of the population of GCC countries. This has a significant effect on consumption of healthcare services within the respective country as expatriates do not have complete access to public sector hospitals and thus rely heavily on services provided by the private sector.



Source: World Bank, Frost & Sullivan Analysis

*Percentages provided are for the year 2015, except UAE (2014).

Population in the age group of above 35 years is expected to increase by 3% in each of the UAE and the KSA from 2015 to 2020, indicating an ageing population. The ageing population is likely to put an additional burden on the health services of these nations.

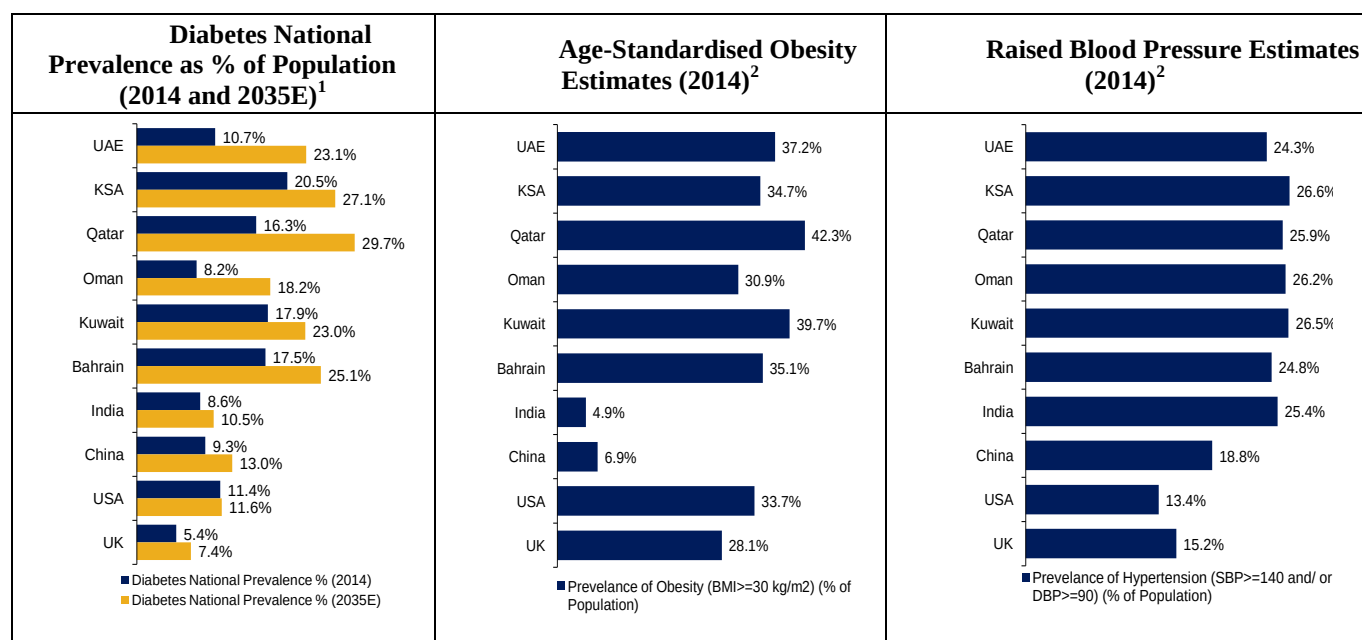


Source: World Bank: Health Nutrition and Population Statistics: Population estimates and projections 2015, and Frost & Sullivan Analysis

Note: 2020E proportion calculated using World Bank Estimates for 2015 and 2020

High Prevalence of non-communicable diseases

An increasingly sedentary lifestyle, especially of local population has resulted in high prevalence rates of diabetes, obesity as well as hypertension. It is estimated that the prevalence of these diseases among the local population is even higher, owing to their affluent and sedentary lifestyles, and high calorie food habits. In the recent past, the Government as well as the private sector have targeted this segment to increase diagnosis as well as treatment. Current and projected diabetes prevalence rates of GCC have significantly higher prevalence as compared to other countries analysed. Comparison of obesity levels in the countries in the GCC shows that most of them have higher levels of obesity than the USA and the UK.



¹ Source: International Diabetes Federation (IDF) Diabetes Atlas, 2014, Frost & Sullivan analysis

² Source: World Health Organisation Report "Global Status Report on Non Communicable Diseases", 2014, Frost & Sullivan Analysis

Thrust in Government Spending

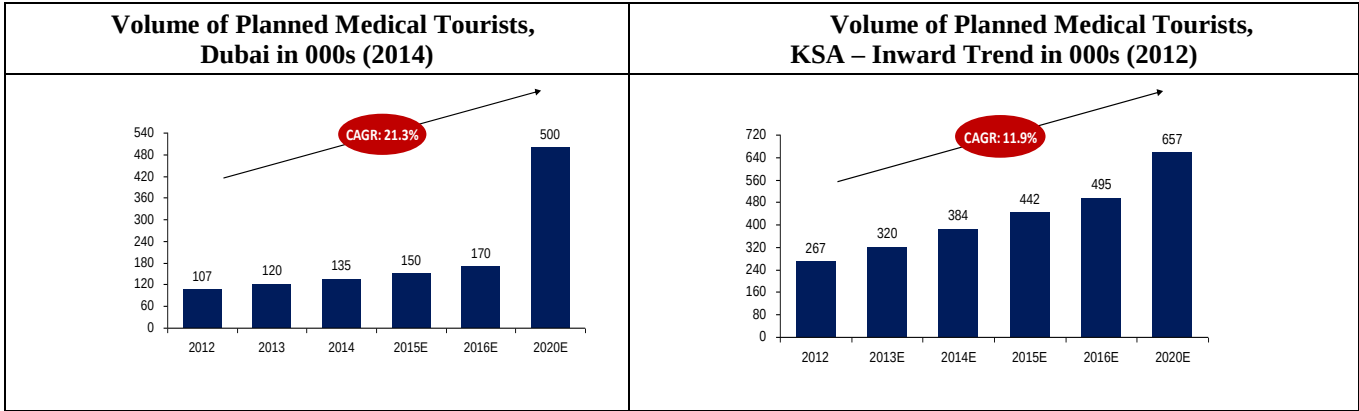
Majority of the healthcare expenditure made in all the analysed countries in the GCC is by the Government.

The federal and emirati governments are investing large sums of money for quick advancement of the healthcare scenario in the UAE. The UAE Government is planning to increase its total allocated budget for the healthcare sector to USD 1 billion,

which is 8% of the total budget, in order to achieve the leadership vision of providing high quality healthcare services. The federal general budget has allocated USD 0.49 billion for 11 projects involving construction of hospitals, clinics, and healthcare centres in 2013.

Growth in medical tourism

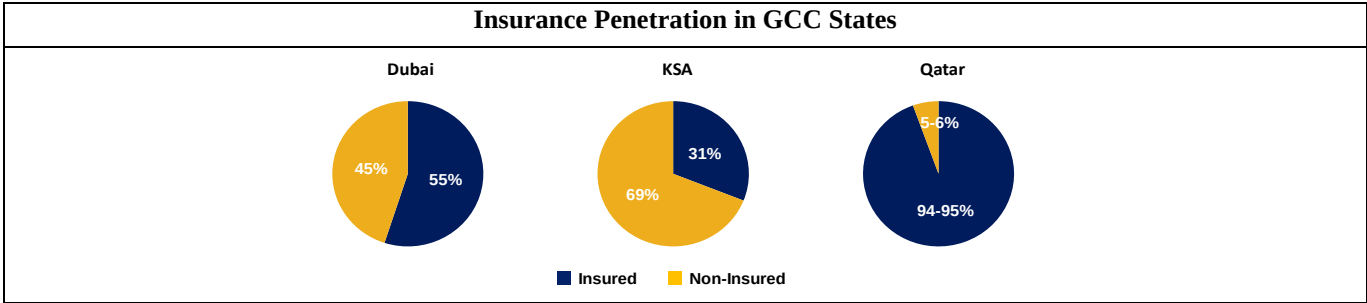
The key element for a well-developed medical tourism destination is a well-regulated health sector with due regulations in place as quality of services is an essential component that leads to organic growth of medical tourism. Medical travellers emphasise on cost and quality. Inbound medical tourism is expected to be a key growth driver for the UAE and the KSA. The UAE has been at the forefront of the medical tourism industry in the Middle East with Dubai being promoted as a major hub for medical tourism in the country. To promote medical tourism, the DHA has rolled out an initiative to make the UAE one of the top medical tourism destinations around the world. In 2012, approximately 107,000 medical tourists visited Dubai. By 2020, Dubai is expected to attract 500,000 tourists, generating an estimated USD 0.18 billion in 2012 to USD 0.71 billion in 2020 indicating a CAGR of ~19% year-on-year (YoY), between 2012 and 2020. In KSA, medical tourists prefer Riyadh and Dammam given the business attached to various industries established here and Jeddah on account of its religious importance. The volume of medical tourists in the KSA is projected to increase at a CAGR of 11.9% between 2012 and 2020.



Source: Saudi Commission for Tourism report (2012), Frost and Sullivan Analysis.

Medical insurance

Approximately 45% of the population in Dubai and 69% in KSA region remains uninsured. Mandatory health insurance is also expected to increase private participation in the healthcare industry, with clear reimbursement rates and procedures in place. In this scenario, organised players which have a strong support system and are able to invest in upcoming infrastructure stand to gain by getting better reimbursement rates. While Abu Dhabi has mandatory health insurance for all residents, Dubai has also introduced mandatory insurance which is likely to be implemented by 2016.



Source: Frost and Sullivan Analysis; 2013 data for Dubai, 2014 for KSA and 2015 data for Qatar

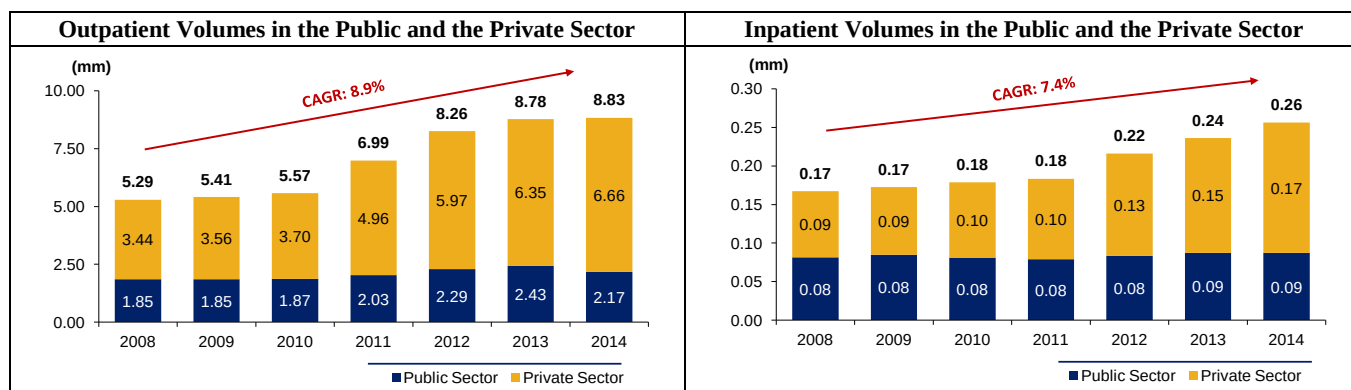
Outpatient / Inpatient Volumes

UAE

Dubai

The outpatient volume in Dubai was 8.83 million in 2014, of which around 75% was concentrated in the private sector. The outpatient market has been growing at a significantly high rate of 8.9% between 2008 and 2014. Private centres, where the outpatient volumes grew at a CAGR of 11.7% between 2008 and 2014, contributed significantly to this growth. Specialties outpatient volumes which grew at a faster pace than the industry overall outpatient volume between 2010 and 2013 include endocrinology and metabolic disorders, respiratory and infectious diseases.

The inpatient volume in Dubai was 0.26 million in 2014 and has grown at a CAGR of 7.4% between 2008 and 2014, primarily driven by growth in the private sector which has been growing at a CAGR of 12.0%, as compared to 1.1% CAGR in the public sector in the same period.

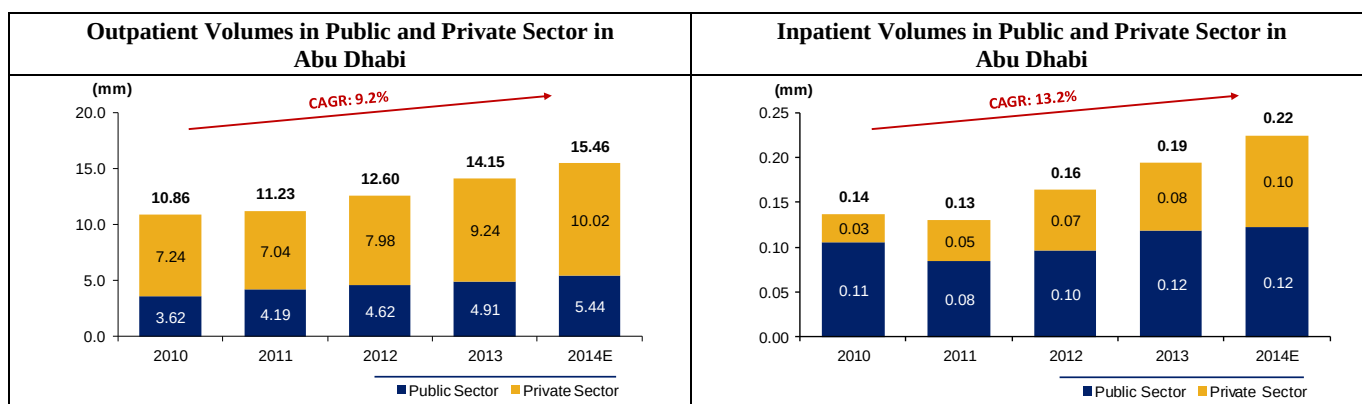


Source: DHA Annual Report, 2014, Frost & Sullivan Analysis

Abu Dhabi

The total outpatient volume was 14.15 million, of which 48.5% was concentrated in hospital OP and the rest belonged to medical centres and clinics. The outpatient volume grew at a CAGR of 9.2% between 2010 and 2014. The share of the private sector fell from 66.7% in 2010 to 64.8% in 2014 owing to limited growth in the private sector at a CAGR of 8.4% as compared to 10.7% in the Government sector in the same period. Specialties outpatient volumes which grew at a faster pace than the industry overall outpatient volume between 2010 and 2013 include gastroenterology and orthopaedics.

Similarly, the total inpatient volume in Abu Dhabi was 0.22 million in 2014 of which 55% was from the Government sector. The inpatient volume has grown at a CAGR of 13.2% between 2010 and 2014.

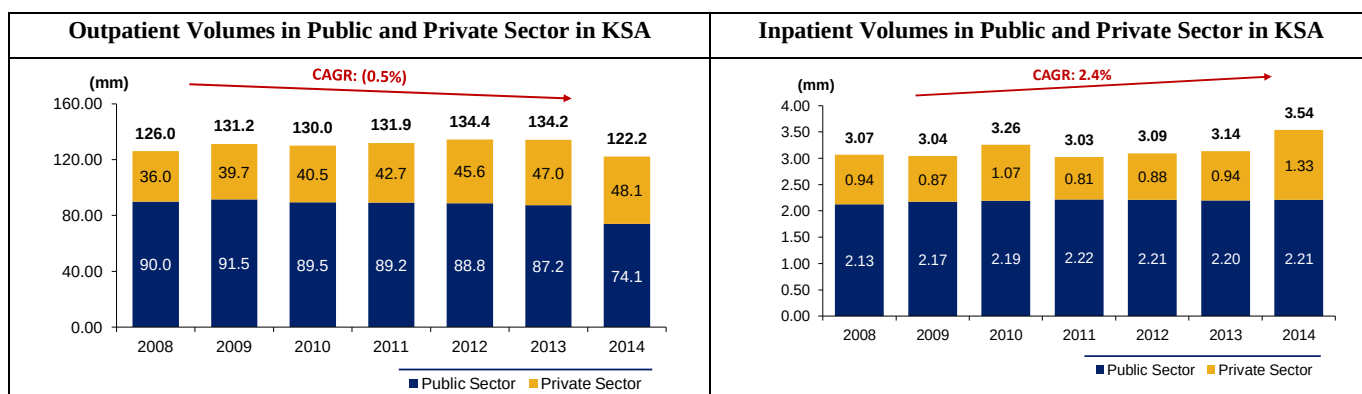


Source: HAAD Statistics, 2013, Frost & Sullivan Analysis

KSA

Outpatient volumes decreased at a CAGR of -0.5% from 126 million in 2008 to an estimated 122.2 million in 2014. The public outpatient visits decreased at a CAGR of -3.2% between 2008 and 2014, while private outpatient visits grew at a CAGR of 4.9% between 2008 and 2014.

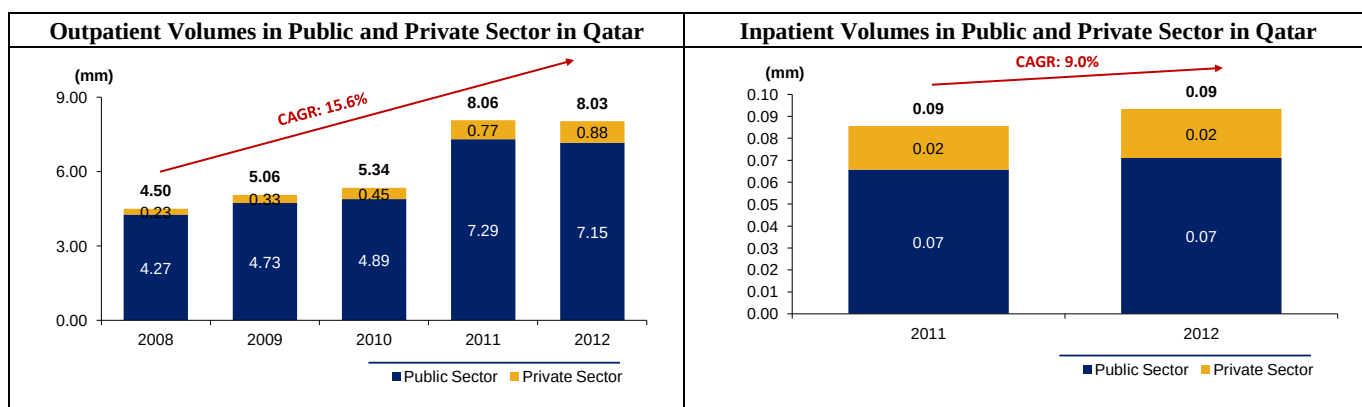
For inpatients, the volume has grown at the rate of 2.4% between 2008 and 2014. While inpatients in the public sector have grown at a CAGR of 0.6%, the private sector inpatient volumes have seen an increase by 6% per year between 2008 and 2014. The key specialties in the private sector include Internal Medicine, OBGYN, Paediatrics, General Surgery, and ENT.



Source: MOH Annual Report, 2014 Frost & Sullivan Analysis

Qatar

The outpatient volumes were approximately 8 million in 2012. Out of these, Government facilities continued to have the major share of 89%, while around 11% of patients opted for private facilities. The outpatient market has been growing significantly at a CAGR of 15.6% between 2008 and 2012. This growth is majorly attributed to the growing demand of healthcare services in the private sector. The inpatient facilities are primarily provided by the public sector in Qatar and have grown at 9% from 2011 to 2012.



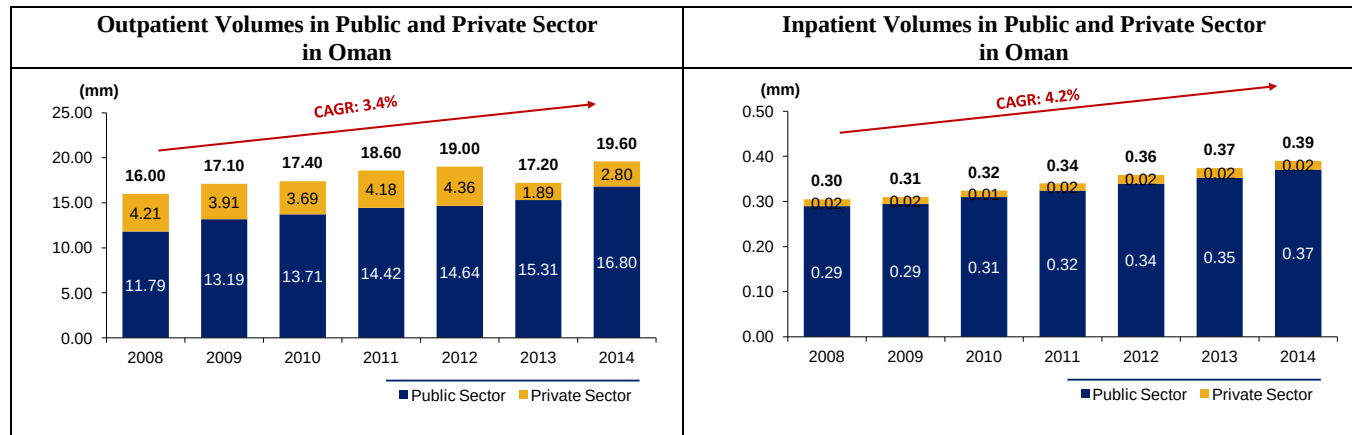
Source: Qatar Annual Report, 2013, Frost & Sullivan Analysis

The growth in the private sector inpatient volumes has been higher at 11.6% as compared to 8.2% in the public sector between 2011 and 2012. Lack of beds availability in the public sector is increasing the demand for the private sector in Qatar.

Oman

The outpatient volumes in Oman have been growing at a CAGR of 3.4% between 2008 and 2014. Share of public sector grew from 74% to 86% during the period as due to faster growth in public sector, which grew at a CAGR of 5.4% compared to a decrease at a CAGR of 5.1% in private sector outpatient volumes between 2008 and 2014. One reason for this may be non-disclosure of volumes by a few private players to the MOH.

The growth in inpatient volumes has been in tune with the outpatient numbers, growing at a CAGR of 4.2% per annum from 2008 to 2014, while the share of public sector in the inpatient services is much higher (around 95% of total). This trend can be attributed to the fact that uninsured patients of the private sector prefer 'cheaper' treatment options abroad in case of surgeries, major procedures, etc.



Source: Ministry of Health annual reports, Frost and Sullivan analysis

Medical Insurance

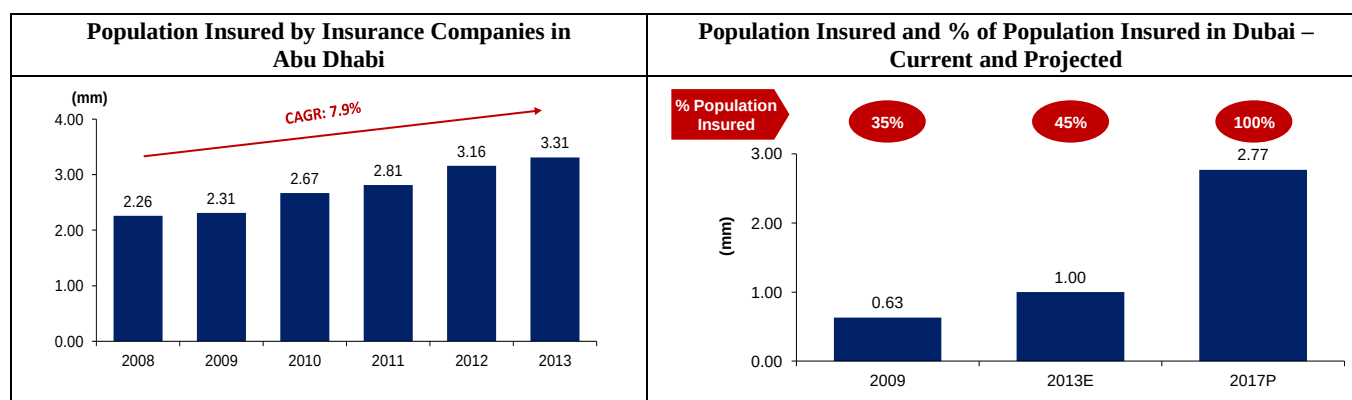
UAE

The emirate of Abu Dhabi pioneered in introducing mandatory health insurance for all residents, both locals as well as expatriates (along with their dependents) in 2006. As a result, the number of people insured in Abu Dhabi increased at a CAGR of 7.9% between 2008 and 2013 to reach 3.31 million population in 2013.

In order to give a push for universal access of healthcare in Dubai, the DHA has introduced the Health Insurance Mandate for Healthcare Providers in November 2013, which stipulates that all nationals and residents of Dubai (including those in the free

zones) must have coverage to pay for emergency and curative healthcare needs. Similar to Abu Dhabi, the mandatory health insurance law is likely to bring most of the population under medical insurance coverage by the time of completion of implementation in 2016. As of January 2015, health insurance coverage has been made mandatory for visa applications and renewals in Dubai. Also, the DHA has launched an Essential Benefits Plan, available through the participating insurers and available to employees who draw less than USD 1,089 (AED 4,000) gross monthly salary and less.

Around 1.5 to 2 million additional people are likely to be covered by health insurance by 2017, owing to mandatory health insurance law. The surge in the market is likely to mainly come from the low-income population including labourers as well as the middle-income dependents population. Overall, considering the people working in Dubai but residing outside the Emirate, more than 3 million people are expected to be covered by insurance by 2017.



Source: HAAD Statistics, 2013, Frost & Sullivan analysis

As the implementation is completed by 2016, it is expected that there will be consolidation in the market, with the established players expanding organically and inorganically, in order to gain scale to attain better bargaining power with insurance companies. The smaller single chain clinics are expected to gradually exit the market.

Other GCC States

Country	Facilities for Nationals	Steps towards Mandatory Insurance
KSA	Free-of-cost services from the MOH facilities	In 2014, the government has started the process of making health insurance mandatory for family members of all expatriates
Qatar	Free access to healthcare at over 60 Government and private medical facilities	The National Health Insurance Company, a fully Government-owned entity launched the Health Insurance Scheme in July 2013 in five phases, extending service coverage to public and private providers
Oman	Free access to all public clinics and hospitals	No regulation governing the mandatory insurance coverage of a citizen based on nationality

Key Challenges

UAE

The key challenges for the UAE healthcare industry are: (i) a shortage of medical personnel, and (ii) strict regulations and licensing.

KSA

The key challenges for the KSA healthcare industry are: (i) a low healthcare spends compared to western countries, (ii) a shortage of manpower, and (iii) stringent regulations.

Qatar

The key challenges for Qatar's healthcare industry are: (i) a shortage of manpower, and (ii) growing healthcare costs.

Oman

The key challenges for Oman's healthcare industry are: (i) a high outflow of patients to other countries, (ii) a shortage of medical personnel, and (iii) stringent regulation.

Regulation

UAE

The UAE Healthcare ecosystem is arranged and managed on different levels depending on the jurisdiction. Overall, the Government-led facilities are major participants in the sector. However, the Government is open to private investment in this sector due to the rise in treatment costs, insurance costs, expatriate population, demands for high quality services, and demand for private care. Furthermore, an increase in investment in this sector and provision for better facilities and infrastructure may result in reduction of the amount of medical tourists seeking treatment out of the UAE.

KSA

The MOH in the KSA is the Government entity charged with meeting Saudi's healthcare needs and regulations. The MOH directly regulates the licensing procedures for setting up any new health facility within the KSA.

Qatar

The Ministry of Public Health is the supreme body in Qatar regulating construction, management, and licensing of any healthcare facility. For licensing of healthcare facilities, the 'Permanent Licensing Authority at the Ministry of Public Health' is the controlling body underlying rules and regulations for licensing of various types of healthcare bodies. Licensing and registration of healthcare practitioners are managed by the "Healthcare Practitioners Registration and Licensing Department" in co-ordination with the "Qatar Council for Healthcare Practitioner (QCHP)".

Oman

The primary regulator for the health sector, the Ministry of Health was set up in 1971 to build the Oman health system and oversee the health of its population.

Pharmaceutical Market & Pharmaceutical Distribution

The below table describes the pharmaceutical market and pharmaceutical distribution in the GCC states.

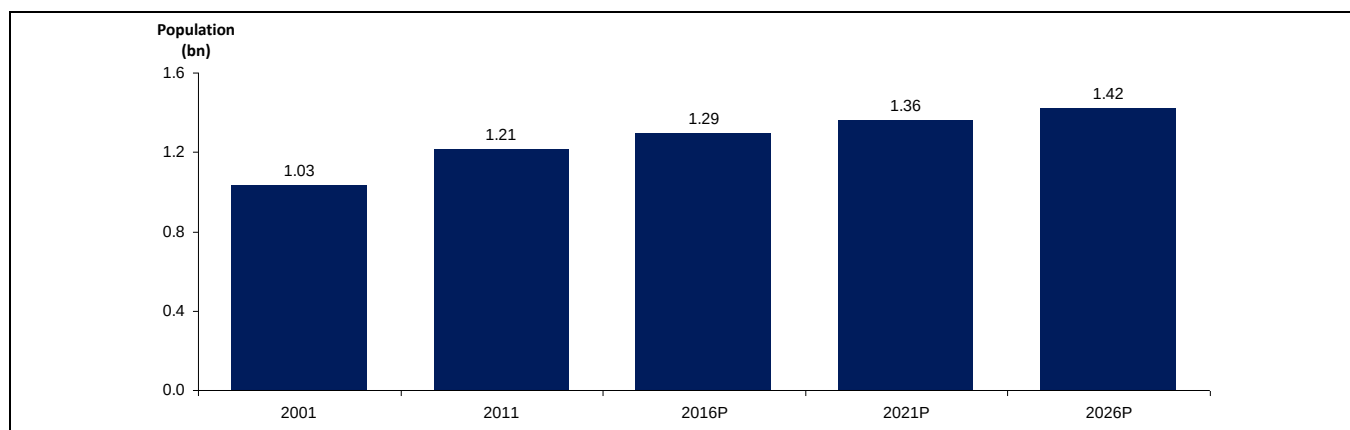
	KSA	UAE	Qatar	Oman	Kuwait																																																												
Key Market Features	Largest market for the pharmaceutical industry in the GCC. The KSA pharmaceutical market has a significant share of Government-purchased drugs. (About 35% of total market). Prescription drugs are also sold without prescriptions. Hence, the overall reliance on physicians is lower in the KSA.	The UAE is a key hub in the region for multinational pharmaceutical companies. All drug purchases are strictly prescription-based and hence, influenced by physicians. There is a recent trend in increase in use of generic drugs, aided by recent government reforms	Qatar is experiencing rapid development in health care services, including pharmaceutical services. National Health Strategy 2011-2016, which is expected to significantly improve access to healthcare, through phased implementation of mandatory health insurance.	The pharmaceutical market in Oman is predominantly import-driven. There are very few domestic manufacturers which are generic drugs manufacturers. There is a strong preference for patented medicines in the market.	Kuwait is experiencing rapid development in healthcare services, including pharmaceutical services. The market is dominated by imported and expensive patented drugs. Very few companies active in drug making, mainly in the generics segment.																																																												
Pharmaceutical Market Size (US\$ bn) *	<table><tr><th>Year</th><th>Market Size (US\$ bn)</th></tr><tr><td>2011</td><td>4.50</td></tr><tr><td>2015</td><td>8.46</td></tr><tr><td>2020E</td><td>18.63</td></tr></table>	Year	Market Size (US\$ bn)	2011	4.50	2015	8.46	2020E	18.63	<table><tr><th>Year</th><th>Market Size (US\$ bn)</th></tr><tr><td>2011</td><td>1.87</td></tr><tr><td>2015</td><td>2.81</td></tr><tr><td>2020E</td><td>4.68</td></tr></table>	Year	Market Size (US\$ bn)	2011	1.87	2015	2.81	2020E	4.68	<table><tr><th>Year</th><th>Market Size (US\$ bn)</th></tr><tr><td>2011</td><td>0.36</td></tr><tr><td>2015</td><td>0.55</td></tr><tr><td>2020E</td><td>0.92</td></tr></table>	Year	Market Size (US\$ bn)	2011	0.36	2015	0.55	2020E	0.92	<table><tr><th>Year</th><th>Market Size (US\$ bn)</th></tr><tr><td>2011</td><td>0.43</td></tr><tr><td>2015</td><td>0.65</td></tr><tr><td>2020E</td><td>1.10</td></tr></table>	Year	Market Size (US\$ bn)	2011	0.43	2015	0.65	2020E	1.10	<table><tr><th>Year</th><th>Market Size (US\$ bn)</th></tr><tr><td>2011</td><td>0.74</td></tr><tr><td>2015</td><td>1.12</td></tr><tr><td>2020E</td><td>1.86</td></tr></table>	Year	Market Size (US\$ bn)	2011	0.74	2015	1.12	2020E	1.86																				
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Top pharmacy chains	<table><tr><th>Chain</th><th>Count</th></tr><tr><td>Nahdi</td><td>700 +</td></tr><tr><td>Davaa</td><td>500</td></tr><tr><td>Tadawi</td><td>500</td></tr><tr><td>Manayer</td><td>230</td></tr><tr><td>Riyadh</td><td>110 +</td></tr></table>	Chain	Count	Nahdi	700 +	Davaa	500	Tadawi	500	Manayer	230	Riyadh	110 +	<table><tr><th>Chain</th><th>Count</th></tr><tr><td>Aster</td><td>139</td></tr><tr><td>Life</td><td>150</td></tr><tr><td>Metseven</td><td>90 +</td></tr><tr><td>Bin Sina</td><td>55-60</td></tr><tr><td>Health First</td><td>70+</td></tr></table>	Chain	Count	Aster	139	Life	150	Metseven	90 +	Bin Sina	55-60	Health First	70+	<table><tr><th>Chain</th><th>Count</th></tr><tr><td>WellCare</td><td>29</td></tr><tr><td>Kulud</td><td>31</td></tr><tr><td>CarenQur e</td><td>25</td></tr><tr><td>Tylos</td><td>11+</td></tr><tr><td>Al Fateh</td><td>9</td></tr><tr><td>Aster</td><td>6</td></tr></table>	Chain	Count	WellCare	29	Kulud	31	CarenQur e	25	Tylos	11+	Al Fateh	9	Aster	6	<table><tr><th>Chain</th><th>Count</th></tr><tr><td>Muscat</td><td>66</td></tr><tr><td>IBN Sina</td><td>16</td></tr><tr><td>Lulu</td><td>12</td></tr><tr><td>Aster</td><td>4</td></tr></table>	Chain	Count	Muscat	66	IBN Sina	16	Lulu	12	Aster	4	<table><tr><th>Chain</th><th>Count</th></tr><tr><td>YIACO</td><td>32</td></tr><tr><td>Murtasser</td><td>20-25</td></tr><tr><td>Safwan</td><td>12-15</td></tr><tr><td>Aster</td><td>11</td></tr><tr><td>Pakco</td><td>7</td></tr></table>	Chain	Count	YIACO	32	Murtasser	20-25	Safwan	12-15	Aster	11	Pakco	7
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Pricing	The MOH directly regulates the prices through SFDA and the calculation of drug price is based on Ex-factory or Cost, Insurance, and Freight (CIF) price into the KSA in the currency of the country of origin, and the qualifying factors affecting the prices	- Each product that is registered with the MoH has three levels of price - Cost, Insurance, and Freight (CIF) price, wholesaler price, and retailer price all of which are regulated by the MoH	All retail medicine prices and allowed importers / distributors to establish their own prices.	The pricing matrix is in accordance with the "GCC unifying CIF (cost, insurance, freight) drug pricing system	The pricing of drugs is also controlled by KuFDA, which publishes the list of registered drugs and prices of major drugs regularly. The mark-ups for retailers as well as wholesalers are fixed by the authority.																																																												
Key Drivers	- An increasing population base and surge in lifestyle-related illnesses - Mandatory health insurance	- Increase in access through medical insurance: - Increase in volume through medical tourism and Expo 2020 - Consolidation in market: - Move towards Generics	- A high rate of urbanization - An increasing prevalence of chronic lifestyle-related diseases - Government initiatives. - Increasing Health Insurance penetration:	- An increase in income levels - An increase in insurance penetration, and - A transition to chronic, non-communicable diseases.	- A high rate of urbanization - An increasing prevalence of chronic lifestyle-related diseases - A high public spending on healthcare, and - Government initiatives.																																																												

*CAGR figures indicate historical growth rates for 2011-15; market size for 2020 is estimated based on 2011-15 CAGR figures.

II. INDIA

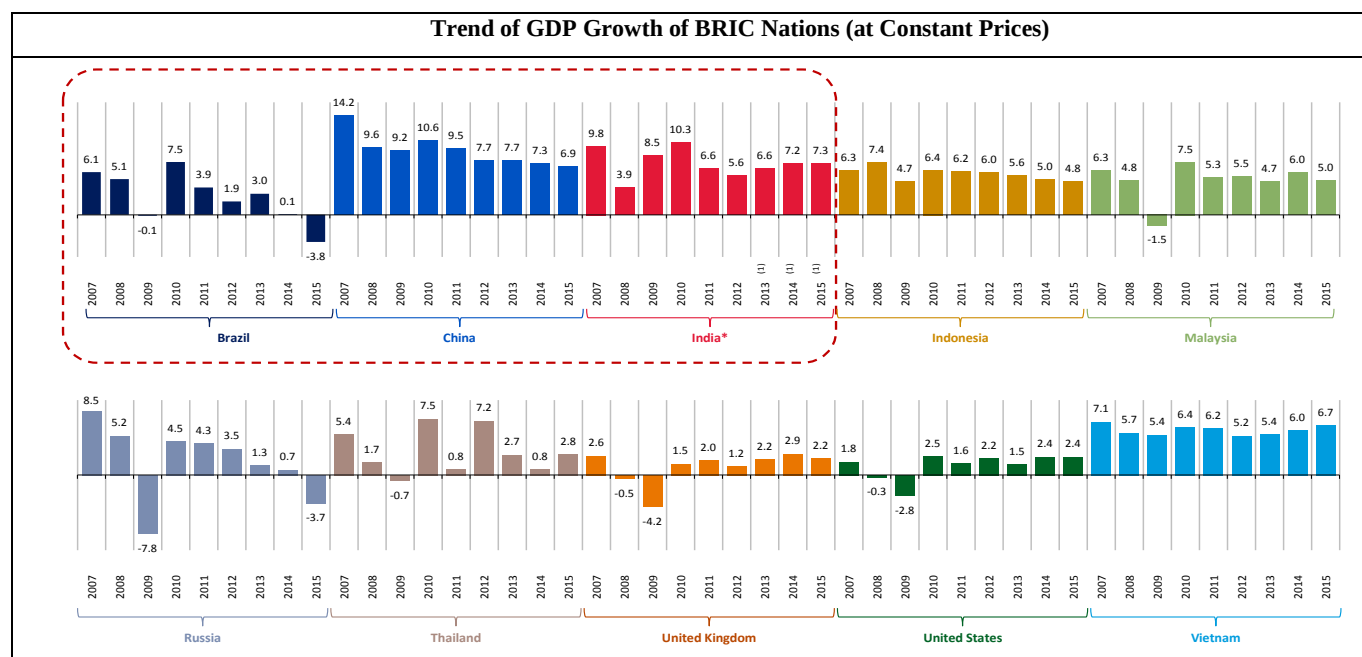
Macroeconomic and Demographic Overview

India, with a population of 1.2 billion and a GDP (nominal) of USD 1.9 trillion in 2013-14, is the tenth largest economy in the world in terms of nominal GDP and accounts for almost a fifth of the global population.



Source: National Commission on Population, CRISIL Research

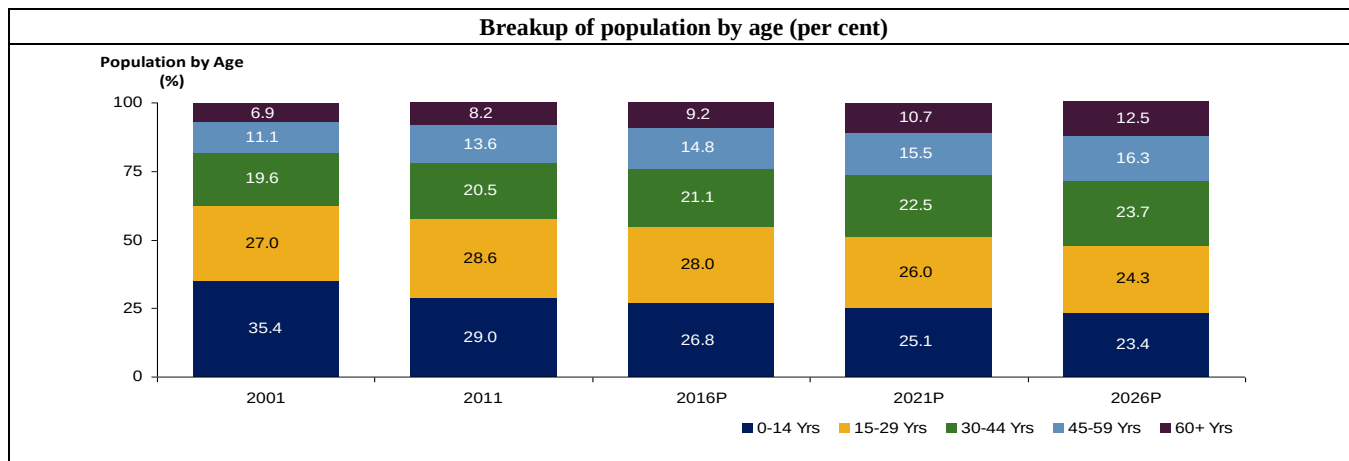
In the first decade of the 21st century, India set a robust pace of GDP growth along with China and emerged as a bulwark of the global economy. India's growth averaged over 9% from 2004-05 to 2007-08 and China bettered it. They were joined later by other major developing economies such as Brazil, Russia, Indonesia and South Africa, whose growth averaged over 5.6% during this period; by contrast, growth in the US and Europe averaged only 2.4% and Japan around 1.3%.



⁽¹⁾ Financial year (April-March) in case of India

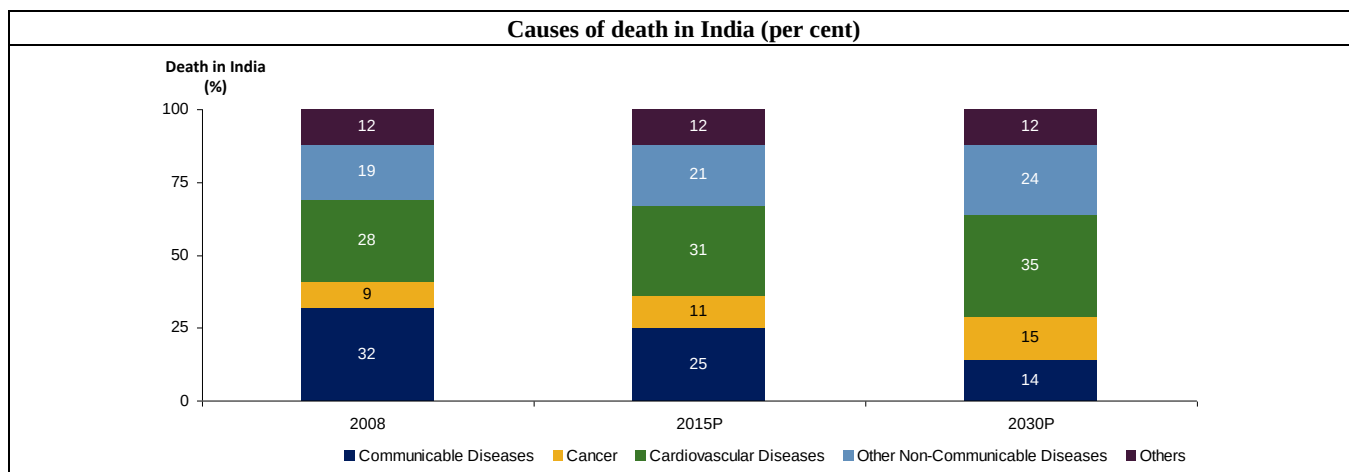
Source: International Monetary Fund, World Economic Outlook Database, April 2016

Nearly 8% of the Indian population in 2011 was aged 60 years or more. While this proportion is expected to climb to 12.5% by 2026, the availability of a documented knowledge base concerning the healthcare needs of the elderly (aged 60 years or more) continues to remain a challenge. Nevertheless, the higher vulnerability of this age group to health related issues is an accepted fact. As per the "Report on the Status of Elderly in Select States of India, 2011" (covering Himachal Pradesh, Kerala, Maharashtra, Odisha, Punjab, West Bengal and Tamil Nadu) published by the United Nations Population Fund (UNFPA) in November 2012, chronic ailments like arthritis, hypertension, diabetes, asthma and heart diseases were commonplace among the elderly with nearly 66% of the respective population reporting at least one of these. In terms of gender-based tendencies, while men are more likely to suffer from heart, renal and skin diseases, women showed higher tendencies for contracting arthritis, hypertension and osteoporosis. According to CRISIL Research, with more and more people being added to this age group, the demand for healthcare infrastructure in India from this age group is expected to increase going forward.



Source: National Commission on Population, CRISIL Research

Lifestyle related illnesses (non-communicable diseases or NCD) have been increasing rapidly in India, over the last few years. This can be gauged from the statistic that these illnesses accounted for nearly 56% of all deaths in India in 2008. According to CRISIL Research, these illnesses exhibit a tendency to increase in tandem with rising income levels. With the share of households earning above Rs 5 lakh per annum expected to increase to 20% in 2017-18 from 13% in 2013-14, the share of NCDs as a major cause of deaths in India will rise. Consequently, demand for healthcare services, associated with lifestyle related diseases such as cardiac ailments, oncology, diabetes etc., is also expected to increase.



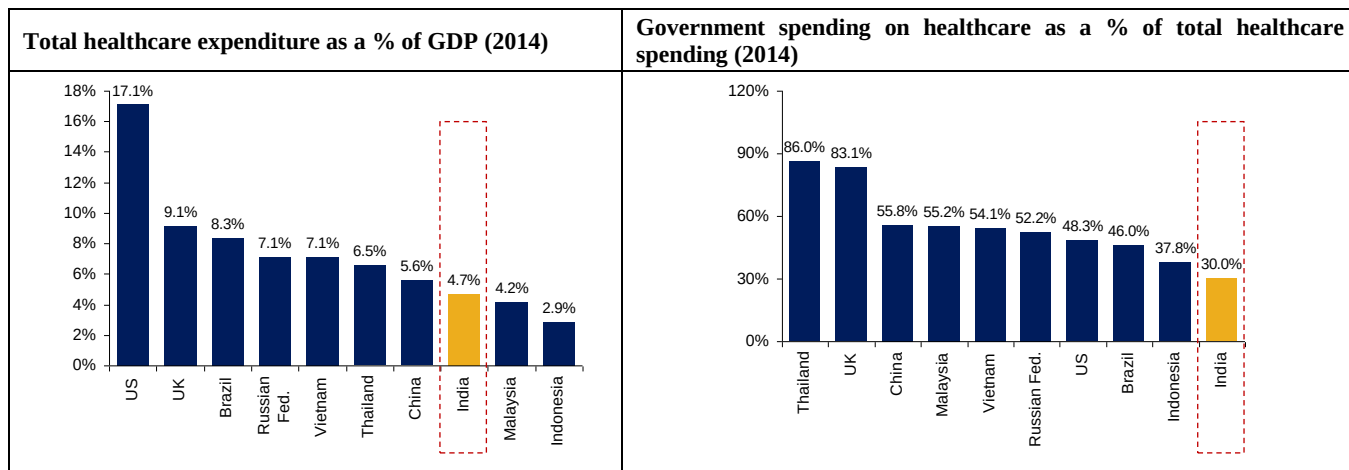
Source: WHO Global burden of diseases, CRISIL Research

Healthcare Industry Overview

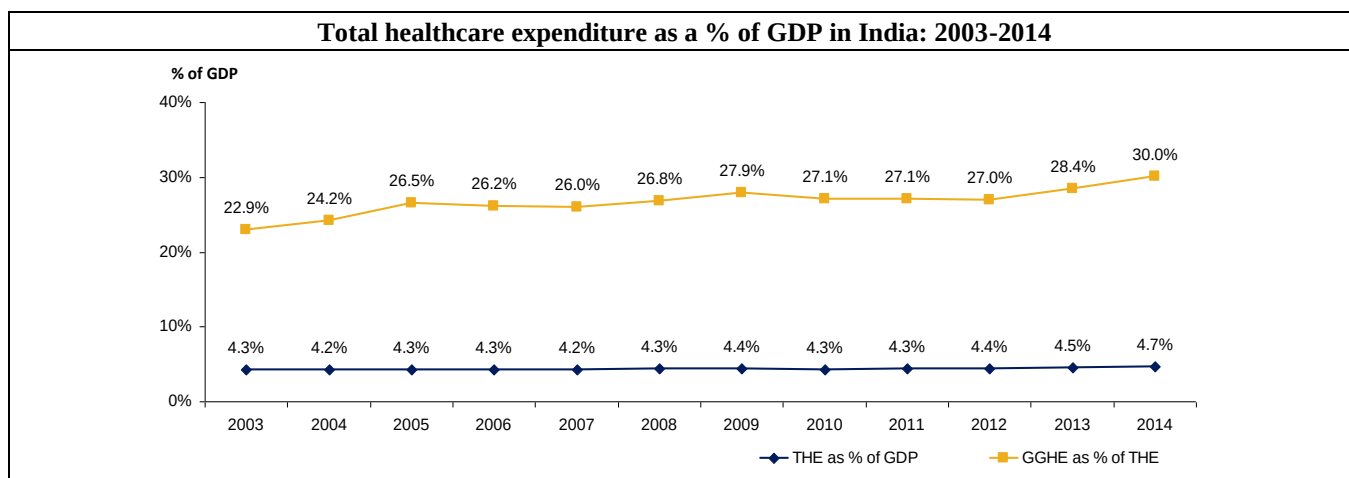
For a country accounting for nearly a fifth of the world's population, India's overall bed density stands at 7 beds per 10,000 population. Not only there exists a conspicuous gap vis-à-vis the global median of 27 beds, bed density in India even lags that of some of the other developing nations like Brazil (22 beds), Malaysia (19 beds), Vietnam (20 beds), Indonesia (9 beds), etc.

Compounding bed inadequacy is the insufficiency of healthcare personnel. At 7 physicians and 17 nursing personnel per 10,000 of population, India trails global median of 14 physicians and 29 nursing personnel. Even on this parameter, India lags behind other developing countries like Brazil (19 physicians, 76 nurses), Malaysia (12 physicians, 33 nurses) and Vietnam (12 physicians). In India, the shortfall vis-à-vis the global median in terms of number of beds is to the tune of 2.5 million.

According to World Health Organization's (WHO) Global Healthcare Expenditure Database, India's total expenditure on healthcare stood at a low 4.7% of the GDP as of 2014. This can be attributed both to the under-penetration of healthcare services and the lower propensity among people to spend on healthcare. In terms of per capita government expenditure on healthcare (at international dollar rate adjusted for PPP), India stood at USD 69 in 2013 vis-à-vis USA's USD 4,307, UK's USD 2,766, Brazil's USD 701 and Malaysia's USD 514. Lower per capita spend on healthcare in India can also be partially attributed to the relatively low contribution from the government (given that the government contributed only 30% of the total healthcare expenditure in 2014).



Source: WHO Global Healthcare Expenditure Database



Note: THE: Total Healthcare Expenditure; GGHE: General Government Healthcare Expenditure

Source: WHO Global Healthcare Expenditure Database

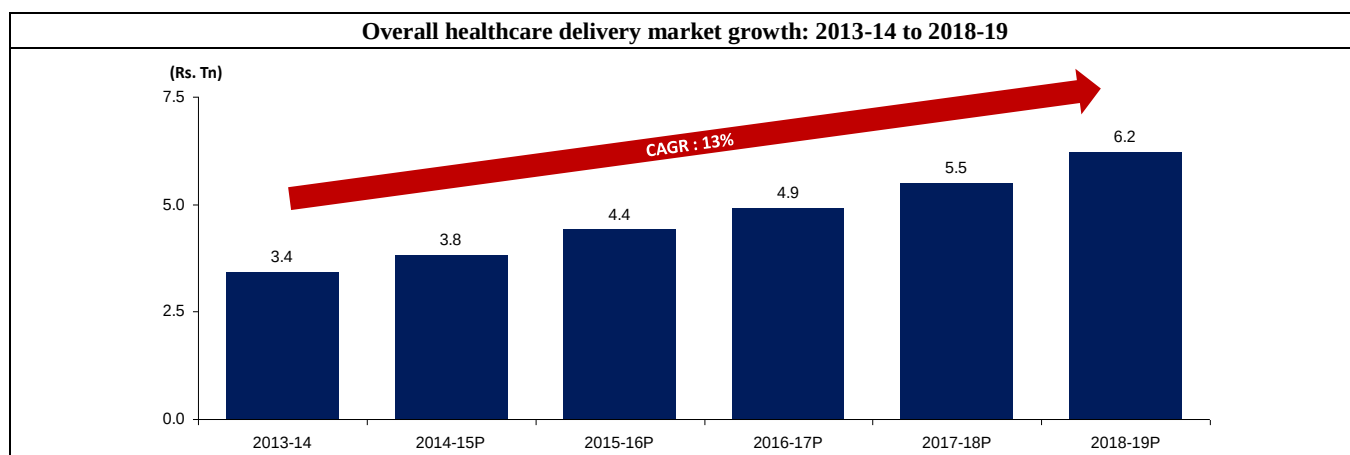
According to CRISIL Research, apart from a change in age demographics and rising incomes, improvement in health awareness, changes in the disease profile (towards lifestyle related ailments), rising penetration of health insurance and increasing opportunities from medical tourism will propel demand for healthcare facilities in India. There are also growth opportunities with regards to non-communicable diseases. CRISIL Research estimates that the market for cardiac healthcare was Rs 470 billion in 2013-14 which is expected to grow at a CAGR of 19% to Rs 1.1 trillion by 2018-19. Furthermore, by 2019, the potential market for oncology is expected to grow to Rs 319 billion, while the same for diabetes is expected to grow to Rs 308 billion thereby indicating the tremendous growth opportunity in these segments.

Expansion plans by major private players are expected to be skewed towards illnesses related to the in-patient department (IPD) and hence, the share of IPD by value is expected to increase from 81% in 2013-14 to 83% in 2018-19. During the same period average cost for IPD treatments are expected to increase at nearly 7% CAGR. Also, the actual IPD market size is expected to stand at Rs 5.2 trillion in 2018-19, the potential IPD market size will be to the tune of Rs 6 trillion. In the same period, while the overall bed count is expected to increase at a CAGR of 3% to reach nearly 1.05 million from the current 0.9 million, the shortfall from the global median bed density will continue to be very wide.

Market Size

Based on health indicators for India released by the World Health Organisation's (WHO) World Health Statistics survey, the size of the Indian healthcare delivery industry is estimated at 3.2 billion treatments in 2013-14 in volume terms, and at Rs 3.4 trillion in value terms (according to CRISIL Research). While the in-patient department (IPD) accounted for 81% of the healthcare delivery industry in 2013-14, the out-patient department (OPD) accounted for the balance. The healthcare delivery industry in India is estimated to have grown at a CAGR of nearly 14-15% (in value terms) over the last 5 years. According to CRISIL Research, while the actual IPD market size stood at Rs 2.7 trillion in 2013-14, the potential IPD market size was to the tune of Rs 3.3 trillion assuming that all patients requiring IPD treatments were hospitalized (vis-à-vis the 84% hospitalisation rate assumed for the actual IPD market size).

According to CRISIL Research, the healthcare delivery market is expected to grow at a CAGR of 13% and reach Rs 6.2 trillion by 2018-19.



Source: CRISIL Research

Growth Drivers

The growth drivers for India's healthcare delivery industry are: (i) an increasing population as well as life expectancy to require greater health coverage, (ii) rising income levels to make quality healthcare services more affordable, (iii) a demand for lifestyle disease related healthcare services to increase over the next 5 years, (iv) an increase in health insurance coverage to propel demand, and (v) growth in medical tourism to aid demand growth of healthcare the delivery market.

Healthcare costs in India are extremely competitive as compared with those in the developed countries and other Asian countries. The fact that India offers advanced medical facilities for critical illnesses such as cardiology, joint replacement, orthopaedics, ophthalmology, organ transplants and urology sharpens its competitive advantage. With healthcare costs soaring in developed economies, the relatively low cost of surgery and critical care in India makes it an attractive destination for medical tourism. According to the Ministry of Tourism, of the total foreign tourist arrivals in India, the proportion of medical tourists grew from 2.2% (0.11 million tourists) in 2009 to 3.4% (0.24 million tourists) in 2013.

Country-wise cost of ailments

Treatment	US	UK	Thailand	Singapore	India
	US\$				
Heart Surgery	100,000	40,000	14,000	15,000	5,000
Bone Marrow Transplant	250,000	290,000	62,000	150,000	30,000
Liver Transplant	300,000	200,000	75,000	140,000	45,000
Knee Replacement	48,000	50,000	8,000	25,000	6,000

Source: CRISIL Research

Regulation

The regulatory environment in India, as far as setting up a hospital is concerned, is stringent with several approvals required to be taken for the purpose. Moreover, hospitals are also covered under the purview of the legislations such as the Clinical Establishment (Registration and Regulation) Act, 2010 and the Bio-Medical Waste Management & Handling Rules, 2016 which provide guidelines for registering hospitals and clinics and regulate their day-to-day operations as far as their environmental impact is considered.

Accreditation of hospitals is a voluntary process, wherein an authorised agency evaluates and recognises health services according to a set of standards which are revised periodically. In developing countries like India, where healthcare services are delivered mainly through private health providers, regulation is a vital instrument and function of government policy. In India, hospitals are accredited by National Accreditation Board for Hospitals and Healthcare Providers (NABH). The NABH is a constituent board of Quality Control of India and a member of International Society for Quality in Health Care (ISQua). NABH accreditation is compulsory for hospitals to get empanelled under the Central Government Health Scheme (CGHS).

Medical Insurance

Low health insurance penetration is one of the major impediments to the growth of the healthcare delivery industry in India as affordability of quality healthcare facilities by the lower income groups continues to remain an issue. As per the Insurance Regulatory and Development Authority (IRDA), nearly 216 million people have health insurance coverage in India (as of 2013-14), accounting for only 17% of the total population.

Government or government-sponsored schemes like the Central Government Health Scheme (CGHS), Employee State Insurance Scheme (ESIS), Rashtriya Swasthya Bima Yojana (RSBY), Rajiv Arogyasri (Andhra Pradesh government), Kalaingar (Tamil Nadu government), etc. account for nearly 80% of health insurance coverage provided. Only 20% is through commercial insurance providers, both government (Oriental Insurance, New India Assurance, etc.) and private (ICICI Lombard, Bajaj Allianz, etc.).

CRISIL Research believes that while low penetration is a key concern, it also presents huge opportunity for the growth of the healthcare delivery industry in India. This is evident from the fact that between 2011-12 and 2013-14, the total number of commercial health insurance policies in India increased at a CAGR of nearly 10% while the premiums increased at nearly 16%. Also, ~37.2 million households (nearly 110 million beneficiaries) have been brought under RSBY (as of April 2014), while 19.5 million family units (nearly 75.8 million beneficiaries) have been brought under ESIS (as of March 2014). Further, with the health insurance coverage in India set to increase, hospitalisation rates are likely to go up. In addition, health check-ups, which form a mandatory part of health insurance coverage, are also expected to increase, boosting the demand for a robust healthcare delivery platform.

OUR BUSINESS

Overview

We are one of the largest private healthcare service providers which operate in multiple GCC states based on numbers of hospitals and clinics, according to the Frost & Sullivan Report, and an emerging healthcare player in India. We currently operate in all of the GCC states, which comprise the United Arab Emirates, Oman, Saudi Arabia, Qatar, Kuwait and Bahrain, in Jordan (which we classify as a GCC state as part of our GCC operations), in India and the Philippines. Our GCC operations are headquartered in Dubai, United Arab Emirates and our Indian operations are headquartered in Kochi, Kerala.

We operate in multiple segments of the healthcare industry, including hospitals, clinics and retail pharmacies and provide healthcare services to patients across economic segments in several GCC states through our various brands “Aster”, “Medcare” and “Access”. We believe that “Aster” and our other brands are widely recognized in the GCC states both by healthcare professionals and patients. We commenced operations in 1987 as a single doctor clinic in Dubai established by our founder, Dr. Azad Moopen. Our Company was incorporated in 2008 in a reorganisation to facilitate the growth of our operations, subsequent to which operations in the GCC states and India were consolidated under Aster DM Healthcare Ltd. Our “MIMS”, or Malabar Institute of Medical Sciences Limited, hospital in Kozhikode, Kerala, India, commenced operations in 2001.

The execution capabilities of our experienced management team have enabled our consistent growth in recent years, both organically and through strategic acquisitions. We had 149 operating facilities, including 10 hospitals with a total of 1,419 beds, as of March 31, 2013 and have expanded to 280 operating facilities, including 13 hospitals with a total of 2,537 beds, as of March 31, 2016. Further, we have acquired a 29.97% stake in Dr. Ramesh Hospitals that owns and operates 3 hospitals in Andhra Pradesh. We also entered into an operation and management services agreement and a medical services agreement with DM Education and Research Foundation effective April 1, 2016 to provide operation and maintenance services and to provide medical services at the cardiac sciences and neurosciences super speciality centres in its hospital, DM WIMS. In August 2014, we launched Aster Medcity in Kochi, Kerala, a multi-speciality hospital with a 670 bed capacity, to be positioned as a destination for medical value travel. In the GCC states, the number of our clinics increased from 41 as of March 31, 2013 to 83 as of March 31, 2016, and the number of our retail pharmacies increased from 98 as of March 31, 2013 to 180 as of March 31, 2016. Our pharmacies in India are integrated with our hospitals and clinics, and cater to our patients.

We have a diversified portfolio of healthcare facilities, consisting of 6 hospitals, 83 clinics and 180 retail pharmacies in the GCC states, 7 multi-specialty hospitals and 3 clinics in India, and one clinic in the Philippines as of March 31, 2016. According to the Frost & Sullivan Report, we operate the largest chain of retail pharmacies in the UAE based on number of centres as of March 31, 2016. For further details, see “*Industry Overview - GCC States*” on page 113. Our hospitals in India are located in Kochi, Kolhapur, Kozhikode, Kottakkal, Bengaluru and Hyderabad and are generally operated under the “Aster”, “MIMS” or “Prime” brands. Our clinics in India are located at Kozhikode and Bengaluru. We had 12,774 employees as of March 31, 2016, including 1,003 full time doctors, 4,406 nurses, 1,063 pharmacists, 1,285 paramedics and 5,017 other employees. In addition, we had 703 “fee for service” doctors working across various specialities in our hospitals in India as of March 31, 2016.

We believe that our long standing operations, quality of medical care and track record of building long-term relationships with our doctors and other medical professionals has enabled us to build a strong brand name in the GCC states and will enable us to further establish the brand in India. We further believe that our brands, reputation, strong and stable management team, investment in medical technology and commitment to medical training and education have helped us to attract and retain well-known doctors and other health care professionals for our operations, who in turn draw more patients to our facilities.

A majority of our hospitals and clinics provide secondary and tertiary healthcare services to patients. In addition to providing core medical, surgical and emergency services, some of our hospitals provide complex and advanced quaternary healthcare in various specialties, including cardiology, oncology, radiology, ophthalmology, neurosciences, paediatrics, gastroenterology, orthopaedics and critical care services.

The quality of medical care we provide is evidenced by the number of quality certifications and other achievements that our facilities have obtained from various local and international accreditation agencies, including from the U.S.-based Joint Commission International, or JCI. Three of our hospitals and one clinic in the GCC states, and Aster Medcity in Kochi, Kerala, have obtained JCI accreditation. In 2006, our MIMS Hospital in Kozhikode, Kerala received accreditation from the National Accreditation Board for Hospitals and Healthcare Providers, or NABH. In 2007, our Medcare Hospital in Dubai received JCI accreditation. Our Medcare Orthopaedics and Spine Hospital in Dubai received JCI accreditation in 2013. Our Sanad Hospital in Saudi Arabia obtained accreditation from the Saudi Central Board for Accreditation for Healthcare Institutions, or CBAHI which is valid until October 2016. Medinova Diagnostic Centre, our first central laboratory clinic in the GCC states, holds JCI accreditation which is valid until 2017.

Our total revenues from operations was ₹19,217.42 million, ₹28,711.45 million, ₹38,758.43 million and ₹37,315.16 million for fiscal 2013, 2014 and 2015 and the nine months ended December 31, 2015, respectively. Our Adjusted EBITDA was ₹2,661.34 million, ₹4,642.35 million, ₹5,787.22 million and ₹4,575.58 million for fiscal 2013, 2014 and 2015 and the nine months ended December 31, 2015, respectively. Of our total revenues from operations for the nine months ended December 31, 2015, our hospital segment (for both the GCC states and India) accounted for 50.98%, our clinic segment accounted for 23.85% and our retail pharmacy segment accounted for 25.12%. Our operations in India, which primarily consist of hospitals, accounted for 12.52% of our total revenues from operations for the nine months ended December 31, 2015.

Key Strengths

We believe that we are well positioned to benefit from favourable trends driving demand in the private healthcare services market in the GCC states and India by virtue of our principal competitive strengths as described below.

Long standing presence with strong brand equity

We are one of the largest private healthcare service providers which operate in multiple GCC states based on numbers of hospitals and clinics, according to the Frost & Sullivan Report, and an emerging healthcare player in India. We commenced operations in 1987 as a single doctor clinic in Dubai established by our founder, Dr. Azad Moopen and are able to draw upon our decades of experience in providing quality care to our patients.

We believe that our “Aster”, “Medcare” and “Access” brands are widely recognized in the GCC states by both healthcare professionals and patients. Our long-standing presence in the markets where we operate, especially the GCC states, has helped us gain an understanding of the respective markets and the regulatory environments and has contributed towards the success of our operations.

We believe that we are well placed to capitalize on the expected growth in healthcare sector in the GCC states due to our early mover advantage and strong brand presence. We further believe that our existing track record in the GCC states, our understanding of and long-term commitment to the Indian market and our financial strength will enable us to further establish the brand in India.

Well diversified portfolio of service offerings to leverage multiple market opportunities

We have an established presence across multiple geographies, multiple healthcare delivery verticals and serve multiple economic segments. We provide healthcare services in the United Arab Emirates, Oman, Saudi Arabia, Qatar, Kuwait and Bahrain, which comprise all of the GCC states, in Jordan (which we classify as part of our GCC operations) and in the Indian cities of Kochi, Kolhapur, Kozhikode, Kottakkal, Bengaluru and Hyderabad. Our clinic in Manila, Philippines commenced operations in August 2015. We operate in multiple formats providing a wide range of services through our diverse network of 6 hospitals, 83 clinics and 180 retail pharmacies in the GCC states, 7 multi-specialty hospitals and 3 clinics in India, and one clinic in the Philippines as of March 31, 2016.

The table below reflects our revenues from operations for the periods indicated based on region and business segments.

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Nine Months ended December 31, 2015
	(₹ million)			
Region				
GCC states	18,867.06	25,767.34	34,478.46	32,644.66
India	350.36	2,944.11	4,279.97	4,670.20
Other regions (Philippines)	-	-	-	0.30
Total	19,217.42	28,711.45	38,758.43	37,315.16
Business segments				
Hospitals	8,757.58	13,818.92	19,002.80	19,025.13
Clinics	4,697.96	6,795.81	9,085.70	8,901.53
Pharmacies	5,654.76	8,096.72	10,646.46	9,374.50
Others	107.12	-	23.47	14.00
Total	19,217.42	28,711.45	38,758.43	37,315.16

Our GCC operations encompass all levels of healthcare services from primary to tertiary and position us to be a one-stop destination for patients’ needs once they enter our network. In addition to providing core medical, surgical and emergency services, we also offer advanced surgical treatments in various specialties, including cardiology, oncology, radiology, neurosciences, paediatrics, gastroenterology, orthopaedics and critical care services.

Through our various brands “Aster”, “Medcare” and “Access”, we offer differentiated healthcare services to patients across economic segments in the GCC states. Our “Medcare” and “Aster” brands address the needs of the upper and middle income segments in the GCC states, whilst our “Access” brand offers affordable healthcare services to blue collar expatriate workers in the GCC states. Further, the presence of our pharmacies at multiple locations across various GCC states also enhance the visibility of our brands.

We operate in India under our “Aster”, “MIMS”, “Prime”, “Aster Aadhar” and “Aster CMI” brands. In fiscal 2015, we launched Aster Medcity in Kochi, Kerala, which is intended to be positioned as a destination for medical value travel from select markets including India and countries across the GCC states, the MENA region and South Asia.

While our healthcare network serves a diverse range of patient needs and is spread across a large region, we believe that this model has enabled us to expand our reach and leverage market opportunities to gain access to a larger patient base and achieve synergies across verticals and geographies, while efficiently deploying our resources. This has helped us to improve our operational efficiencies, by allowing us to centralise certain key functions, such as finance, sourcing, distribution and branding and marketing. We are in the process of centralising our information technology systems in order to deliver better healthcare services to our patients.

Provision of high quality healthcare service

Since our first clinic commenced operations in 1987, we have been focused on providing high quality healthcare service. We constantly strive for a high standard of clinical excellence at all our hospitals, clinics and retail pharmacies. We follow well-defined quality and patient safety protocols in patient handling and care. Our focus on quality is evidenced by the quality certifications and accreditations that our facilities have obtained from various local and international accreditation agencies, which include accreditation from the JCI. We believe that JCI is considered the gold standard of hospital accreditation in the healthcare industry and three of our hospitals and one clinic in the GCC states, and Aster Medcity in Kochi, Kerala, have obtained such accreditation. JCI accreditation for our Medcare Dubai hospital was obtained in only eight months of its commissioning. We have received JCI accreditation for Medcare Orthopaedics and Spine Hospital, Al Raffah Hospital in Sohar and Medinova Diagnostic Centre (our first central laboratory clinic in the GCC states). In the GCC states, Medcare Hospital and our Aster pharmacy retail chain received quality and service awards, respectively, from the Dubai Department of Economic Development in 2014. Our multi-specialty hospital MIMS Hospital in Kozhikode received accreditation by the NABH in 2006. Our MIMS hospital in Kottakkal, Aster Aadhar hospital in Kolhapur and Aster Medcity in Kochi have also received NABH accreditation. Our Sanad Hospital in Saudi Arabia has obtained an accreditation from the Saudi Central Board for Accreditation for Healthcare Institutions, or CBAHI, which is valid up to October, 2016.

We solicit after-service patient feedback through various means such as discussions, feedback forms and in some cases through call-centres. This helps in continuous improvement of our service delivery to our patients.

Ability to attract and retain high quality medical professionals

We had a total employee base of 12,774 as of March 31, 2016, including 1,003 full time doctors, 4,406 nurses, 1,063 pharmacists, 1,285 paramedics and 5,017 other employees. We also had 703 “fee for service” doctors working across various specialities in our hospitals in India as of March 31, 2016. Many of our specialists, physicians and surgeons have been trained in some of the best medical institutions across the world and have received accolades and awards. A number of our doctors are dedicated to clinical research and have published studies on topics such as “*Three-Dimensional Computed Tomography-Based Contouring of a Free Fibula Bone Graft for Mandibular Reconstruction*” and “*Mandibular Conservation in Oral Cancer*”. As of March 31, 2016, 30% of the doctors in our hospitals and clinics specialise in various clinical fields such as cardiology, cardio vascular thoracic surgery, neurovascular surgery, nephrology, orthopaedics, oncology and gastroenterology.

Our brand, long-standing presence, investment in medical technology and advanced equipment, continuous expansion and reputation have helped us attract and retain well-known doctors and other health care professionals from an international and diverse talent pool for our facilities, who in turn draw more patients to our facilities. In addition to attracting doctors and other medical professionals to our facilities, we have a track record in building long-term relationships with our doctors and other medical and non-medical professionals through our various incentive programs such as our domestic and international conference travel policies and our sponsored training and education assistance policy. Our operations in India enable us to source doctors, nurses and other medical professionals from India to our operations in the GCC states. As of March 31, 2016, 55.14% of our doctors and 56.57% of our non-medical professionals in the GCC states are of Indian nationality.

Track record of operating and financial performance and growth

We have grown from 149 operating facilities in 5 countries, including 10 hospitals, as of March 31, 2013 to 280 operating facilities in 9 countries, including 13 hospitals, as of March 31, 2016.

We have increased the bed capacity of our hospitals from 1,419 beds as of March 31, 2013 to 2,537 beds as of March 31, 2016. Our operational beds increased from 1,309 as of March 31, 2013 to 1,976 as of March 31, 2016. This includes 337 operational beds out of a total capacity of 670 installed beds for Aster Medcity in Kochi, Kerala, which we launched in August 2014.

Our ARPOB in the GCC states increased from ₹93,264 in fiscal 2013 to ₹131,832 in fiscal 2015 and ₹158,213 in the nine months ended December 31, 2015 and our ARPOB in India increased from ₹8,130 to ₹15,936 and ₹18,287 during the same period.

We reported total operation revenues of ₹19,217.42 million, ₹28,711.45 million, ₹38,758.43 million and ₹37,315.16 million for fiscal 2013, 2014, 2015 and the nine months ended December 31, 2015, respectively. Our Adjusted EBITDA was ₹2,661.34 million, ₹4,642.35 million, ₹5,787.22 million and ₹4,575.58 million for 2013, 2014, 2015 and the nine months ended December 31, 2015, respectively, with Adjusted EBITDA margins of 13.77%, 16.09%, 14.90% and 12.23% for 2013, 2014 and 2015 and the nine months ended December 31, 2015, respectively.

The number of our clinics in GCC states increased from 41 as of March 31, 2013 to 83 as of March 31, 2016, and the number of our retail pharmacies increased from 98 as of March 31, 2013 to 180 as of March 31, 2016.

We assess the likely profitability of hospitals before we construct or acquire them. For example, our MIMS hospital commenced operations in 2001 with 200 beds and generated positive net profit after tax in fiscal 2004. Aster Hospital Mankhool commenced operations in 2015 and achieved positive Adjusted EBITDA seven months after commencing operations.

Experienced core management team

We benefit from an experienced management team in the healthcare services industry, which we believe will be important in executing our growth strategy, including potential acquisitions and organic expansion projects. Our management team is composed of directors and senior officers with an average of approximately 16 years of experience in the healthcare services industry, as well as doctors with both clinical and administrative experience. Several key members of our management team, including our Chief Executive Officer for Aster Pharmacies and Finance Controller for the GCC have been with us for over ten years. For further details, see “*Our Management*” on page 217. Given our extensive presence and operations across regions and verticals, we also have a second line of management with managerial, healthcare and regulatory experience in control of, and to provide stability across, our daily operations. Each of our vertical segments has its own management team led by its own Chief Executive Officer.

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. For further details, see “*Industry Overview - GCC States*” on page 113.

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. For further details, see “*Industry Overview - India*” on page 129.

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

Continue to grow within our existing centres

We intend to grow our existing hospitals and clinics by adding new specialities and services, increasing the number of beds and relocating certain specialities into new facilities. Our expansion plans are generally driven by our existing facilities

functioning at close to maximum capacity, as the new or expanded facilities will have a ready customer base, resulting in quicker operational ramp-up and higher business volume with lower operational risks.

For example, we operated the Al Rafa Hospital for Maternity & Surgery LLC at Kuwait Street, Dubai from 2006 to 2015. This was a 16 bed facility which provided healthcare services such as maternity healthcare including obstetrics and gynaecology, general surgery and medicine which we converted into an IVF clinic under the name of Aster IVF and Women Clinic LLC. To cater to an unfulfilled need across these and other specialties, we have opened Aster Hospital Mankhool at Kuwait Street in the immediate vicinity of the previous facility. Aster Hospital Mankhool commenced operations in January 2015 and has 102 beds. This facility is equipped with latest medical and diagnostic technologies and provides healthcare services across obstetrics, gynaecology, neonatology, paediatrics, general surgery, dialysis, endoscopy and emergency medical care. Aster Hospital Mankhool achieved positive Adjusted EBITDA in August 2015, only seven months after commencing operations.

We intend to continue the growth of our retail pharmacy business through organic growth and acquisitions. In 2014, we expanded our product profile and commenced distribution of a number of products, including over-the-counter medicine, cosmetics and vitamin supplements, for which we have been granted exclusive distribution rights for the UAE by the supplier, to be sold in our retail pharmacies as well as those of third parties. A number of our retail pharmacies are open 24 hours a day and offer services such as home delivery.

We believe that India is geographically well positioned for medical value travel from the GCC states, MENA region and South-East Asia and is highly competitive in terms of healthcare costs compared to developed countries. We believe that medical value travellers, who are patients for whom it is less expensive to travel to receive quality medical treatment than to obtain such treatment locally, will contribute to higher revenues per bed per day than our other patients and will help drive our growth. Our Aster Medcity Kochi and Aster CMI Bengaluru hospitals are well-connected for both domestic and international travel to be preferred destinations for medical value travel. We intend to increase our marketing efforts to attract medical value travellers to these facilities. The presence of a large network of our clinics and hospitals in the GCC states help to drive medical value travellers to our hospitals in India. For instance our Aster Medcity Hospital in Kerala which commenced operations in August 2014, receives about 4.25% of patients from Oman with ARPOB of ₹65,527 for the nine months ended December 31, 2015, whereas the average ARPOB for our India hospitals is ₹18,287 for the nine months ended December 31, 2015.

Increase our presence by way of greenfield expansions

We have 6 hospitals in GCC states, with a total capacity of 549 beds, as of March 31, 2016. We intend to capitalize on the increasing demand for healthcare services in the GCC states by building or expanding four multi-specialty hospitals in the UAE together with a new multi-specialty hospital in Qatar, for a total additional capacity of 440 beds. These hospitals are in the process of construction and are expected to be completed within the next eighteen months. We also plan to build or expand 4 hospitals in India within the next three years to add 886 beds to our total bed capacity.

Each opportunity is evaluated on the basis of factors unique to that opportunity such as expected investment and financial returns, catchment area served, availability of appropriate talent and regulatory issues. For instance, Aster Medcity, our flagship facility in India, aims to offer a world class quaternary care facility in Kochi, where we believe there is significant unfulfilled need from the local population.

Pursue inorganic growth opportunities to expand into newer service offerings or newer micro-markets

In the past we have successfully used acquisitions and strategic partnerships to expand our operations and consolidate our presence in new markets. Since our incorporation, we acquired 5 hospitals in India as well as 1 hospital and 37 retail pharmacies in the GCC states. We intend to leverage our acquisition experience to successfully identify, execute and integrate new opportunities that may arise in the future.

We entered into strategic partnerships for the Kolhapur, Wayanad and Hyderabad facilities to achieve the multiple objectives of rapidly expanding our operations in India and also to gain insights into the local environment. We entered into a strategic partnership for the Bengaluru facility with a view to unlocking the true potential of the Bengaluru facility. For certain reasons, before the partnership with the Company, the Bengaluru facility was operating at suboptimal levels. We have now taken over the management and are making significant investments in infrastructure, talent building, marketing and branding. The Bengaluru facility is expected to be an important destination for medical value travellers because of its superior service offerings and its proximity to the international airport. Through strategic partnerships with us, the local partner benefits from access to our financial strength, network, sourcing and management practices.

To complement the expansion of services at our existing facilities and enhance our service offering, we intend to seek opportunities in new underpenetrated markets in India, mainly through exploring strategic investments in, or acquisitions of, hospitals. We intend to target Tier II and Tier III cities across India, which we believe are currently under-served in terms of

healthcare services but have a sizable population and spending potential. We believe that expanding our operations to Tier II and Tier III cities would give patients in such locations greater access to quality healthcare services without having to travel to Tier I cities. At the same time, these hospitals would allow us to expand our network and penetrate different markets. We will also continue to assess opportunities in Tier 1 cities.

Capitalise on mandatory health insurance in GCC

The Emirate of Abu Dhabi introduced mandatory health insurance for all residents, locals as well as expatriates (along with their dependents), in 2006 and the number of people insured in Abu Dhabi increased at a CAGR of 7.9% between 2008 and 2013 to cover 3.31 million people in 2013, according to the Frost & Sullivan Report. All nationals and residents of Dubai (including those in the free zones), have been required to have coverage to pay for emergency and curative healthcare needs since 2014.

We believe we are well positioned to take advantage of the implementation of health insurance reforms and we can leverage our existing partnerships with insurers and suppliers to increase our presence in these markets. We believe that we have demonstrated our ability to provide high quality medical services along with quality customer service, to respond quickly and positively to health insurance reforms, and to be viewed as a reliable partner by insurers.

We have set up 1 multi-specialty hospital and added 33 new clinics in Dubai since 2012 to capitalize on the implementation of compulsory insurance and expected increase in expenditure on medical care.

Implementation of initiatives to improve existing operational efficiencies

We believe that maximizing operating efficiencies and profitability across our network is a key component of our growth strategy, including the integration of our acquisitions and the efficient management of our organic growth. We intend to focus on the following key areas to improve our clinical and administrative operating efficiencies and profitability:

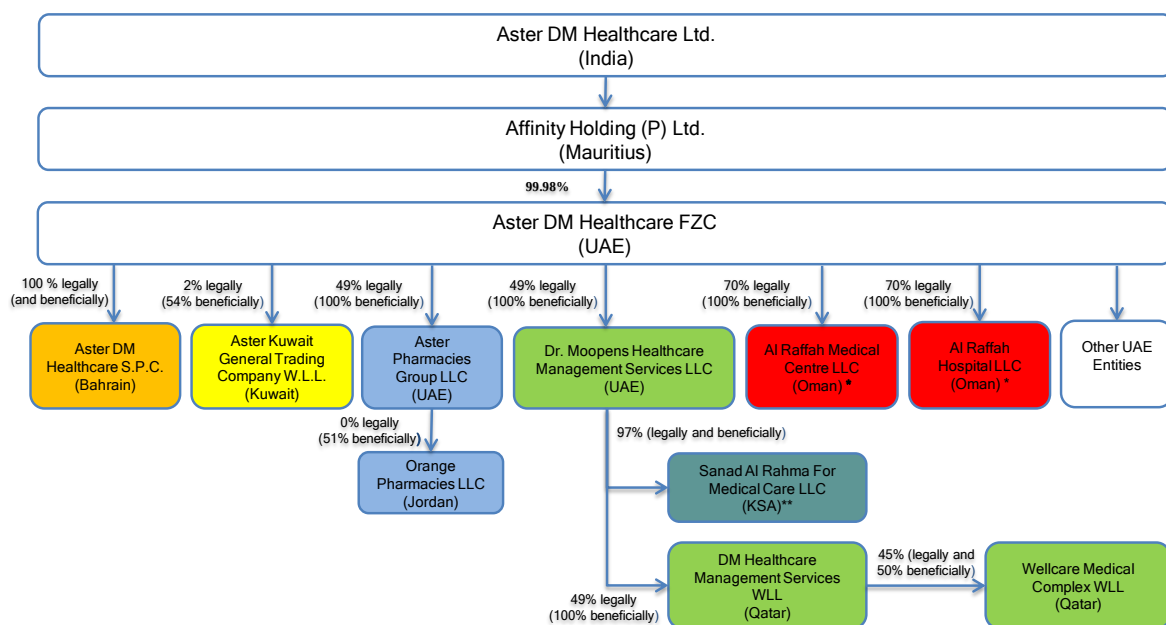
- *Integrated healthcare network.* We plan to improve efficiencies at our hospitals and retail pharmacies through greater integration across our network. We have a central purchase committee and have implemented standardized procurement of high value medical equipment across our facilities in both the GCC states and India. Further, our hospitals, clinics and retail pharmacies are large consumers of drugs and pharmaceutical products and medical consumables like stents, implants, sutures and other surgical materials. To minimize costs and leverage our economies of scale, we intend to focus on standardizing the type of medical and other consumables used across our network, optimizing procurement costs, consolidating our suppliers and optimizing the use of medical consumables by establishing guidelines for medical procedures across our network of business segments, brands, verticals and geographical operations, as appropriate.
- *Integrated IT platform.* We are in the process of fully integrating our IT platform across our businesses and are implementing the use of electronic medical records and analytics which are intended to improve patient care, facilitate referrals among our facilities and allow us to more efficiently deploy our resources. To date, our integrated IT platform has been implemented at Aster Medcity, Kochi; Aster CMI, Bengaluru; and Aster Hospital, Dubai. Innovative uses for IT is expected to transform healthcare services and products and we intend to be at the forefront of these digital developments.
- *Medical technology.* We focus continually on investing in the latest medical technologies and innovations, attracting skilled physicians and surgeons and developing our expertise in high growth tertiary and quaternary care areas to serve the increasing demand for sophisticated clinical care and procedures. By implementing our strategy to focus on high growth facilities and other technologies and specialist skill-driven clinical areas, we intend to improve our case mix and increase revenues per occupied bed per day.

Corporate Structure

Each of our hospitals, clinics and substantial number of our retail pharmacies are held by a single corporate entity. Our Company has direct and indirect wholly owned and majority controlled subsidiaries, as well as minority owned associates, as a result of acquisitions and foreign ownership requirements. For further details, see “*History and Certain Corporate Matters*” on page 176.

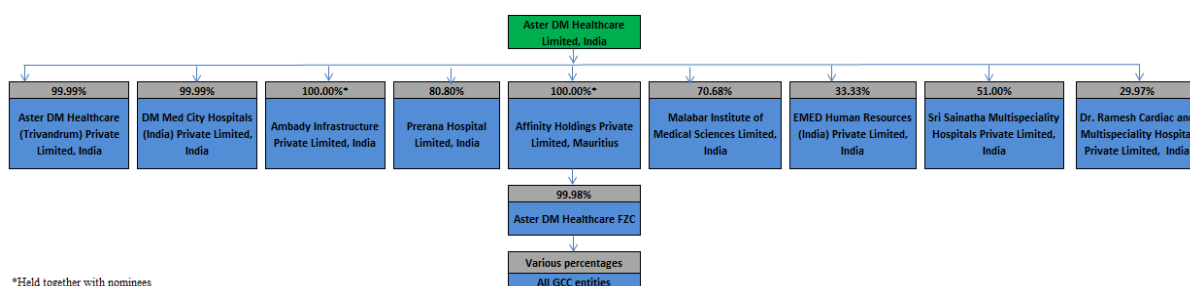
GCC Corporate Structure

The following chart sets forth our corporate structure in the GCC states and our percentage of beneficial and economic interest in each entity as of the date of this Draft Red Herring Prospectus:



India Corporate Structure

The following chart sets forth our corporate structure in India and our percentage of ownership in each entity as of the date of this Draft Red Herring Prospectus:



Healthcare Services

Since our first clinic commenced operations in 1987, we have been focused on providing high quality and comprehensive healthcare services. We provide healthcare services in the United Arab Emirates, Oman, Saudi Arabia, Qatar, Kuwait and Bahrain, which comprise all of the GCC states, in Jordan (which we classify as part of our GCC operations), in the Indian cities of, Kolhapur, Kozhikode, Kochi, Kottakkal, Bengaluru and Hyderabad, and have one clinic in the Philippines. Our clinics in the GCC states operate under the “Medcare”, “Aster” and “Access” brands and our hospitals generally operate hospitals under the “Medcare” and “Aster” brands. The Medcare brand is associated with tertiary or premium care, the Aster brand is associated with healthcare services access to mid-range segment and the “Access” brand is associated with healthcare services accessible to wider section of society. Our pharmacies in the GCC states operate under the “Aster” brand name. Our hospitals in India generally operate under the “Aster” or “MIMS” or “Prime” brand.

The chart below reflects the various geographies, segments and brands under which we operate as of March 31, 2016.

	GCC			India	
	Clinic	Pharmacy	Hospital	Hospital	Clinic
Key Brands	  		 	  	 
Geography	- UAE - Qatar - Oman - Bahrain - The Philippines	- UAE - Qatar - Oman - Kuwait - Jordan	- UAE - Oman - KSA	- Kerala - Maharashtra - Karnataka - Telangana - Andhra Pradesh*	- Kerala - Karnataka

*Acquisition in process

Our hospitals contribute the largest share of our revenues, followed by retail pharmacies and then clinics. Of our total revenues from operations for the nine months ended December 31, 2015, our hospital segment (comprising both the GCC states and India) accounted for 50.98%, our clinic segment accounted 23.85% and our retail pharmacy segment accounted for 25.12%. Our operations in India, which consist of primarily hospital operations, accounted for 12.52% of our total revenues from operations for the nine months ended December 31, 2015.

Hospitals

We had 6 hospitals in the GCC states (three in the UAE, two in Oman and one in Saudi Arabia), with a total of 549 beds, and 7 hospitals in India, with a total of 1,988 beds as of March 31, 2016 as set out in the table below.

Hospital	Location	Since	Type of Hospital	Bed Capacity
GCC states				
Medcare Hospital	Dubai, UAE	Operational 2007	Multi-specialty	82
Al Raffah Hospital	Muscat, Oman	Operational 2009	Multi-specialty	64
Al Raffah Hospital	Sohar, Oman	Operational 2010	Multi-specialty	52
Medcare Orthopaedics and Spine Hospital	Dubai, UAE	Operational 2012	Speciality	29
Aster Hospital Mankhool	Dubai, UAE	Operational 2015	Multi-specialty	102
Sanad Hospital	Riyadh, Kingdom of Saudi Arabia	Increased interest to 97% in September 2015	Multi-specialty	220
India				
Aster Aadhar Hospital	Kolhapur, India	Acquired 2008, new facility operational from 2012	Multi-specialty	175
MIMS Kozhikode	Kozhikode, India	Acquired 2013	Multi-specialty	674
MIMS Kottakkal	Kottakkal, India	Acquired 2013	Multi-specialty	232
Aster CMI, Bengaluru (previously Cauvery Medical Centre)	Bengaluru, India	Operated and managed since 2014	Multi-specialty	73
Aster Medcity	Kochi, India	Operational 2014	Multi-specialty	670

Hospital	Location	Since	Type of Hospital	Bed Capacity
Prime Hospitals - Ameerpet	Hyderabad, India	Acquired 2014	Multi-specialty	96
Prime Hospitals - Kukatpally	Hyderabad, India	Acquired 2014	Multi-specialty	68

To meet the increasing demand, we are in the process of building or expanding 9 hospitals which are expected to add a total of approximately 1,326 beds as set out in the table below.

Hospital	Location	Type	Expected Completion Calendar Year	Type of Hospital	Planned Beds	Stage
GCC states						
Medcare Hospital	Sharjah, UAE	Greenfield	2016	Multi-specialty	120	Construction Complete
Medcare Hospital	Dubai, UAE	Greenfield	2016	Multi-specialty	100	Commissioning
Aster Hospital	Abu Dhabi, UAE	Greenfield	2016	Multi-specialty	60	Design
Aster Hospital	Doha, Qatar	Greenfield	2017	Multi-specialty	50	Construction
Aster Hospital	Dubai, UAE	Greenfield	2017	Single	110	Pre-approval
India						
MIMS Kannur	Kannur	Greenfield	2018	Multi-specialty	200	Initial Planning
MIMS Kozhikode	Kozhikode, India	Expansion	2018	Multi-specialty	200	Initial Planning
Aster CMI	Bengaluru	Expansion	2016	Multi-specialty	436	Commissioning
Prime Hospitals – Ameerpet	Hyderabad	Expansion	2016	Multi-specialty	50	Construction

We are continuously evaluating opportunities to develop new facilities at suitable locations. Currently, we are considering developing a multi-speciality hospital in Sharjah under the Aster Brand. We have entered into a lease agreement for this facility and shall be developing the facility soon. In Thiruvananthapuram, we have entered into an agreement to purchase land for developing a multi-speciality hospital. We have also entered into a memorandum of understanding with a potential partner for leasing a hospital in Nagpur. We are also in the process of setting up two clinics in Bangalore and have entered into lease agreements for these facilities. Further, we have recently launched an initiative in the UAE to leverage the e-commerce channel to sell non-pharmaceutical health products.

Our hospitals provide a broad range of specialised services through a number of dedicated specialised units, including cardiac sciences, oncology, nephrology, orthopaedics, neurosciences, transplants, gastroenterology, ENT, obstetrics and gynaecology, paediatrics, general surgery and allied services such as laboratory services, radiology and imaging and critical care services. We also provide outpatient services, including consultation for a range of ailments and preventive health screenings. In addition, we have developed ancillary and diagnostic services across our facilities to complement the clinical service lines, as well as retail pharmacies located within our hospital premises. The growth in our hospital business has been consistent in the past. Our total revenues from our hospital segment was ₹8,757.58 million, ₹13,818.92 million, ₹19,002.80 million and ₹19,025.13 million for fiscal 2013, 2014 and 2015, and the nine months ended December 31, 2015 respectively.

For the nine months ended December 31, 2015, our hospital segment accounted for 50.98% of our total revenue from operations.

GCC Hospitals

We are one of the leading private hospital operators in the UAE, where we operate 3 hospitals with a total bed capacity of 213 beds, and Oman, where we operate 2 hospitals with a total bed capacity of 116 beds as of March 31, 2016. We also operate 1 hospital in Saudi Arabia with a bed capacity of 220 beds as of March 31, 2016.

Driven by the confluence of a rapidly aging population in the GCC states, an increasing incidence of lifestyle related-medical conditions, service gaps in the current healthcare market and the implementation of mandatory health insurance in a number of GCC states, we expect private healthcare services to be a growing sector in the GCC states. For further details, see “*Industry Overview*” on page 113.

We have increased the bed capacity of our GCC hospitals from 401 beds as of March 31, 2013 to 549 beds as of March 31, 2016. For our GCC hospitals, the occupancy rate increased from 62.03% in fiscal 2013 to 63.27% as of March 31, 2016. Our average revenue per occupied bed in the GCC states also increased from ₹93,264 for fiscal 2013 to ₹158,213 for the nine months ended December 31, 2015.

We are in the process of building 4 new hospitals in the UAE and a new hospital in Qatar within the next two years, for a total additional capacity of 440 beds.

Our GCC hospitals offer a wide range of advanced medical care and emergency services, including cardiology, dental, gastroenterology, neurology, obstetrics and gynaecology, orthopaedics, paediatrics, plastic surgery and allied services such as radiology. As at March 31, 2016, our GCC hospitals had 2,770 employees, comprising 364 full time doctors, 1,030 nurses, 209 paramedics, and 1,167 other technical and administrative staff. Our Medcare Hospitals in Dubai and Al Raffah Hospital in Sohar have obtained JCI accreditation and our Sanad Hospital has obtained CBAHI accreditation. Inpatient and outpatient volume at our GCC hospitals measured by patient visits and admissions increased from 607,549 in fiscal 2013 to 925,878 in fiscal 2016, and operational beds similarly increased from 401 to 540 beds, respectively during the same periods. This increase was due to our acquisition of the Sanad Hospital in Riyadh, Saudi Arabia and relocation of an existing maternity and general surgery hospital to a larger multi-specialty hospital.

UAE Hospitals

Medcare Hospital. The Medcare Hospital located in Jumeriah, Dubai commenced operations in fiscal 2007 and has 82 operational beds. It received JCI accreditation within 8 months of being commissioned and offers a wide range of medical and surgical specialties, such as cardiology, gastroenterology, urology, obstetrics and gynaecology, ENT, ophthalmology, paediatrics, general surgery, internal medicine, dental and neurology across both inpatient and outpatient care. In addition, the hospital has a fully equipped emergency department, intensive care unit, neonatal intensive care unit, delivery suites, endoscopy room and day surgery unit. The diagnostic centre features advanced laboratory and imaging equipment like the open MRI, CT scan, mammography, 4D ultrasound and fluoroscopy.

Medcare Orthopaedics and Spine Hospital. The Medcare Orthopaedics and Spine Hospital located in Al Safa, Dubai commenced operations in fiscal 2012 and has 29 operational beds. With comprehensive physiotherapy, rehabilitation and exercise facilities and medical practitioners specialising in orthopaedics, this hospital caters exclusively to patients with orthopaedics, spine, neurology, neurosurgery and sports medicine needs.

Aster Hospital Mankhool. The Aster Hospital Mankhool located in Kuwait Street, Dubai commenced operations in fiscal 2015 and has 93 operational beds. It is a multi-speciality hospital which has been set up with the latest medical and diagnostic technologies. In addition to specialist departments, this hospital also provides routine medical, surgical, obstetrics, paediatric, neonatal, dialysis, endoscopy and emergency care services.

Oman Hospitals

Al Raffah Hospital, Muscat. The Al Raffah Hospital located in Muscat, Oman, commenced operations in fiscal 2009 and has 64 operational beds. It operates under the “Aster” brand offering comprehensive healthcare services and a wide range of medical specialties, including general medicine and surgery, ENT, paediatrics and neonatology, dermatology, ophthalmology, dentistry, gynaecology and obstetrics and specialty services such as cardiology, urology, neurology, plastic surgery, gastroenterology, pulmonology, nephrology, psychiatry and laparoscopic surgery.

Al Raffah Hospital, Sohar. The Al Raffah Hospital located in Sohar, Oman, commenced operations in fiscal 2010 and has 52 operational beds. It is JCI accredited and is a multi-specialty hospital and operates under the “Aster” brand offering

quality healthcare services and a wide range of medical specialties, including cardiology, dental, dermatology, gastroenterology, obstetrics and gynaecology, orthopaedics, paediatrics and radiology.

Saudi Arabia Hospital

Sanad Hospital, Riyadh. We increased our interest in Sanad Hospital to 97% in September 2015. Sanad Hospital is located in Riyadh, Saudi Arabia, and has 220 operational beds. It offers inpatient and outpatient care across a wide range of medical specialties, including general medicine and surgery, ENT, paediatrics, ophthalmology, dental surgery, obstetrics and gynaecology. The hospital is equipped to perform all types of surgical procedures and has a fully equipped complete imaging department, advanced laboratory, internal and out-patient pharmacies, and a physiotherapy department. Sanad Hospital has obtained accreditation from CBAHI which is valid until October 2016.

India Hospitals

We operate 7 multi-specialty hospitals in India to capitalise on the opportunity for growth in the underpenetrated Indian healthcare market and in the fast-growing market for medical value travel in India.

We have increased the bed capacity of our India hospitals from 1,018 beds as of March 31, 2013 to 1,988 beds as of March 31, 2016. Our average revenue per occupied bed increased from ₹8,130 as of fiscal 2013 to ₹18,287 for the nine months ended December 31, 2015. This is also reflected in the total revenues from our India business, which is comprised of primarily hospital operations, which were ₹350.36 million, ₹2,944.11 million, ₹4,279.97 million and ₹4,670.20 million for fiscal 2013, 2014 and 2015 and the nine months ended December 31, 2015, respectively. Further, revenue from clinic operations was ₹9.27 million for the nine months ended December 31, 2015. For the nine months ended December 31, 2015, our India operations accounted for 12.52% of our total revenues from operations.

To meet the increasing demand, we plan to build or expand 4 hospitals in India within the next three years to add a total of over 886 beds.

Aster Medcity

In August 2014, we launched Aster Medcity, a multi-specialty quaternary care hospital in a campus spread across 40 acres of land in Kochi, Kerala, India, to be positioned as a key destination for medical value travel. Aster Medcity has a 670 bed capacity and houses state of the art facilities with a multispecialty hospital and eight specialty centres for cardiac sciences, orthopaedics and rheumatology, neurosciences, nephrology and urology, oncology, gastroenterology and hepatology, women's health, child and adolescent health. Aster Medcity is equipped with advanced technology and equipment, including a complete digital integration system with auto pilot anaesthesia machine and isocentric C arm, the Da Vinci Robot for precision and accuracy in surgical procedures and 256-Slice CT providing the fastest and lowest radiation CT scan, and utilises robotic surgery. Aster Medcity has received the Kerala State Pollution Control Award and the Dhanam Award for NRK Brand of the Year in 2016.

According to CRISIL, India is fast emerging as a major medical tourist destination. India is highly competitive in terms of healthcare costs compared to developed countries, and is a particularly attractive destination for patients from South-East Asia and the MENA region. For further details, see "*Industry Overview - India*" on page 129. Aster Medcity is readily accessible from major cities across India for domestic medical value travellers. We intend to increase our marketing efforts to attract medical value travellers to Aster Medcity and our other hospitals from our targeted markets in the MENA region, especially the GCC states, and India.

Other hospitals in India

In addition to Aster Medcity, we own or operate six multi-specialty hospitals in India, with each offering a wide range of medical services, including cardiology, dental, neurology, obstetrics and gynaecology, oncology, orthopaedics, paediatrics, plastic surgery and radiology. As at March 31, 2016, our 7 multi-specialty hospitals in India had 5,386 employees, comprising 127 doctors, 2,539 nurses, 714 paramedics, and 2,006 other technical and administrative staff. We also had 703 "fee for service" doctors on working across various specialities in our hospitals in India as of March 31, 2016. Many of our hospitals in India have won various awards and recognitions such as JCI, NABH, and NABL. The inpatient and outpatient volume for our hospitals measured in India by patient visits and admissions increased from 88,867 in fiscal 2013 to 1,242,856 in fiscal 2016 and operational beds similarly increased from 908 to 1,436 beds, respectively, over the same period.

In March 2013, we increased our stake from a minority interest to a controlling interest in "MIMS", or Malabar Institute of Medical Sciences Limited, which owns and operates two MIMS branded hospitals in the state of Kerala, India. Subsequently in March and April 2016, we further increased our stake in MIMS to 70.68%.

In May 2014, we acquired maintenance, operation and management rights in Cauvery Medical Center Limited, which operates a hospital (now renamed Aster CMI Hospital, Bengaluru) in Bengaluru. In August 2014, we acquired a controlling interest in Sri Sainatha Multispecialty Hospitals Private Limited, which operates two hospitals under “Prime” brand in Ameerpet and Kukatpally, Hyderabad.

MIMS Kozhikode. The MIMS hospital located in Kozhikode, Kerala, has been operational since fiscal 2002. We increased our stake from a minority interest to a controlling interest in Malabar Institute of Medical Sciences Limited, which operates the MIMS hospital, in 2013. The MIMS Kozhikode hospital has 578 operational beds as of March 31, 2016. We have expansion plans to add a further 200 beds. In 2006, MIMS Kozhikode received NABH accreditation. MIMS Kozhikode offers a wide range of services including cardiology, emergency medicine, endocrinology, ENT, gastroenterology, general medicine, general surgery, reproductive medicine, neonatology, nephrology, neurology, neurosurgery, obstetrics and gynaecology, oncology, paediatrics, plastic surgery and reconstructive surgery. The MIMS Kozhikode hospital has received the Kerala State PCB certificate of merit for “first place among hospitals making substantial and sustained efforts in pollution control” for five years, most recently in 2014 and the Kerala State PCB certificate of excellence for “substantial and sustained efforts in pollution control” in 2013.

MIMS Kottakkal. We increased our stake from a minority interest to a controlling interest in the MIMS hospital located in Kottakkal, Kerala in 2013. The MIMS Kottakkal hospital became operational in fiscal 2010 and has 170 operational beds as of March 31, 2016. It is a tertiary level hospital offering advanced medical technology and medical specialties, including neurosurgery and nuclear medicine. The MIMS Kottakkal hospital has received the Kerala State PCB certificate of merit for “first place among hospitals making substantial and sustained efforts in pollution control” in 2010 and 2011.

Aster Aadhar Hospital. We acquired a controlling stake in Prerana Hospital Limited, which operates the Aster Aadhar Hospital located in Kolhapur, Maharashtra, in 2008. Subsequent to our investment in Prerana Hospital Limited, a new facility was build up which became operational in fiscal 2012 and has 150 operational beds. It offers various specialties including cardiology, neurology, orthopaedics, paediatrics, nephrology, general medicine and gynaecology.

Aster CMI Hospital Bengaluru. The Aster CMI Hospital in Bengaluru, Karnataka has been operated and managed by us since 2014. The Aster CMI Hospital has an area of approximately 450,000 square feet. It has an installed capacity of 73 beds and we plan to increase the bed capacity to 501 beds by fiscal 2018. It offers various specialties such as general medicine, gynaecology, paediatrics, Internal medicine, general surgery and orthopaedics.

Prime Hospitals. Two Prime Hospitals in Hyderabad, Telangana, have been operational since fiscal 2009. We acquired a controlling interest in Sri Sainatha Multi-speciality Hospitals Private Limited, which operates these two hospitals under the Prime brand, in 2014. The hospitals consist of the Ameerpet facility and Kukatpally facility, which have a combined area of 90,000 square feet and 138 operational beds. We have expansion plans to add a further 50 beds to the Ameerpet facility. The hospitals offer various specialties such as cardiology, neurology, orthopaedics, paediatrics, nephrology, general medicine and gynaecology.

DM Wayanad Institute of Medical Sciences. On March 4, 2016 we entered into an operations and management services agreement and a medical services agreement with DMERF in Wayanad, Kerala to provide operation and maintenance services and to provide medical services at the cardiac sciences and neurosciences super speciality centres at the DM WIMS from April 1, 2016. The DM WIMS is multi-speciality hospital and nursing college in Wayanad, Kerala with an installed bed capacity of 535 beds. Under these agreements, we will manage the cardio and neuro sciences super specialties and the general wards at the hospital for a fee payable to us.

Dr. Ramesh Cardiac and Multispeciality Hospital. On March 31, 2016, we acquired a 0.27% stake in Dr. Ramesh Hospitals. Dr. Ramesh Hospitals operates 560 beds across 2 hospitals at Vijaywada, Andhra Pradesh and 1 hospital at Guntoor, Andhra Pradesh. Dr. Ramesh Hospitals are well known for their expertise in cardiac sciences. Subsequently, we increased ownership in Dr. Ramesh Hospitals and as of the date of this Draft Red Herring Prospectus, we own a 29.97% stake in Dr. Ramesh Hospitals. Subject to certain conditions, we intend to increase our stake in Dr Ramesh Hospitals to 51% by July 2016.

Clinics

Our clinics in the GCC states generally function as outpatient medical facilities offering various healthcare services ranging from general medicine to medical specialties such as neurology, dermatology, orthopaedics, cardiology and gastroenterology. We operate a total of 87 clinics as of March 31, 2016, of which 83 clinics are located in the GCC states, 3 clinics are located in India and 1 clinic is located in the Philippines. We believe that our network of 71 clinics in the UAE under our Medcare, Aster and Access brands makes us the largest chain of private primary healthcare provider in the UAE based on number of facilities, as of March 31, 2016.

Under the Aster brand, we operate 7 clinics in Qatar, 4 in Oman and one in each of Bahrain and the Philippines which commenced operations in August 2015. Our clinics range from community clinics with general practitioner doctors providing routine primary care to multi-specialty clinics with specialist doctors. Our clinics generally employ between 6 to 10 doctors and premises are between 4,000 to 6,000 square feet, while our 12 multi-specialty clinics occupy larger premises of more than 10,000 square feet with more than 15 doctors. Many of our clinics also contain allied services such as laboratory and radiology facilities and a dedicated retail pharmacy. Our clinics also provide synergy within our healthcare network, and in patients of our “Medcare” branded hospitals are at times referred from our “Medcare” branded clinics. We believe that the number of referrals will increase once our GCC hospital network is expanded through the commissioning of new hospitals.

The number of our clinics has grown from 41 clinics as of March 31, 2013 to 87 clinics as of March 31, 2016. As at March 31, 2016, our clinics in the GCC states and the Philippines, which comprise 84 out of the 87 clinics, had 3,078 employees, comprising 512 full time doctors, 836 nurses, 354 paramedics and 1,376 other technical and administrative staff. Patient volume at our clinics in the GCC states and the Philippines increased from 1.83 million to 3.80 million patient visits in fiscal 2013 and 2016, respectively.

The total revenues from our clinic business were ₹4,697.96 million, ₹6,795.81 million, ₹9,085.70 million and ₹8,901.53 million for fiscal 2013, 2014, 2015 and the nine months ended December 31, 2015, respectively. Our clinic segment accounted for 23.85% of our total revenue from operations for the nine months ended December 31, 2015. We attribute the growth in revenues from our clinic business to the addition of new facilities by strategic acquisitions and opening of clinics in new locations, the renovation and relocation of clinics to superior locations with larger premises, the strength of our Medcare, Aster and Access brands, regulatory developments such as the implementation of compulsory insurance in the Emirate of Dubai and a favourable mix of services.

Through our various “Medcare”, “Aster” and “Access” brands, our clinics in the GCC states offer differentiated healthcare services to target a wide cross section of economic segments. Our Medcare Medical Centres and Aster Medical Centres address the needs of the upper and middle income segments in the GCC states, while our “Access” brand was launched to offer affordable healthcare services to blue collar expatriate workers. This model has helped us to expand our reach and allowed us to efficiently deploy our resources across our network and increase the quality of care, and we believe we are well placed to capitalize on the expected growth in healthcare expenditure in the GCC states.

Following the lead of Saudi Arabia and the Emirate of Abu Dhabi, the Emirate of Dubai introduced mandatory health insurance for both nationals and residents of Dubai in November 2013, with full implementation expected during 2016. For further details, see “*Industry Overview – GCC States*” on page 113. While we expect mandatory health insurance to be one of the key drivers of each of our business segments in the Emirate of Dubai, going forward, this is particularly the case for clinics operating under our “Aster” and “Access” brands. With respect to our “Medcare” brand, we expect the enhanced health insurance program recently launched by the Government for citizens of Emirate of Dubai to act as one of the key growth drivers.

Our 71 clinics in the UAE consist of 11 multi-specialty Medcare Medical Centres mostly located in Dubai, 46 Aster Medical Centres, most of which are located in the Emirates of Dubai, Abu Dhabi and Sharjah, and 14 Access Clinics, most of which are located in the Emirates of Dubai and Sharjah.

We operate 7 Aster Clinics in Qatar, which are mostly located in Doha, the capital of Qatar. We operate 4 Aster Clinics in Oman, which are located in Muscat, Sohar, Liwa and Seeb. Our Aster Clinic in Bahrain, located in Manama, became operational in August 2015, and our Aster Clinic in Philippines located in Pasig City became operational in November 2015.

We operate 3 clinics in India, including a dialysis clinic and a general clinic in Kozhikode. We also operate a general clinic in Bengaluru in the proximity of our Aster CMI Hospital.

Retail Pharmacies

We operate a total of 180 retail pharmacies as of March 31, 2016, all of which are located in the GCC states. According to the Frost & Sullivan Report, we were the largest retail pharmacy chain in the UAE in 2014 by number of outlets. As of March 31, 2016, we operate 147, 11, 12, 6 and 4 Aster-branded retail pharmacies in the UAE, Kuwait, Jordan, Qatar and Oman, respectively. The number of our retail pharmacies has grown steadily from 98 retail pharmacies as of March 31, 2013 to 180 retail pharmacies as of March 31, 2016. Our retail pharmacy business outside India employed 733 licensed pharmacists as of March 31, 2016. We do not classify pharmacies which are located in our hospitals as part of our retail pharmacy business. Our pharmacies in India are integrated with our hospitals and clinics, and cater to all our patients. We do not operate retail pharmacies in Saudi Arabia or the Philippines.

The total revenues from our retail pharmacy business were ₹5,654.76 million, ₹8,096.72 million, ₹10,646.46 million and ₹9,374.50 million for fiscal 2013, 2014 and 2015 and the nine months ended December 31, 2015 respectively. Our retail pharmacy segment accounted for 25.12% of our total revenues from operations for the nine months ended December 31, 2015. We attribute the growth in revenues from our retail pharmacy business to strategic acquisitions of new retail pharmacies and the opening of retail pharmacies in new locations, the renovation and relocation of existing retail pharmacies, the strength of the Aster brand, regulatory developments such as the implementation of compulsory insurance in Qatar, Saudi Arabia and the Emirates of Abu Dhabi, Sharjah and Dubai and a favourable product mix.

Each of our retail pharmacies offer branded and generic prescription drugs and over-the-counter medication as well as a range of nutritional, lifestyle and beauty products. In 2014, we commenced distribution of a number of products, including over-the-counter medicine, cosmetics and vitamin supplements, for which we have been granted exclusive distribution rights for the UAE by the supplier, for sale at our retail pharmacies. A number of our retail pharmacies are open 24 hours a day and offer services such as home delivery.

UAE

As of March 31, 2016, we operated 114 standalone retail pharmacies including retail pharmacies located nearby to each of our clinics and one central store, and 33 retail pharmacies located in shopping malls in the UAE.

In the UAE, both wholesale and retail prices of prescription drugs are regulated by the Government, and virtually all prescription drugs, over-the-counter medical and other products sold in retail pharmacies are imported.

Rest of GCC

As of March 31, 2016, we operated 10 retail pharmacies and one central store in Kuwait which we acquired in 2014, and 12 retail pharmacies in Jordan, including one central store, which we acquired in 2014. We also operate 6 retail pharmacies in Qatar and 4 in Oman which are located within our clinics.

Integrated Platform

As part of our strategy to improve administrative operational efficiencies, we have centralised certain functions used across our healthcare network, including finance, sourcing and distribution, branding and marketing and other common back-end applications. We have fully integrated our information technology platform systems for our retail pharmacy operations in the UAE and are in the process of centralising our information technology platform systems for our other operations. The remaining functions are decentralised across the individual facilities, with clinical and operational responsibility left with the respective hospital management teams. We believe that this vertical business model provides us with an efficient and scalable model that will facilitate future organic expansion and enable the effective and efficient incorporation of any acquired facilities.

We intend to focus on certain key areas to improve our clinical and administrative operating efficiencies and profitability, including improving efficiencies at our hospitals, clinics and retail pharmacies through greater integration across our network; improving employee productivity by emphasising employee training and implementing performance incentives; investing in the latest medical technology and attracting skilled doctors and monitoring of performance; and benchmarking and assessing internal practices against internal and international best practice targets.

We are also in the process of implementing a centralised software and integrated technology platform which enables us to streamline our processes, increase efficiency and capitalise on referrals between our facilities.

Our IT infrastructure system allows us to maintain electronic patient records and also assists us with monitoring and coordinating procurement, stocking, billing, staffing and patient treatments. Our integrated system simplifies scheduling and billing for our patients and doctors, improves our inventory management and results in efficiencies across our operations.

We are in the process of upgrading our IT systems and are centralising our core IT systems with Oracle e-commerce suite at the backend. The Miracle front end hospital information system interfaces are at advanced stage of implementation at Aster Medcity Kochi, Aster CMI Bangalore and Aster Hospital Mankhool. We have implemented Microsoft Dynamics CRM solution at our pharmacies in Dubai. We strive to maintain our information technology and cooling systems as best in class.

Suppliers

We seek to maintain high service standards by sourcing most of our medical and non-medical supplies and equipment from international suppliers with reputations for high quality products. Our hospitals, clinics and retail pharmacies procure medical equipment, instruments, medical consumables and disposable products manufactured by international companies and multinational conglomerates from a wide range of agents and distributors. Our suppliers are selected based on consumer

demand, quality, price, profitability and cost effectiveness, company history, service levels and delivery capability, and the purchasing committee reviews and we accord approval for such purchase in consultation with the relevant medical departments. Purchasing for medical equipment and instruments is conducted centrally by our central procurement committee and distributed to our facilities in both the GCC states and India, while medical consumables and disposable products are purchased on a centralized basis by each vertical within the region. Products are supplied to us by a range of companies and we are not dependent on any particular supplier. The supplies of most medicines and consumables are obtained locally and provided by registered agents representing major pharmaceutical companies. In 2014, we commenced distribution of a number of products, including over-the-counter medicine, cosmetics and vitamin supplements, for which we have been granted exclusive distribution rights for the UAE by the supplier, for sale at our retail pharmacies. We seek to manage supply risks by maintaining adequate inventories and building strong relationships directly with our suppliers.

While we purchase most medical equipment, certain laboratory equipment is provided to us on the reagent rental model which is common in the healthcare industry. Under this model, the vendor installs laboratory equipment in our facilities at the vendor's cost and we are required to purchase a certain quantity or reagents.

With our large network of operations, we believe we are able to negotiate with many of these suppliers for favourable terms. In addition, to minimize costs and leverage our economies of scale, we intend to focus on standardizing the type of medical and other consumables used across our network, optimizing procurement costs, consolidating our suppliers and optimizing the use of medical consumables by establishing guidelines for medical procedures across our network.

Relationships with Customers and Insurers and Payment Arrangements

The majority of patients at our Indian operations are cash-paying, whilst the majority of patients at our GCC states operations are credit-paying. Credit patients who are covered either by health insurance or by corporate medical packages have formed an increasing percentage of our revenue over the past few years. For fiscal 2014, 2015 and the nine months ended December 31, 2015, the revenue from credit patients accounted for 55.88%, 53.77% and 59.71% respectively. In these cases, we recover the service charges directly from the insurance companies or companies with whom we have pre-agreed arrangements. The terms of contracts with insurance companies are generally standardised, and cover matters such as pricing, payment terms, method of prior approval and termination.

Our hospitals, clinics and retail pharmacies are affiliated with major national and international insurance companies and have direct billing links with the insurance companies. We enter into contracts with insurance companies on both a long-term basis and a short-term basis in relation to specific procedures, such as employee medical exams or immunisations. For long-term contracts, invoices are generated monthly. Contracts for specific procedures are invoiced immediately after the service is provided or when the patient is discharged. Payment is made by the insurance companies by cheque or bank transfer. Payment terms range between 60 and 120 days, depending upon the terms of the contract. For the nine months ended December 31, 2015, 24% of our total revenue was generated from five insurance companies.

We also receive cash payments directly from individuals. Such payments are mainly dependent upon the patient's insurance policy, which often stipulates a high excess or sets limits on the amounts that an insurance company will reimburse for particular procedures. In addition, a small proportion of income received from individuals relates to non-insurance customers who settle amounts owed entirely in cash. Cash payments are made by an individual immediately following treatment or after an invoice is sent to him. Since the introduction of mandatory insurance and wider use of health insurance in various GCC states, the ratio of cash patients to credit patients has dropped significantly.

Our business is dependent upon our providing high quality healthcare, which is measured by reference to factors such as quality of medical care, doctor expertise, friendliness of staff, waiting times and ease of access to our doctors. As such, we established our customer relationship management department in 2009 to improve our communication and relationship with our patients. We solicit after-service patient feedback to determine areas for improvement through various medium, including feedback forms available at our facilities, our websites, social media, dedicated customer helpline, SMS, emails and in-person interviews. We have established a 24/7 toll-free centralized call centre supporting our "Aster" branded operations in the UAE, as well as a ticketing system to enable our patients to provide feedback.

Corporate Functions

Our corporate functions across our healthcare network include our strategy and corporate affairs, information technology team, legal and finance teams. Our strategy and corporate affairs team is responsible for reviewing and adopting strategic plans, identifying acquisition opportunities in existing and new geographies and exploring new business brands and models. The team is involved in the entire process from concept design to development and execution. We have a centralized information technology team which is current working on centralizing our information technology platform and systems. See "*Integrated Platform*". Our legal team is also centralized across our GCC operations and ensures compliance with various regulations, licensing requirements and liaising with government departments. Our finance department is responsible for coordinating the Group's finances for reporting purposes and manages the Group's treasury functions.

Risk Management and Internal Controls

We have a comprehensive risk management system covering various aspects of our business, including operational, legal, treasury, regulatory and financial reporting. Our Board reviews the probability of risk events that may adversely affect the operations and profitability of our business and suggest suitable measures to mitigate such risks. The executive management team reports to the Board and suggests suitable measures to mitigate such risks.

Risk Management Framework

Our risk management framework is a combination of formally documented policies in certain areas and an informal approach to risk management in others. Monitoring and identification of risks is carried out at regular intervals with the aim of improving the processes and procedures involved and to set appropriate risk limits and controls. After risks have been identified, risk mitigation and solutions are defined, so as to bring the risk exposure levels in-line with the risk appetite. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and our business activities.

Internal control systems

We have an established internal control system tailored for managing our multiple business verticals to optimize the use and protection of assets, facilitate accurate and timely compilation of financial statements and management reports, and ensure compliance with statutory laws, regulations and company policies. We have also appointed an external auditor to conduct internal audits within the group for inventory management, fixed assets, human resources, payroll and statutory compliances.

Competition

We define our competitive environment by identifying specific providers that compete directly with us in healthcare service offerings and by geographic proximity. Our principal competitors with hospitals and clinics in multiple GCC states are Sulaiman Al-Habib Medical Group, Elaj Group, Al Noor Hospitals, Saudi German Hospitals Group, NMC Healthcare, VPS Healthcare, Mouwasat Medical Services Company and Dallah Healthcare Holding Company. Our principal competitors with pharmacies in the GCC states are international pharmacy chains such as Planet Pharmacy, Boots Pharmacy and Al-Nahdi Medical Company among others, and regional and national pharmacy chains such as Life Pharmacy, Medseven Pharmacy, Al-Dawaa Medical Company, Alpha Med Group and Supercare Pharmacy among others, as well as standalone individually operated pharmacies.

Our principal competitors in India include international and national players with multiple facilities, such as Apollo Hospitals, Fortis Healthcare, Narayana Health and All India Institute of Medical Sciences, as well as regional or standalone hospitals.

We believe that a healthcare provider's competitive advantage to attract and retain patients, as well as referrals by external doctors, is based on many factors, including number and quality of medical professionals, reputation, range of healthcare services offered, technology, facilities, equipment quality and efficiency of care, brand recognition, success rate of procedures, pricing and geographical convenience and accessibility. See "*Risk Factors – We face competition from other hospitals and healthcare providers, which may result in a decline in our revenues, profitability and market share.*" on page 29.

We believe our unique position as one of the leading healthcare services providers in the GCC states and an emerging healthcare player in India, commitment to clinical excellence, investment in advanced technology innovation and equipment, brand value, emphasis on professional development and training, strong relationships with doctors and other medical professionals, and an experienced and professional management team with their domain expertise and long-term execution track record differentiates us and provides us with a competitive edge in the healthcare services industry.

Employees and Recruitment

As of March 31, 2014 and 2015 and 2016, we had 7,276, 10,852 and 13,477 employees and fee for service doctors, respectively, as follows:

Employees	As of 31 March		
	2014	2015	2016
Doctors ⁽¹⁾	947	1,469	1,706
Nurses	2,492	3,566	4,406
Paramedics	723	966	1,285
Executives, administration and others	3,114	4,851	6,080
Total	7,276	10,852	13,477

⁽¹⁾ Includes “fee for service” doctors working in our hospitals

Employee benefits expense and compensation

Our compensation structure comprises of a monthly salary, performance based compensation and annual bonus, and remuneration is negotiated based on an individual basis within a framework of pre-set criteria, depending on the specific job category in which the employee works. Our employees serve on a full-time fixed salary contract basis. Employee benefits expense and professional fees paid to doctors forms the largest component of our direct expenses and comprised 35.51%, 34.94%, 36.19% and 38.73% of our total revenues for fiscal 2013, 2014 and 2015 and for the nine months ended December 31, 2015, respectively. Compensation for an individual doctor or a medical professional can vary quite substantially based on seniority, specialty, reputation and work experience. Annual increments of compensation are tied to multiple assessment factors including number of patients treated, patient satisfaction, patient complaints and quality of medical care delivered.

We have introduced an employee stock option plan in order to incentivise selected eligible employees and align their interests with those of shareholders by permitting them to acquire Equity Shares subject to the terms and conditions of such stock option plans. See “*Capital Structure*” on page “82”.

We expect employee salaries and fees for doctors to increase in the future, as a result of upward pressure on wages for healthcare professionals, especially doctors and nurses. We monitor and regulate this expense carefully to ensure that capacity utilisation and productivity are maintained at the desired levels.

While most of our doctors working in our GCC facilities are employed under a full time contract, some are engaged on a part-time basis. The contracts are for a term of two years and compensation is a combination of a fixed salary and revenue sharing model. Doctors working in our hospitals in India include doctors on our employee payroll and doctors contracted as consultants on a fee for service basis.

Employee retention

We attach critical importance to the retention of doctors and other staff at all levels, and we attempt to enhance performance through initiatives such as performance linked to rewards, a transparent and consultative review process and building a high performance work system through self-managed teams. We believe that we have been able to control attrition rates by conducting employee surveys and instituting feedback processes to assess areas of improvement, implementing competitive compensation and benefit schemes and developing appropriate training and skill enhancement programmes. Our attrition rate for doctors in our GCC operations was 3.6%, 2.7% and 3.1% for fiscal 2014, 2015 and 2016, respectively.

Recruitment and development

Our work force is multinational and includes employees from over 25 countries. Our medical professionals are candidates recommended by external agencies or through internal channels, and are selected through a recruitment process based on criteria such as educational background, clinical experience, research work and professional traits. We attach a high priority to employee development through ongoing training programmes, seminars and workshops in order to upgrade their skills, including periodic professional development programmes designed to keep up with advances in medicine, and other programmes for career planning, mentoring, and employee, management and leadership development.

In April 2012, MIMS Kozhikode experienced work stoppage for four days as a result of a nurses’ strike. Apart from this, we have not experienced any other labour disruptions in the past five years and do not have any other unionized employees.

Corporate Social Responsibility

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.

In India, our MIMS hospital provides subsidized dialysis to patients in need of treatment, and the MIMS Charitable Trust operates a rural health centre.

In the GCC states, we have contributed AED 10 million to Al Jalila Foundation, a global philanthropic organisation dedicated to transforming lives through medical education and treatment. This contribution will help Al Jalila Foundation develop cutting-edge medical research to benefit the future health of the UAE on an ongoing basis. Through its medical investments, Al Jalila Foundation aims to nurture a future generation of highly-qualified medical professionals through postgraduate scholarships, research seed grants and international fellowships.

Insurance

We maintain insurance policies customary for our industry to cover certain risks, including general liability insurance policies covering fire and other natural and accidental risks at our facilities, money insurance, personal accident, lift insurance (third party liability), public liability, workers' compensation and vehicle risks. To the extent described in the following paragraph, we also maintain medical malpractice insurance for our medical staff and facilities, directors' and officers' insurance policy, group medical and accident insurance policies for employees and dependents.

We are subject to lawsuits, claims and legal actions by patients in the ordinary course of business, for further details refer to section “*Outstanding Litigation and Material Developments*” on page 428. Accordingly, we maintain professional liability and malpractice insurance for our UAE and India operations. These insurance covers extend to our corporate entities as well as all of our medical staff who provide medical care services. We also maintain professional liability and malpractice insurance in the other GCC states other than Kuwait and Jordan, where we are in the process of obtaining such insurance, and Saudi Arabia where physicians and dentists and not their employers are responsible for obtaining such insurance and healthcare providers are liable only to the extent that such insurance is not in place or inadequate.

Health, Safety and Environmental

We are subject to extensive health, safety and environmental laws, regulations and government-prescribed operating procedures and environmental technical guidelines which govern our services, processes and facilities. See “*Regulations and Policies*” on page 153. In compliance with these requirements, we have adopted a number of policies to address, among others, the generation, handling, storage, transportation, treatment and disposal of toxic or hazardous bio-medical materials and waste, waste water discharges and workplace conditions.

Properties

We own the premises of our registered and corporate office in India, which is located at IX/ 475L, Aster Medcity, Kuttisahib Road, Near Kothad Bridge, South Chittoor P.O., Cheranallloor - 682 027, Ernakulam, Kerala, India. All of the buildings and land for our hospitals are leased under long-term leases ranging from 10 to 24 years as of March 31, 2016 except for the hospitals in the following table.

Sl. No.	Hospital	Name of entity	Location	Land – Owned / Leased	Building – Owned / Leased	Lease Expiry (Year)	Mortgaged to Lenders
1	Aster Medcity	Aster DM Healthcare Limited	Kochi, Kerala, India	Owned	Owned	N/A	Yes
2	MIMS Kozhikode	Malabar Institute of Medical Science Limited	Kozhikode, Kerala, India	Owned	Owned	NA	Yes
3	MIMS Kottakkal	Malabar Institute of Medical Science Limited	Kottakkal, Kerala, India	Owned	Owned	NA	Yes
4	Aster Aadhar Hospital	Prerana Hospital Limited	Kolhapur, Maharashtra, India	Owned	Owned	NA	Yes
6	Sanad Hospital	Sanad Al Rahma	Riyadh, Saudi Arabia	Owned	Owned	NA	NA
8	Aster Hospital Mankhool	Aster Hospital (branch of Aster DM Healthcare FZC)	Kuwait Street, Dubai	Leased	Leased	2040	NA

All of our clinics and standalone retail pharmacies are on leased premises, with lease terms ranging from one to three years for retail pharmacies and from one to five years for clinics. We believe that our existing properties are adequate for our current requirements and plans to expand our facilities and that additional space can be obtained on commercially reasonable terms to meet our future requirements as they arise.

Intellectual Property

We have registered the “Aster”, “Aster Hospital”, “Aster Medical Centre”, “Aster Pharmacy”, “Access Clinic”, “Access Pharmacy” and “Medcare”, names and logos as trademarks in the GCC states and the “MIMS” name and logo in India. We have applied for registration of the “Aster” and “Aster Medcity” name and logo as trademarks in India. We are yet to receive registration or final approval for use of some of our trademarks from the respective trademarks authorities. For further details, see “*Risk Factors*” on page 17.

Technology and innovation

We have invested in technology to support our healthcare staff in delivering high quality clinical outcomes. Some of our technologies include India's first hybrid biplane vascular cathlab and Kerala's first clarity cathlab, Karlstorz OR1 Fusion Technology, Philips Ingenia 3.0 T, Philips ICT 256 Slice, Philips Allura XPER FD 20, Philips TruFlight Select PET/CT, GE SPECT-CT OPTIMA NM640 gamma camera, DA VINCI: 3000SERIES, Flat Panel Biplane Hybrid Cath Lab, and True Beam Machine for Teletherapy.

We also partner with leading industry participants for various training needs and patient centric projects. Our Subsidiary, MIMS has partnered with the George Washington University to conduct to conduct a post-graduate certificate program for ‘Masters in Emergency Medicine – International’. Aster Medcity associated with Asian-Australasian Society of Neurological Surgeons and Cochin Neurological Society to conduct a two day educational course aimed at training of over 200 young neurosurgeons. We are able to provide advanced treatment procedures and perform complex surgeries such as cardio thoracic surgeries, neuro and nephron surgeries and orthopaedic surgeries with the help of sophisticated medical equipment. We track technological innovations and medical developments across the world and seek to equip ourselves with the latest technology available in the industry.

REGULATIONS AND POLICIES

Given below is a summary of certain relevant laws and regulations applicable to our Company and our Subsidiaries. The information in this chapter has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and is not exhaustive and shall not be treated as a substitute for professional legal advice. The statements below are based on the current provisions of applicable law, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.

We operate in multiple segments, including hospitals, clinics and retail pharmacies and provide healthcare services to patients in several GCC states and in India.

For further details, see the section “Our Business” on page 134.

Under the provisions of various Central Government and State Government statutes and legislations, our Company and our Subsidiaries are required to obtain and regularly renew certain licenses or registrations and to seek statutory permissions to conduct our business and operations.

Key regulations applicable to the healthcare sector in India

Drugs (Prices Control) Order, 2013 (“DPCO”)

The DPCO has been passed by the Central Government in pursuance of section 3 of the Essential Commodities Act, 1955. The DPCO, *inter alia*, provides that the Central Government may issue directions under specified circumstances to the manufacturers of active pharmaceutical ingredients or bulk drugs or formulations to increase production or sell such active pharmaceutical ingredient or bulk drug to such manufacturer of formulations and direct the formulators to sell the formulations to institutions, hospitals or any agency. The DPCO also sets out procedures for fixing the ceiling price of scheduled formulations of specified strengths or dosages, retail price of new drug for existing manufacturers of scheduled formulations, method of implementation of prices fixed by government and penalties for contravention of its provisions. The Central Government can also notify the ceiling price for drugs and recover dues accrued under the earlier Drugs (Prices Control) Order, 1979 from the relevant manufacturer, importer or distributor and such amounts are required to be deposited in the drugs prices equalization account. The DPCO prescribes certain instances in which case the provisions of the DPCO will not be applicable. These provisions are applicable to all scheduled formulations irrespective of whether they are imported or patented, unless they are exempted. The DPCO has been recently amended on March 9, 2015 and May 8, 2015 to amend the definitions of ‘non-scheduled formulation’ and ‘manufacturer’, respectively. The DPCO has been amended on March 22, 2016 to amend provisions in relation to ceiling or retail price of injections, inhalations or other medicines, the dosage form and/or strength of which is not mentioned in the list of scheduled formulations.

Drugs and Cosmetics Act, 1940 (“DCA”)

In order to maintain high standards of medical treatment, the DCA regulates the import, manufacture, distribution and sale of drugs and cosmetics and prohibits the manufacture and sale of certain drugs and cosmetics which are, *inter alia*, misbranded, adulterated, spurious or harmful. The DCA specifies the requirement of a license for the manufacture, sale or distribution of any drug or cosmetic. It further mandates that every person holding a license must keep and maintain such records, registers and other documents as may be prescribed which may be subject to inspection by the relevant authorities. We are also subject to the licensing and safety requirements for operating a blood bank in terms of the guidelines for blood banks under the Drugs and Cosmetics Rules, 1945, as amended.

Pre-Conception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 (“PNDT Act”)

The PNDT Act prohibits sex selection, regulates the use of pre-natal diagnostic techniques by restricting their usage for the purposes of detecting genetic or metabolic disorders or chromosomal abnormalities or certain congenital malformations or sex-linked disorders and seeks to prevent the misuse of such techniques for the purposes of pre-natal sex determination leading to female feticide, and, for matters connected therewith or incidental thereto. The PNDT Act makes it mandatory for all genetic counselling centers, genetic clinics, genetic laboratories and all persons and facilities utilizing pre-natal diagnostic techniques, such as ultrasound machines, to register with their respective appropriate authorities failing which penal actions could be taken against them.

Medical Termination of Pregnancy Act, 1971 (“MTP Act”)

The MTP Act regulates the termination of pregnancies by registered medical practitioners and matters connected therewith. It stipulates that abortion can be carried out only in certain specified circumstances by a registered medical practitioner who has the necessary qualification, training and experience in performing medical termination of pregnancy and only at a place which has facilities that meet the standards specified in the rules and regulations issued under the MTP Act. Under the MTP Act, private hospitals and clinics need government approval and authorization (certification) to provide medical termination of pregnancy services. Under the rules framed pursuant to the MTP Act, private hospitals and clinics can receive their

certification only if the government is satisfied that termination of pregnancies will be done under safe and hygienic conditions, and the clinic has the requisite infrastructure and instruments in place.

Transplantation of Human Organs and Tissues Act, 1994 (“Transplantation of Organs Act”)

The Transplantation of Organs Act provides for the regulation of removal, storage and transplantation of human organs and tissues for therapeutic purposes and for the prevention of commercial dealings in human organs, tissues and matters incidental thereto. It prohibits the removal of any human organ except in situations provided therein, and no hospital can provide services specified therein unless such hospital is duly registered under the provisions of the Transplantation of Organs Act.

The Explosives Act, 1884 (“Explosives Act”)

The Explosives Act regulates the manufacture, possession, use, sale, transport, import and export of explosives and empowers the Central Government to make rules for the regulation and prohibition of these activities in relation to any specified class of explosives. Persons lawfully involved in these activities are required to obtain a license from the appropriate authority in terms of the provisions of the Explosives Act.

The Indian Boilers Act, 1923 (“Boilers Act”)

The Boilers Act pertains to regulation of possession of steam-boilers. Every person owning a boiler has to register it with specifications concerning its capacity, design etc. The Boilers Act further provides for the conditions precedent for setting up of boilers, inspection procedure and reporting requirements, and prescribes penalties for the illegal or improper usage of boilers.

Narcotic Drugs and Psychotropic Substances Act, 1985 (“Narcotic Act”)

The Narcotic Act sets out the statutory framework for drug law enforcement in India. It prohibits, *inter alia*, the cultivation, production, manufacture, possession, sale, purchase, transportation, warehousing, consumption, inter-state movement, transshipment and import and export of narcotic drugs and psychotropic substances, except for medical or scientific purposes. It also controls and regulates selected chemicals which can be used in the illicit manufacture of narcotic drugs and psychotropic substances. Offences under the Narcotic Act are essentially related to violations of the various prohibitions imposed under it, punishable by both imprisonment and monetary fines. The Narcotic Act was amended in 1989 to mandate death penalty for second offences relating to contraventions involving more than certain quantities of specified narcotic drugs and psychotropic substances. Subsequently, the Narcotic Act was amended in 2014 to remove restrictions on certain drugs called ‘essential narcotic drugs’ and to improve treatment and care for people dependent on drugs.

Atomic Energy Act, 1962 (“Atomic Energy Act”) and Atomic Energy (Radiation Protection) Rules, 2004 (“Radiation Rules”)

The Atomic Energy Act, *inter alia*, mandates that no minerals, concentrates and other materials which contain prescribed substances be disposed of without the previous permission in writing of the Central Government. Further, the Atomic Energy Act provides that the Central Government may require a person to make periodical and other returns or such statements accompanied by plans, drawings and other documents as regards any prescribed substance in the Atomic Energy Act that can be a source of atomic energy and further states that the Central Government may prohibit among other things the acquisition, production, possession, use, disposal, export or import of any prescribed equipment or substance except under a license granted by it to that effect.

Pursuant to the provisions of the Atomic Energy Act, the Central Government has framed the Radiation Rules, which apply to practices adopted and interventions applied with respect to radiation sources. The Radiation Rules prescribe guidelines such as license for carrying out activities relating to radiation, specifies procedure for obtaining licenses, exemptions, etc. and requirements for radiation surveillance, health surveillance etc.

The Radiation Rules provide that all persons handling radioactive material need to obtain a license from a competent authority. It stipulates that no person is to use any radioactive material for any purpose, in any location and in any quantity, other than in a manner otherwise specified in the license and that every employer must designate a “Radiological Safety Officer” and maintain records with respect to every such radiation worker in the manner prescribed in the Radiation Rules.

Radiation Surveillance Procedures for Medical Application of Radiation, 1989 (“Radiation Surveillance Procedures”)

In terms of the Radiation Surveillance Procedures, employers have to ensure that all procedures and operations involving radiation installations, radiation equipment and radioactive materials are performed in conjunction with a pre planned surveillance programme approved by the competent authority so as to ensure adequate protection. The Radiation Surveillance Procedures also provide for licensing of radioactive equipment and maintenance of records.

The Safety Code for Medical Diagnostic X-Ray Equipment and Installations, 2001 (“X-Ray Safety Code”)

The X-Ray Safety Code elaborates the safety requirements contained in the Atomic Energy Act, the Radiation Rules, and the Radiation Surveillance Procedures relevant to medical diagnostic X-Ray equipment, their installations and use. Guidance and practical aspects on implementing the requirements of the X-Ray Safety Code are also provided in various guides issued under the X-Ray Safety Code.

Legal Metrology Act, 2009 (“Legal Metrology Act”)

The Legal Metrology Act has repealed and replaced the Standards of Weights and Measures Act, 1976 and the Standards of Weights and Measures (Enforcement) Act, 1985. The Legal Metrology Act seeks to establish and enforce standards of weights and measures, regulate trade and commerce in weights, measures and other goods which are sold or distributed by weight, measure or number and for matters connected therewith or incidental thereto.

Registration of private medical establishments

We are subject to the registration requirements and standards for maintaining a private medical establishment enacted by the state governments of the states where we own, maintain or operate establishments. Therefore, we are subject to the provisions of the Karnataka Private Medical Establishments Act, 2007, the Andhra Pradesh Allopathic Private Medical Care Establishments (Registration and Regulation) Act, 2002 and the Maharashtra Nursing Homes Registration Act, 1949. Further, in Kerala, we are also subject to the provisions of Kerala Panchayat Raj Act, 1994 and Kerala Panchayat Raj (Registration of Private Hospitals and Paramedical Establishments) Rules, 1997.

Indian Medical Council Act, 1956 (“IMCA”)

The IMCA was enacted to register, establish and regulate the working of a medical college or a hospital/ health centre where a person undergoes medical training. Under the IMCA, state medical councils are required to maintain a medical register regulating the registration of practitioners of medicine.

Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002

The Indian Medical Council (Professional Conduct, Etiquette and Ethics) Regulations, 2002 have been framed under the IMCA, to regulate the professional conduct, etiquette and ethics of registered medical practitioners.

Indian Nursing Council Act, 1947

The Indian Nursing Council Act, 1947 was enacted with the intention of establishing a uniform standard of training of nurses and also deals with state councils to register nurses in the state registers.

Environment Regulations

We are subject to various environment regulations as the operation of our establishments might have an impact on the environment in which they are situated. The basic purpose of the statutes given below is to control, abate and prevent pollution. In order to achieve these objectives, Pollution Control Boards (“PCBs”), which are vested with diverse powers to deal with water and air pollution, have been set up in each state. The PCBs are responsible for setting the standards for maintenance of clean air and water, directing the installation of pollution control devices in industries and undertaking inspection to ensure that industries are functioning in compliance with the standards prescribed. These authorities also have the power of search, seizure and investigation. All industries are required to obtain consent orders from the PCBs, which are indicative of the fact that the industry in question is functioning in compliance with the pollution control norms. These consent orders are required to be kept renewed.

Water (Prevention and Control of Pollution) Act, 1974 (“Water Act”)

The Water Act prohibits the use of any stream or well for the disposal of polluting matter, in violation of the standards set down by the State Pollution Control Board (“State PCB”). The Water Act also provides that the consent of the State PCB must be obtained prior to opening of any new outlets or discharges, which are likely to discharge sewage or effluent.

Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)

The Air Act requires that any individual, industry or institution responsible for emitting smoke or gases by way of use as fuel or chemical reactions must apply in a prescribed form and obtain consent from the State PCB prior to commencing any activity. The consent may contain conditions relating to specifications of pollution control equipment to be installed. Within a period of four months after the receipt of the application for consent the State PCB shall, by order in writing and for reasons to be recorded in the order, grant the consent applied for subject to such conditions and for such period as may be specified in the order, or refuse consent.

Environment Protection Act, 1986 (“EPA”)

The EPA has been enacted with an objective of protection and improvement of the environment and for matters connected therewith. As per this Act, the Central Government has been given the power to take all such measures for the purpose of protecting and improving the quality of the environment and to prevent environmental pollution. Further, the Central Government has been given the power to give directions in writing to any person or officer or any authority for any of the purposes of the Act, including the power to direct the closure, prohibition or regulation of any industry, operation or process.

Bio-Medical Waste Management Rules, 2016 (“BMW Rules”)

The BMW Rules apply to all persons who generate, collect, receive, store, transport, treat, dispose or handle bio-medical waste in any form including, *inter-alia* hospitals, nursing homes and clinics. The BMW Rules mandate every occupier of an institution and premises generating bio-medical waste to, *inter-alia*, take steps to ensure that such waste is handled without any adverse effect to human health and environment and to set up bio –medical waste treatment facilities as prescribed under the BMW Rules, including pre-treating laboratory and microbiological waste, and providing training to health care workers and others involved in handling bio-medical waste. The BMW Rules further require such persons to apply to the prescribed authority for grant of authorization and submit an annual report to the prescribed authority and also to maintain records related to the generation, collection, storage, transportation, treatment, disposal, and/ or any form of handling of bio-medical waste in accordance with the BMW Rules and the guidelines issued thereunder.

Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 (“Hazardous Waste Rules”)

The Hazardous Waste Rules define the term “hazardous waste” and any person who has control over the affairs of a factory or premises or any person in possession of the hazardous or other waste is classified as an “occupier”. In terms of the Hazardous Waste Rules, occupiers have been, *inter alia*, made responsible for safe and environmentally sound handling of hazardous wastes generated in their establishments and are required to obtain license/ authorisation from the respective State PCB for generation, processing, treatment, package, storage, transportation, use, collection, destruction, conversion, offering for sale, transfer or similar activities in relation to hazardous waste. The Hazardous Waste Rules also prescribe the hierarchy in the sequence of priority of prevention, minimization, reuse, recycling, recovery and co-processing. Further, State PCBs are mandated to prepare an inventory of the waste generated, waste recycled, recovered and utilized including co-processed, re-exported and disposed, based on annual returns received from occupiers and operators, and submit it to the Central Pollution Control Board on an annual basis.

Batteries (Management and Handling) Rules, 2001 (“Batteries Rules”)

The Batteries Rules have been notified by the Central Government under sections 6, 8 and 25 of the EPA and are applicable to every manufacturer, importer, re-conditioner, assembler, dealer, recycler, auctioneer, consumer and bulk consumer involved in manufacture, processing, sale, purchase and use of batteries or components thereof. The Batteries Rules, *inter alia*, list out the registration requirements and responsibilities of manufacturers, importers, assemblers, re-conditioners and dealers. The Batteries Rules have been amended pursuant to the Batteries (Management and Handling) Amendment Rules, 2010 to provide greater clarity in the definition of bulk consumers and to enable State PCB to monitor compliance with the Batteries Rules more efficiently.

Water (Prevention & Control of Pollution) Cess Act, 1977 (“Water Cess Act”) and Water (Prevention & Control of Pollution) Cess Rules, 1978 (“Water Cess Rules”)

The Water Cess Act has been enacted to provide for the levy and collection of a cess on water consumed by persons carrying on certain industries and by local authorities, with a view to augment the resources of the central and State PCB for the prevention and control of water pollution constituted under the Water Act. The Water Cess Rules have been notified under section 17 of the Water Cess Act and provide, *inter alia*, for the standards of the meters and places where they are to be affixed and the furnishing of returns by consumers.

Fire prevention and life safety measures

We are subject to the fire control and safety rules and regulations framed by the state governments of Maharashtra under Maharashtra Fire Prevention and Life Safety Measures Act, 2006, Karnataka under Karnataka Fire Force Act, 1964, Kerala under Kerala Fire Force Act, 1962 and Andhra Pradesh under Andhra Pradesh Fire Service Act, 1999, where we own, operate and maintain establishments.

Service Tax

Service tax is chargeable under section 66B of the Finance Act, 1994 on any activity that is carried out by a person for another person for a consideration. However, the Central Government in exercise of the powers conferred on it by section 93 of the Finance Act, 1994 has exempted certain activities from the payment of service tax vide a notification bearing No. 25/2012-Service Tax dated June 20, 2012. One of the exempted services is the health care services provided by a clinical establishment, an authorised medical practitioner or paramedics within the taxable territory.

Lift Rules

We are subject to the registration and licence requirements and safety rules and regulations framed by the state governments of Karnataka under Karnataka Lifts, Escalators and Passenger Conveyors Act, 2012 and the Karnataka Lifts, Escalators and Passenger Conveyors Rules, 2015, Maharashtra under the Bombay Lifts Rules, 1958 framed under Maharashtra Lifts Act, 1939, Kerala under the Kerala Lifts and Escalators Act, 2013 and Kerala Lifts and Escalators Rules, 2012.

Trade Marks Act, 1999 (“Trade Marks Act”)

The Trade Marks Act provides for the application and registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label and heading and to obtain relief in case of infringement for commercial purposes as a trade description. Application for the registration of trademarks has to be made to Controller-General of Patents, Designs and Trade Marks who is the Registrar of Trademarks for the purposes of the Trade Marks Act. The Trade Marks Act prohibits any registration of deceptively similar trademarks or chemical compound among others. It also provides for penalties for infringement, falsifying and falsely applying trademarks.

Copyright Act, 1957 (“Copyright Act”)

The Copyright Act protects literary and dramatic works, musical works, artistic works including maps and technical drawings, photographs and audiovisual works (cinematograph films and video). The Copyright Act specifies that for the purposes of public performance of Indian or international music a public performance license must be obtained else it will invite criminal action. All those who play pre-recorded music in the form of gramophone records, music cassettes or compact discs in public places have to obtain permission for sound recordings.

Laws relating to Employment

Certain other employment related laws and regulations that may be applicable to our Company and our Subsidiaries in India include the following:

- Contract Labour (Regulation & Abolition) Act, 1970;
- Employees’ Compensation Act, 1923;
- Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;
- Employees’ State Insurance Act, 1948;
- Equal Remuneration Act, 1976;
- Factories Act, 1948;
- Industrial Disputes Act, 1947;
- Inter-State Migrant Workers (Regulation of Employment and Conditions of Services) Act, 1979;
- Minimum Wages Act, 1948;
- Payment of Bonus Act, 1965;
- Payment of Gratuity Act, 1972;
- Payment of Wages Act, 1936;
- Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;
- Shops and Commercial Establishment Acts, where applicable; and
- Trade Unions Act, 1926.

Regulations applicable to our Subsidiaries and other entities incorporated in GCC States

We have a well-diversified portfolio of healthcare facilities in the GCC States, which are operated through our Subsidiaries in the GCC States. Given below is a summary of various laws and regulations applicable to our Subsidiaries and their operations in the GCC States. The description of the applicable regulations as given below has been provided in a manner to provide general information of the laws/ regulations applicable to our Subsidiaries in the GCC States and is not exhaustive and shall not be treated as a substitute for professional legal advice.

United Arab Emirates (“UAE”)

UAE Federal Law No. 2 of 2015 Concerning Commercial Companies

The UAE Companies Law sets out legal framework that concerns partnerships as well as corporate vehicles (private and public) operating in the UAE. It particularly prescribes the regime in respect of incorporation of any such entities, their capital structure, membership/ partnership/ shareholding, as the case may be, and their management and dissolution.

The UAE Companies Law governs UAE limited liability companies as well as sole establishments.

Under the UAE Companies Law, at least 49% of the capital in a UAE-incorporated entity, other than a free zone company, is required to be legally owned by a UAE national (natural or legal persons) at all times (“**Local Ownership Restriction**”). However, some sectors of operation, such as finance, taxi transport, labour supply, real estate agency-related services require a higher percentage of shares to be held by UAE nationals.

In connection with the Ownership Restriction, the UAE has also adopted the Concealment Law, which provides that it is not permissible to allow a non-UAE national, whether by using the name of another individual or through any other method, to practise any economic or professional activity that is not permissible for him to practise in accordance with the law and decrees of the UAE. The Concealment Law was scheduled to come into effect in November 2007. However, by way of a cabinet resolution, the UAE Federal Government suspended the application of the Concealment Law until November 2009 and it was further suspended until September 2011, at which time it came into force.

The Local Ownership restriction applies to the Group’s UAE operations.

For further details, see the section “Risk Factors” on page 17.

Dubai International Financial Centre

The Dubai International Financial Centre (“**DIFC**”) was established as a financial free zone within Dubai in 2004. The DIFC is generally exempt from the federal laws of the UAE (except for criminal and administrative laws and the anti money laundering law) and it operates on a unique legal and regulatory framework with a view to creating an optimal environment for financial sector growth. The framework was achieved through a synthesis of Federal law and Dubai law which permitted DIFC to have its own civil and commercial laws modelled closely on international standards and principles of English common law and tailored to the region's unique needs.

The DIFC has three independent central bodies: (i) the DIFC Authority; (ii) the DIFC Judicial Authority; and (iii) the Dubai Financial Services Authority. The DIFCA oversees the operation and administration of the DIFC, and is responsible for the development of laws and regulations that do not relate to financial services. The DFSA is responsible for developing the DIFC regulatory framework, including authorising, licensing and registration of financial services and related activities.

The principal statute governing the formation and operation of DIFC companies is the Companies Law, DIFC Law No. 2 of 2009 (“**DIFC Companies Law**”) and the companies regulations made pursuant thereto (“**DIFC Regulations**”).

Registrar of Companies

The DIFC Registrar of Companies operates under the Companies Law, and is responsible for incorporating and registering all types of companies in the DIFC and any entity intending to operate in the DIFC must be incorporated or registered with the DIFC Registrar of Companies under the Companies Law. No person may conduct or attempt to conduct business operations in or from the DIFC unless and until such person has been duly permitted to do so by the DIFC Registrar of Companies, which is evidenced by the issuance of a certificate of incorporation, registration or continuation (as the case may be) along with a commercial license as provided for in the Regulations.

DIFC Companies Law

The DIFC Companies Law sets out the legal framework in relation to incorporation and day-to-day operation of companies (companies limited by shares, limited liability companies and recognized companies) incorporated in the DIFC. Particularly, it prescribes the rules concerning the process and mode of their formation and registration, corporate capacity of DIFC companies, rights of shareholders/members, share capital structure and changes, directors duties, responsibilities of company secretary, shareholder meetings, takeover offers, rights of minority shareholders, appointment of auditors and removal, maintaining accounts and audit records by DIFC companies, transfer of incorporation from another jurisdiction to the DIFC, dissolution and winding up of DIFC companies as well as powers of the DIFC Authority and the ROC in relation to DIFC companies.

DIFC Regulations

The DIFC Regulations apply to (a) companies incorporated under the DIFC Companies Law and incorporators applying for a certificate of incorporation under the DIFC Companies Law; (b) officers and employees of companies incorporated under the DIFC Companies Law; (c) auditors and applicants for registration as an auditor under the DIFC Companies Law; (d) foreign companies and recognised companies; (e) the ROC; and (f) any other person (as defined therein) to whom the DIFC Companies Law applies. In particular, the DIFC Regulations prescribe procedural details that concern formation of DIFC companies, their accounts, registers such companies shall maintain and their format, articles of association and their content.

UAE Ministry of Health

The UAE Ministry of Health is the competent authority authorized by the UAE government for the licensing of healthcare professionals and healthcare facilities in each emirate. The laws and regulations summarized below focus on the federal position and outline its practical implementation in the emirates of Abu Dhabi and Dubai, where health authorities with statutory powers have been established. These government authorities are responsible for the implementation of applicable standards, policies and guidelines. Any healthcare professional or healthcare facility operating in either Abu Dhabi or Dubai must abide by the policies put in place by the respective health authority. The role of the health authorities is to draft and publish policies which local healthcare facilities and practitioners must comply with. The key laws and regulations that govern business operations of our Company's Subsidiaries registered and operating in the UAE have been set out below.

Hospitals and Clinics

Federal Law No (7) of 1975 Concerning the Practice of Human Medicine ("Human Medicine Law")

The Human Medicine Law provides for the licensing of physicians, laboratories, clinics and private hospitals in the UAE. It also outlines the duties and obligations of a physician and the penalties for a breach of these duties. Only a person licensed under the Human Medicine Law can practice human medicine in the UAE. This person must be a physician holding a bachelor's degree in human medicine from an accepted university and must have been practicing human medicine for at least 2 years. Similarly, a laboratory, clinic or private hospital cannot be established in the UAE unless it has also been licensed by the Ministry of Health and its employees are specialised employees, as prescribed by the Ministry of Health.

Federal Law No (4) of 2015 Concerning Private Health Facilities ("PHF Law")

The PHF Law provides that any private health facility, being "every place prepared to examine patients, assist in diagnosing their diseases, treat them, nurse them, act as their residence for the purpose of convalescence or execute any act that is related to treatment or rehabilitation after treatment", is required to be licenced. Further, the PHF Law prescribes who may be employed to run the facility and provides for the mechanism for making appeals with the relevant ministry, should the licences be rejected.

Pursuant to the PHF Law, any provision conflicting or contradicting with the provisions of PHF Law have been repealed. In addition, the erstwhile Federal Law No. (2) of 1996 on Private Health Facilities which determined matters concerning private health facilities has been repealed. However its implementing decisions shall remain in force until its executive regulation and implementing decisions thereof are issued to the extent which does not contradict with the provisions of the PHF Law.

Federal Law No (5) of 1984 Concerning the Practice of some Medical Professions by Persons other than Physicians and Pharmacists ("Other Medical Professions Law")

The Other Medical Professions Law provides for the licensing process of medical professionals who are not physicians or pharmacists. The professions that can be practiced by such medical professionals include nursing, laboratory work, radiology, physiotherapy, dentistry and optometry. Similar to the Human Medicine Law and the PHF Law, the Other Medical Professions Law provides for the licensing process for these professionals with the Ministry of Health and the actions that may be taken by the Ministry of Health in relation to the licensing process.

Federal Law No (10) of 2008 Concerning Medical Liability ("Medical Liability Law")

The Medical Liability Law outlines the obligations of doctors and healthcare professionals in the UAE. It provides for how they must act in certain situations, such as when it is possible to take a patient into surgery without the patient's consent. There are certain situations which are covered under the Medical Liability Law, which would not necessarily apply in other countries, such as the provision that in-vitro fertilization facilities can only be given to couples who are legally married and the necessity for consent from the husband in relation to any procedure which may impact the fertility of a woman. The Medical Liability Law also provides for the establishment of a committee to investigate any medical liability actions, outlines the investigative powers that the committee has and prescribes penalties for breaches.

Pharmacies

Federal Law No (4) of 1983 Concerning Pharmaceutical Profession and Establishments ("Pharmaceutical Establishments Law")

This law provides for the licensing requirement of pharmacists and the pharmacies in the UAE. In terms of this law, a pharmacist must hold a certificate from a recognised place of study, have at least 2 years experience and speak fluent Arabic, as well as another foreign language. This law also outlines the obligations and duties of pharmacists, particularly in relation to the sale of prescription medicine. It provides for the establishment of a licensing committee to grant pharmacist's licences, and regulates the fixing of prices of pharmaceuticals products.

Ministerial Decision No. (1686) of 1995 concerning Restrictions on the Importation of Pharmaceuticals

Any chemical substance may not be imported or brought into the country except after obtaining permission from the Ministry of Health in accordance with the provisions of the Pharmaceutical Establishments Law and the Ministerial Resolution No. (1716) of 1983 concerning The Importation of Pharmaceuticals prescribes that it is not permissible to import certain chemicals listed in this ministerial decision and in the United Nations Convention against Illicit Traffic in Narcotic Drugs and Psychotropic Substances of 1988 except by permission from the Ministry of Health. Ports and free zones authorities throughout the country shall seize any quantity of such materials brought into the country without obtaining the said permit.

Federal Law No. 6 of 1986 concerning narcotic drugs (“Narcotic Drugs Law”)

The Narcotic Drugs Law imposes restrictions on the import and usage of narcotics including “mind affecting substances”, meaning such essences, drugs and compounds as set out in schedules 1 to 4 of the Narcotic Drugs Law; and mind affecting plants meaning such plants as set out in schedule 5 of the Narcotic Drugs Law.

Federal Law No. 15 of 1980 regarding Printed Matters and Publications

Federal Law No. 15 of 1980 regarding Printed Matters and Publications prohibits the publication of advertisements about medicines or pharmaceutical products except with special permission from the Ministry of Health.

General Healthcare Providers

Cabinet Resolution No. 7 of 2007 regarding Health Advertisements Regulation (as amended)

The licensing conditions set out in Cabinet Resolution No. 7 of 2007 may be broadly categorized as (a) prohibitions on advertisements in poor taste; (b) prohibitions on misleading statements of a medical nature; (c) prohibitions on misleading statements of a comparative nature; (d) prohibitions on misleading statements of a general nature; and (e) prohibitions on sales incentives directed to certain persons.

Local Law No. (4) of 1998 concerning Medical Waste of Healthcare Facilities in the Emirate of Abu Dhabi (“Medical Waste Law”)

Healthcare facilities in Abu Dhabi are required to comply with the Medical Waste Law and the regulations and guidelines prescribed thereunder by the Ministry of Health with regard to the storage, transport and discarding of medical waste. All healthcare facilities must dispose of medical waste through either the Abu Dhabi municipality or a waste removal company approved by the Abu Dhabi municipality. Medical waste must also be stored away from all other types of waste.

Dubai Local Order 115 of 1997 concerning the Management of Medical Wastes

Healthcare facilities in Dubai are required to comply with Dubai Local Order 115 of 1997 passed by the Ministry of Health with regard to the storage, transport and discarding the medical waste. The order defines medical wastes as any material or wastes resulting from medical, therapeutic, nursing or diagnostic operations, laboratory examinations, researches, medical laboratory studies or any other similar operations or activities that can be harmful or can transfer infections to humans. All medical waste must be disposed in a treatment plant, specifically designed to dispose of medical waste. Waste must be transported to the treatment plant either by the facility itself, or by a removal company approved by the Dubai municipality.

Healthcare Professionals Qualification Requirements, 2014

These requirements enable the authorities to assess the documents submitted by applicants within their geographical jurisdiction to ensure safe and competent delivery of services. Moreover, it places an emphasis on educational standards, experience and licensure requirements for healthcare professionals proposing to practice in the UAE, in accordance with UAE federal laws and benchmarked international best practices.

Emirate of Abu Dhabi

The Health Authority-Abu Dhabi (“HAAD”) is responsible for the regulation of healthcare providers in the emirate of Abu Dhabi. Its activities include issuing licences to new healthcare providers, and the modification or extension of licensed activities for existing providers in accordance with Law No. (1) of 2007 pursuant to which the HAAD was established. Healthcare professionals must be personally licensed by the HAAD to practice within Abu Dhabi. Strict qualification requirements are imposed by HAAD in order to improve the quality of services. An exemption scheme is in place for healthcare professionals in certain categories who can demonstrate qualifications and experience to applicable international standards. The HAAD has introduced numerous standards, guidelines and circulars pertaining to all aspects of health regulation, including the recent revised standard for patient consent issued in January, 2016.

HAAD manages the process of pharmacy licensing on behalf of the Ministry of Health. No person is permitted to open a pharmacy without a licence granted in the name of a UAE national. A qualified pharmacist must be appointed to manage the pharmacy and the licence to practice as a pharmacist or pharmacist's assistant must be renewed annually. The reimbursement of payments between healthcare providers and healthcare insurers is managed pursuant to the HAAD mandatory claims and adjudication process which sets mandatory tariffs and prescribes a process through which claims and payments are managed.

Emirate of Dubai

The Dubai Health Authority (“**DHA**”) is responsible for the regulation of healthcare providers in the emirate of Dubai. Its activities include issuing licences to new healthcare providers, and the modification or extension of licensed activities for existing providers in accordance with Dubai Law No. (13) 2007 pursuant to which the DHA was established. Details of the applicable requirements for licensing, administrative procedures and patient care standards are detailed in additional regulations, such as the Outpatient Care Facilities Regulation, 2012, and the Healthcare Facility Guidelines 2012 for the planning, design, construction and commissioning of new facilities regulated by DHA. In 2016, the DHA announced that it would implement a suite of regulations governing new services in 2016, such as the Regulation of Oncology Services, 2016. These regulations include:

Comprehensive Oncology Regulation

This regulation seeks to be a comprehensive base for the assessment of oncology services, viz. medical oncology, radiation oncology, and surgical oncology. The provision of oncology services is limited to hospitals, or a unit attached to a hospital, day surgical centres, and cancer treatment centres. As with other healthcare services, the provision of oncology services is subject to licensure under the DHA. These requirements apply to semi-governmental and private healthcare facilities, as well as those operating in free zone areas.

As part of a comprehensive oncology treatment plan, the regulation promotes the incorporation of palliative care as part of the care plan provided by the health facility. Further, this regulation provides details in relation to facility licensure requirements, general facility design considerations, oncology service delivery standards, healthcare professional staffing and licensure requirements, and patient care and assessment standards.

Hyperbaric Oxygen Therapy Service Standards

These standards apply to healthcare facilities providing hyperbaric oxygen therapy (“**HBOT**”) services. HBOT treatment is defined under the HBOT Standard as “a treatment in which the patient is placed in a chamber and breathes near 100% oxygen or special mixed gases at higher than local atmospheric pressure”. The provision of HBOT services is limited to hospitals, day surgical centres and outpatient care facilities with certain specialities. As with other healthcare services, the provision of HBOT services is subject to licensure by the DHA. In addition to governing the delivery of HBOT services, these standards stipulate the requirements of licensure, professionals carrying out HBOT care, facility location and configuration, and patient care delivery. These requirements apply to semi-governmental and private healthcare facilities, as well as those operating in free zone areas, except facilities regulated by the Dubai Healthcare City Authority.

Laser and IPL Hair Reduction Standards

These standards revise and update the previous standards on the subject, which were implemented in 2011. These standards set out the minimum requirements for health facilities (hospitals, day surgical centres, and outpatient care facilities) providing laser and IPL services for hair reduction. These minimum standards are a prerequisite to obtaining and maintaining licensure by the DHA for such activities. The scope of the standards includes laser and IPL treatment for hair reduction but does not include the application of laser treatment in any other type of procedure. These requirements apply to semi-governmental and private healthcare facilities, as well as those operating in free zone areas, except the facilities regulated by the Dubai Healthcare City Authority.

Sleep Laboratory Guidelines

These guidelines outline the basic mandatory requirements to ensure that health facilities and healthcare professionals provide a certain basic level and quality of care to patients with sleep disorders. These guidelines cover sleep studies performed at a sleep laboratory, such as polysomnogram, multiple sleep latency tests and maintenance of wakefulness test. Such studies can be performed at health facilities licensed as hospitals and outpatient care facilities with certain twenty-four hour services. The Sleep Guidelines enumerate the requirements for facility licensure, general facility design considerations, healthcare professional staffing and licensure, and patient care and safety. These requirements apply to semi-governmental and private healthcare facilities, as well as those operating in free zone areas, except the facilities regulated by the Dubai Healthcare City Authority.

Hair Transplant Service Standards

These standards outline the basic mandatory requirements for a health facility (hospitals, day surgical centres, and outpatient care facilities) to be licensed and to maintain such licensure to provide hair transplant services. These standards defines hair transplantation as a surgical method of hair restoration. As with other healthcare services, the provision of hair transplant services is subject to licensure under the DHA. These standards also include requirements for facility licensure, general facility design considerations, healthcare professional staffing and licensure, patient selection, preoperative counselling and informed consent, and patient care and assessment. These standards apply to semi-governmental and private healthcare facilities, as well as those operating in free zone areas, except the facilities regulated by Dubai Healthcare City Authority.

Colon Hydrotherapy Guidelines

These guidelines outline the basic mandatory requirements for a health facility (specialty clinic or polyclinic with certain specialties) to be licensed, and to maintain such licensure, to provide colon hydrotherapy services. These guidelines specify requirements for facility licensure, general facility design considerations, healthcare professional training and licensure, and patient care. In terms of these guidelines, the equipment used in the provision of colon hydrotherapy is required to be approved by the Ministry of Health in the UAE, and the following international authorities: Food and Drug Administration, USA, Health Canada, Conformité Européenne, or Australian Register of Therapeutic Goods. These guidelines apply to semi-governmental and private healthcare facilities, as well as those operating in free zone areas, except the facilities regulated by the Dubai Healthcare City Authority.

Scope of Practice and Clinical Responsibilities - Family Medicine

The scope of practice and clinical responsibilities of family medicine sets out a comprehensive framework for the family medicine physician's general scope of practice as well as required areas of clinical expertise. The family medicine title, issued by DHA, is awarded to physicians who meet the professionals qualification requirements, and licenses are issued under one of the following titles: consultant, specialist, or specialist under supervision. Family medicine physicians licensed by the DHA may practice in a hospital, day surgical centre, outpatient care facility (including polyclinics), specialty clinics, and home healthcare facilities.

Scope of Practice and Clinical Responsibilities - General Practitioner

The scope of practice and clinical responsibilities of a general practitioner sets out a comprehensive framework for the family medicine physician's general scope of practice as well as required areas of clinical expertise. The general practitioner title issued by DHA is awarded to physicians who meet the professionals qualification requirements. These requirements include the completion of a basic medical degree from an accredited institution and, with limited exceptions, the successful completion of the required training and clinical experience. A general practitioner licensed by the DHA may practise in a hospital, day surgical centre, outpatient care facility (including polyclinics), general clinics, home healthcare facilities, and school clinics.

Scope of Practice and Clinical Responsibilities – Obstetrics and Gynaecology

The scope of practice and clinical responsibilities of obstetrics and gynaecology practitioner sets out a comprehensive framework for the family medicine physician's general scope of practice as well as required areas of clinical expertise. An obstetrician and gynaecologist title, issued by DHA, is awarded to physicians who meet the Professionals Qualification Requirements. Licensing is issued under one of the following titles: consultant, specialist, or specialist under supervision. An obstetrician and gynaecologist licensed by the DHA may practice in a hospital, day surgical centre, outpatient care facility (including polyclinics or speciality clinics), and fertility centres.

Dubai Health Care City

Dubai Health Care City (“**DHCC**”) is a free zone, based in Dubai, which has laws and licences for the health care companies in its zone separate from those based in the UAE. In 2015 the leadership of DHCC and Dubai Healthcare City Authority – Regulation (“**DHCR**”) reported that significant regulatory advances were made in 2015 including the implementation of the insurance law in the free zone, authorizing DHCR to register healthcare facilities, to approve prices for healthcare services, and to monitor approved prices, among other responsibilities, and second, the introduction of a new regulation to issue and renew licenses of pharmacies and pharmacy practitioners within the free zone.

Examples of the corner-stones of the regulation in the DHCC are as follows:

Governing Regulation No. 1 of 2013

This regulation is the governing regulation of DHCC. It outlines how the DHCC should be administered, the different committees to be established within the DHCC and their roles and responsibilities; the establishment of the registrar and a complaints and appeal procedure for licensing.

Healthcare Professionals Regulation No. 2 of 2013

This regulation pertains to the licensing of healthcare professionals practicing within the DHCC. The regulation outlines the process and stages of the licensing process, including the eligibility requirements, categories of licences and necessary fees and forms which must be submitted. The regulation also provides for the process of appeals in the event a licence is rejected.

Healthcare Operators Regulation No. 4 of 2013

This regulation pertains to the licensing of healthcare operators in the DHCC. A healthcare operator must first obtain a provisional approval letter before applying for a clinical operating permit. This regulation sets out the process for obtaining both a provisional approval letter and a permit; and the obligations and responsibilities of the holders of both. The regulation also outlines the procedure of renewal, revocation and suspension of permits.

Health Data Protection Regulation No. 7 of 2013

This regulation pertains to the sources, collection, manner of collection, storage of, access to and correction of patient data. The regulation also outlines procedures dealing with the transfer of records between health care providers, and prescribes strict disclosure requirements and limits on the usage of any data collected. The regulation also outlines the enforcement abilities of the Center for Healthcare Planning and Quality, as established in the DHCC.

Company Regulation No. 8 of 2013

This regulation outlines the process of incorporating a company in the DHCC. A company may be incorporated in the DHCC either as a limited liability company or as a branch of a foreign company.

Commercial Services Licensing Regulation No. 9 of 2013

This regulation sets out the general framework under which entities and persons may carry on their business within the DHCC, including the general criteria and procedures pursuant to which such companies may obtain and maintain their licenses and permits to operate within the DHCC.

Pricing of pharmaceutical products

The price at which certain pharmaceutical products can be supplied within the UAE and sold to the public is governed by ministerial resolutions and circulars issued by the Ministry of Health. The principal resolutions applicable to pharmacy payment arrangements are:

- (i) Federal Ministerial Resolution No. (834) of 2008 concerning Drug Pricing;
- (ii) Federal Administrative Circular No. (171) of 2011 concerning a prohibition on discounts and bonuses; and
- (iii) Ministerial Decree No. (140) of 2013, together with Administrative Decree No. (64) of 2013.

Mandatory health insurance law

Two Emirates in the UAE have mandatory health insurance schemes for expatriates. These are Abu Dhabi and Dubai.

Abu Dhabi

Abu Dhabi Health Insurance Law No. 23 of 2005 established the “HAAD Scheme”. The regulations implementing the HAAD scheme came into effect on September 10, 2005. Since January, 2007, the HAAD Scheme has applied to all expatriates living and residing in Abu Dhabi. The HAAD scheme provides that an employer must provide health insurance for expatriate employees (and their dependants- employee's wife and 3 children under the age of 18) and sets out the minimum coverage requirements which may be amended by HAAD from time to time.

Dubai

Dubai Health Insurance Law No. 11 of 2013 came into effect on January 1, 2014. The health insurance law phases in the requirement for all employers in Dubai to have in place compliant health insurance cover for their employees. It also includes numerous other provisions that apply to all participants in the health insurance arena including health service providers, insurance companies, insurance brokers, claims administration companies, in addition to employers, sponsors and beneficiaries.

While the health insurance law came into effect on January 1, 2014, the provision of health insurance cover is mandatory only in respect of:

- companies with more than 1,000 employees;
- companies with 100 to 999 employees, from July 31, 2015; and
- companies with less than 100 employees, from June 30, 2016.

In addition to the employees listed above, dependents of sponsors, including domestic workers, must also be covered for the basic health coverage by June 30, 2016. This obligation lies with the sponsor.

UAE Federal Law No.8 of 1980 on the Regulation of Labour Relations, as amended

This is the principal and federal employment legislation which applies to all private sector businesses operating in the UAE and sets out a minimum (and mandatory) framework of statutory entitlements and protections, including, *inter alia*, those relating to annual leave and pay, sick leave and pay, maternity leave and pay, daily and weekly working hours, overtime pay, rights to notice, termination provisions and a statutory end-of-service gratuity payment. Certain free zones in the UAE have implemented their own employment regulations which are (with the exception of one specific financial free zone, the DIFC) to be read in conjunction with, or in addition to, this principal employment legislation. Where there is a conflict between the free zones own employment regulations and the principal employment legislation, the provisions most favourable to the employee will prevail.

Kingdom of Saudi Arabia (“KSA”)

The healthcare sector in the KSA is subject to government regulation covering, among other subjects, the licensing and monitoring of all hospitals and other healthcare centres, the qualification of healthcare professionals, quality of medical care and services, professional ethics, conduct of operations and confidentiality, maintenance and security issues. The principal body regulating the healthcare sector is the Ministry of Health.

The Foreign Investment Law, Royal Decree No. M/1 dated 5/1/1421H (10 April 2000) (“Foreign Investment Law”)

The main regulation of foreign investment is derived from the foreign investment law issued by royal decree in 2000 (“**FIL**”). All foreign investors (non-GCC) must have a license issued under the FIL by the Saudi Arabia General Investment Authority (“**SAGIA**”). There are a number of activities which are excluded from foreign investment and cannot be the subject of a SAGIA license (the “**Negative List**”). The Negative List includes the following healthcare related activities:

- Services provided by midwives, nurses, physical therapy services and quasi-doctoral services; and
- blood banks, poison centres and quarantines.

SAGIA has clarified that these exclusions only apply where the activities are not provided through hospitals.

The Health Law, Royal Decree No. M/11 23/3/1423H (4 June 2002) (“Health Law”)

The Health Law, issued by royal decree in 2002, regulates the health care system in the KSA and provides for the Ministry of Health as the entity responsible for regulating healthcare and ensuring the provision of healthcare services. The General Directorates of Health Affairs operates on a provincial basis with responsibility for licensing private health care facilities and their employees. The Saudi Commission for Health Specialties has the responsibility for determining the criteria required for education and training of healthcare employees.

Private Health Institutions Law dated 6/12/1423H (7 February 2003) (“Private Health Institutions Law”)

The Private Health Institutions Law, issued by royal decree in 2003 regulates the licensing of private health institutions including their ownership and management; and stipulates detailed conditions and requirements relating to numbers and qualifications of employees including consultants, and adequacy of facilities and equipment.

For the purpose of the Private Health Institutions Law, a private health institution is defined as a privately owned health institution established for treatment, diagnosis, nursing, medical analysis, rehabilitation or accommodation of patients. There is a distinction between different types of private health institutions namely hospitals, general polyclinics, specialized polyclinics, clinics, radiology centres, medical laboratories, same day surgery centres, health service and ambulance transport service centres and support centres.

Ownership and Management

Other than hospitals, private health institutions must be exclusively owned by Saudi nationals. The owner of a clinic must be a physician specialized in the clinic's area of specialty and must supervise the clinic on a full time basis. The owner (or at least one of the partners) of a polyclinic or a same day surgery facility must be a physician specialized in the relevant area of specialty of the polyclinic or surgery and must supervise it on a full time basis. The owner (or at least one of the partners) of a medical laboratory or radiology centre must be a professional specialized in the relevant area of specialty under whose supervision the work shall be carried out. Each private health institution must have a full time supervisor specialized in its area of specialty. The medical director in hospitals shall be a qualified Saudi physician. The management of a private health institution shall be limited to qualified Saudis in accordance with specified controls and conditions. There are exemptions from some of these restrictions on nationality of owners and supervisors where a hospital and certain other private medical institutions are in specified remote areas of the KSA.

Property, Facilities, Services and Employees

Private medical institutions must comply with required standards and conditions including sanitary and architectural specifications prescribed by the Implementing Regulations of the Private Health Institutions Law dated 4/5/1424H (4 July 2003). Physicians, health practitioners and pharmacists must be licensed by the Ministry of Health. Hospitals must have specified minimum numbers of beds; adequate numbers of health and ancillary staff based on hospital capacity and classification; necessary medical devices and equipment; a dispensary in accordance with the pharmacy practice law; laboratory and radiology units based on specialty and other specified facilities. Clinics and polyclinics must have adequate quantities of medications, first aid tools and polyclinics; and must employ at least one consultant in each major specialty and at least one nurse to each clinic.

Licensing

All private health institutions must obtain and maintain a license. Licenses are granted for a 5 year renewable term. Licenses are revoked *inter alia*, on transfer of ownership or a change of the institution's activity or location without Ministry of Health approval. Licenses terminate on their expiry and also on a failure to request renewal within 6 months following the death of the owner. Violations of the law can lead to fines, withdrawal of licenses and closure of institutions. Additionally, the Saudi Central Board for Accreditation of Healthcare Institutions ("CBAHI") has been authorized to grant quality certification to all government and private healthcare institutions operating in the KSA as a pre-requisite to obtaining a Ministry of Health license.

Pharmaceutical Establishments and Products Law No M/31 dated 1/6/1425H (18 July 2004) ("Pharmaceutical Establishments and Products Law")

The Pharmaceutical Establishments and Products Law regulates the ownership and licensing of pharmacies and other pharmaceutical establishments. Amongst other things, the ownership of pharmacies and such other establishments is restricted to Saudi nationals only. Non-Saudis are also not allowed to work in the field of advertising for any pharmaceutical or herbal product.

Patient Confidentiality and Data Protection

The collection of patients' data is regulated by the Practising Healthcare Professionals law M/59 dated 4/11/1426H (6 December 2005) ("**Healthcare Professionals Law**"). In general terms (subject to some exceptions) all data provided by patients to a health practitioner is protected and is considered to be confidential. The term "health practitioner" is widely defined, and any breach of the Healthcare Professionals Law pursuant to publication of a patient's data is liable to fine. Anyone who suffers injury or loss from the unlawful publication of patient data can bring an action against the health practitioner.

Fire Prevention and Health and Safety Requirements

Hospitals, laboratories, pharmacies and other private healthcare institutions are subject to the fire and safety rules and regulations issued by the General Directorate of Civil Defence. This is in addition to the requirements of the Private Health Institutions Law. Additionally, the prevalent labour law places a number of obligations on employers aimed at protecting the health and safety of employees.

The General Environmental Law M/34 dated 28/7/1422H (15 October 2001)

The Environmental Regulation promulgated by royal decree in 2003 prescribes a general obligation on all persons engaged in production, servicing or other activities to take “necessary precautions” to prevent specified types of pollution.

Cooperative Health Insurance Law (as amended) – Royal Decree 71 dated 27/4/1420H – (12 August /1999)

The Cooperative Health Insurance Law regulates, by means of its implementing regulation and subsequent Council of Ministers decisions, the compulsory provision of health insurance coverage to non-Saudi residents of KSA, other than those working in the government sector, and their families in KSA and also to Saudis working in the private sector and their families. It sets out, amongst other things, the basic scope of coverage by the medical insurer for medical services that arise from accidents or workplace illnesses that are covered under the KSA’s scheme for government contribution in the event of workplace accident or illness as provided under the Social Insurance Law M/33 dated November 29, 2003.

Labour Law – Royal Decree M/51 dated 23/8/1426H (26 September 2005)

The Labour Law regulates all employment relations in the private sector in KSA, subject to a few exceptions. In addition to setting out the basic rights and duties of employer and employee, it sets out a range of mandatory minimum entitlements in matters such as maximum working hours, types of leave, disciplinary procedures and end of service benefits as well as setting out provisions relating to the employment of, inter alia, women.

Qatar

Law No.11 of 2015 on promulgation of the Commercial Companies Law

The new Commercial Companies Law No. 11 of 2015 (“**Qatar Companies Law**”) has been published in the official gazette, edition No.13 of 2015. The Qatar Companies Law is the first major overhaul of the previous Commercial Companies Law No. 5 of 2002. Under the new Qatar Companies Law, most features of the old law have been maintained. All entities subject to the new Qatar Companies Law must comply with its provisions within six months (being December 16, 2015) from the effective date (being June 16, 2016).

The key changes adopted under the new Qatar Companies Law in respect of limited liability companies are: (i) a limited liability can now be incorporated with one shareholder (nationality restrictions would apply); (ii) there is no minimum capital imposed; and (iii) provision of a new standard version of the deed of incorporation to be filed by the new applicant companies with the Ministry of Economy and Commerce.

The Qatar Companies Law governs Qatar limited liability companies, which is of direct application to the Issuer’s Qatar operations, being carried out through such limited liability companies and branches of such limited liability companies. Further, it regulates the establishment, operations and winding-up of companies in Qatar, including matters relating to liabilities of directors and shareholders.

Foreign Investment Laws

The Commercial Register Law No. 25 of 2005 provides that no person shall carry on commercial activities or set up a commercial establishment in Qatar unless it is registered in the commercial register of the Ministry of Economy and Commerce. The Qatar Companies Law sets out a legal framework that concerns corporate vehicles (private and public) and other entities operating in Qatar. In particular, it prescribes the regime in respect of incorporation of such entities, their capital structure, membership/shareholding/partnership, as the case may be, and their management and dissolution.

Under the Foreign Investment Law No. 13 of 2000, at least 51% of the capital in a Qatar-incorporated entity shall be legally owned by a Qatar national (individual or corporate) at all times (“**Local Ownership Restriction**”).

The Local Ownership restriction applies to the Group’s Qatar operations. For further details, see the section “*Risk Factors*” on page 17.

Law No. 25 of 2005 and Law No. 20 of 2014 Commercial Registration Law

The Commercial Registration Law regulates the process for commercial registrations at the Ministry of Economy and Commerce for persons (whether individuals or juristic) to allow them to carry out commercial activities in Qatar. The Commercial Register Law No. 25 of 2005 has now been amended by virtue of Law No. 20 of 2014 (together the “**Commercial Register Law**”). The Commercial Registration Law became effective on November 10, 2014 and persons (individuals and companies) registered in the commercial register before the date on which the Commercial Registration Law becomes effective, will have a period of six months to comply with this law, being May 10, 2015, unless such period is extended by a Ministerial decision. The Ministry of Economy and Commerce will be responsible to ensure the law is

implemented in terms of compliance with the Law by both the Ministry and registered persons, to the extent applicable to each.

One key change adopted under the new Commercial Registration Law in respect of limited liability companies is that it requires branches incorporated in Qatar to (i) hold the exact name of the principal company without any modification; and (ii) ensure the commercial activities mentioned on the branch's commercial registration are the same as those activities listed in the incorporation documents of the principal company. The new Commercial Registration Law further provides that branches are not to be considered as separate legal entities from the principal company.

Law No. 11 of 1982 Regulating Medical Treatment Institutions

This law requires all institutions for medical treatment, with the exception of private clinics that do not admit patients, to be licensed by the Supreme Council of Health and sets out the requirements for obtaining a licence. In particular, where the applicant is a company, at least 51% of the company is required to be owned by Qatari nationals. The manager of the institution should be a doctor licensed to practise in Qatar. This law also sets out certain requirements and conditions for the operation of medical institutions and the circumstances under which a licence may be revoked.

Law No. 3 of 1983 on the Pharmacology Profession, Intermediaries and Agents of the Drug Manufacturers

This law prohibits any person from preparing or selling any medicine, drug, medicinal plant or pharmaceutical material or practising the pharmaceutical profession generally without a licence from the Supreme Council of Health and sets out the requirements for obtaining such a licence.

A licence from the Supreme Council of Health is also required for setting up a pharmaceutical establishment and this law sets out the requirements for a licence and conditions for the operation of the establishment. In particular, the law provides that where the applicant for a licence for a pharmaceutical establishment is a company, all the shareholders shall be Qatari nationals. The manager of the pharmacy should be a licensed pharmacist and he shall not be allowed to operate more than one pharmacy.

This law also sets out the licensing requirements for: (i) setting up a drugstore; and (ii) acting as an intermediary or agent for manufacturers or pharmaceutical companies.

Law No. 2 of 1983 on the Practice of Medicine and Dentistry

This law regulates the practice of medicine and dentistry and sets out the requirements for doctors and dentists to obtain a licence from the Supreme Council of Health. The law also covers issues of liability and misconduct of doctors and dentists.

Law No. 8 of 1991 on the Practice of Paramedical Professions

This law regulates the paramedical professionals, including nurses, midwives, technicians and radiographers, and sets out the requirements for a licence from the Supreme Council of Health for the practice of such professions.

Ministerial Resolution No 2 of 1989 – Conditions and Requirements for Licensing Medical Laboratories

This ministerial resolution regulates the licensing and operations of medical laboratories, including setting out the specifications for the premises. The manager of a laboratory must be a medical doctor and licensed to practise in Qatar.

Ministerial Resolution No 3 of 1990 – Conditions & Requirements for Licensing Radiology Clinics

This ministerial resolution regulates the licensing and operations of radiology clinics, including setting out the specifications for the premises. The manager of a radiology clinic must be a doctor of radiology and licensed to practise this profession in Qatar.

Ministerial Resolution No. 9 of 1987 on the Conditions, Specifications and Hygiene Equipment that should be available in Private Clinics

This ministerial resolution regulates the licensing and operations of private clinics in which a licensed doctor may practise, including setting out the specifications for the premises and the equipment required in such clinics.

Decision of the Supreme Council of Environment and Natural Reserves No. 8 of 2006 – The Instructions of Healthcare Waste Management

The decision of the Ministry of Environment (formerly the Supreme Council of Environment and Natural Reserves) regulates the treatment of waste produced by entities such as healthcare facilities, laboratories, pharmaceutical companies and veterinary centres. This decision stipulates the conditions for handling, collecting, storing and transporting healthcare waste.

Law No. 13 of 2000 Regulating the Investment of Non-Qatari Capital in Economic Activity

This law provides that foreigners may invest in all sectors of the economy in Qatar, provided that at least 51% of the enterprise is owned by Qatari nationals. The Minister of Economy and Commerce may grant at his discretion an exemption allowing foreigners to own more than 49% in an enterprise in certain sectors, including the health sector.

Law No. 25 of 2004 regarding the Control over concealment of Non-Qataris' Practise of Commercial, Economic and Professional Activities in Violation of the Law

Non-Qataris may not practice any commercial, economic or professional activity except where permitted by law and it is prohibited for any person to assist any non-Qatari by enabling him by any means whatsoever to perform any commercial, economic or professional activity in violation of the law. In addition to fines and imprisonment, the courts can order the closure or suspension of any business activity which is in breach of this law. The Qatari and non-Qatari party shall be jointly liable for all fees, taxes and other liabilities resulting from the practice of such activity.

Law No 14 of 2004 establishing the Labour Law

The Labour Law regulates the relationship between the employer and the employees, with the exception of a few categories of workers. The entitlements prescribed by this law represents the minimum entitlements of employees in Qatar and any employment terms contradicting the provisions of this law shall be void unless such terms are more advantageous to the employee. Any waiver of the entitlements of employees prescribed by this law shall be void.

Law No.1 of 2015 amending provisions of the Labour Law promulgated by Law No.14 of 2004 ("Amending Law") and Ministerial Decision No.4 of 2015 ("Ministerial Decision" regarding the wage protection system).

In accordance with this Amending Law, the Ministry of Administrative Development, Labour and Social Affairs has introduced the Wage Protection System ("WPS"). The WPS is a comprehensive electronic system designed to monitor the process of worker payments in accordance with the Qatar Labour Law. All employers in the State of Qatar (subject to the Qatar Labour Law) are required to adjust their salary processing requirements to the system prescribed under the WPS by August 18, 2015. This change and the new WPS applies to employer/employee relationships which are governed by the Qatar Labour Law only.

Law No. 4 of 2009 Regarding Regulation of the Expatriates Entry, Departure, Residence and Sponsorship

This law regulates the entry, exit and residence of expatriates in Qatar. The law also provides for the sponsorship of expatriate employees by their employers in Qatar and prohibits any person from allowing expatriates recruited and sponsored as employees to work for any other entities, or from employing staff who is not thus sponsored.

This law will be replaced by Law No. 21 of 2015 and such new law will come into force on December 13, 2016.

Law No. 21 of 2009 Issuing the Income Tax Law and Decision of the Minister of Economy and Finance No. 10 of 2011 issuing the Executive Regulations of the Income Tax Law

This law and the regulations prescribed there under are to be complied with by all taxpayers in Qatar and provide for, among others, withholding tax on payments made to non-residents in respect of royalties and fees as well as commissions, brokerage fees, directors' fees, attendance fees and any other payment for services carried out wholly or partly in Qatar. All taxpayers are required to register with the Public Revenues and Taxes Department, which shall then issue a tax card to each taxpayer.

Law No. 7 of 2013 on the Social Health Insurance System

Qatar introduced a compulsory health insurance scheme pursuant to the Social Health Insurance System Law No. 7 of 2013, which law was published in the official gazette on 16th June 2013 ("**Qatar Health Insurance Law**") and the Health Insurance Regulations No. 22 of 2013 which were issued pursuant to resolution No. 22 of 2013 and effective 29th October 2013. The Qatar Health Insurance Law establishes a Social Health Insurance Scheme ("**Scheme**") which is intended to be implemented in Qatar in 5 phases. The Scheme applies to residents and visitors and provides that employers must provide cover for basic health insurance services for basic healthcare services for all non-Qatari employees, including such employee's dependents. The Qatar government is responsible for paying the insurance premiums for Qatari nationals. The Scheme was due to be fully implemented by 2015, however has been subject to a number of delays and is reported in the press to be currently suspended.

The Sultanate of Oman

The Commercial Companies Law SD/1974

This law sets out the legal regime concerning corporate vehicles (public and private) and partnerships in the Sultanate of Oman. It covers the regime in respect of such entities including capital structure, membership/partnership/shareholding, corporate governance, dissolution and liquidation. This law together with the Foreign Capital Investment Law (SD 102/94) is of direct application to the Issuer's operations in Oman which have been carried out through limited liability companies incorporated in Oman. Under the Foreign Capital Investment Law at least 30% of the total share capital of an Omani limited liability company must be held by an Omani national (individual or corporate) at all times unless the company concerned is of strategic importance to the economy of Oman, in which case 100% foreign ownership may be permitted with special dispensation from the Ministry of Commerce and Industry.

The Ministry of Health is responsible for the regulation of healthcare providers in the Sultanate of Oman, including the issuing of licences to new healthcare providers and renewals for existing providers.

Law on the Practice of Human and Dental Medicine SD 22 /1996

This law prohibits any person from practising medicine without prior permission from the Ministry of Health as per conditions issued by the Ministry of Health. In order to practice medicine or to renew an existing medical license, the practitioner must have an up to date insurance policy covering the scope of medical practice. This law specifies that medical practitioners must practice at a medical clinic or hospital with an appropriate and up to date license. Doctors are not permitted to combine medical practice with pharmaceutical or veterinary practice nor are they permitted to see patients in retail units where drugs are dispensed, such as pharmacies, except in emergency situations where a doctor is required to attend to a patient urgently.

The law prohibits doctors from carrying out abortions unless it is required for specific medical reasons in which case the abortion must be authorized by a specialist medical committee.

Law on Narcotics and Psychotropics SD 17/1999

This law prohibits the prescription of specific drugs specifically laid out in the law except in circumstances and conditions stipulated therein. The conditions depend on whether the prescribing entity is a government body, medical faculty or other institution. The national committee for narcotics and psychotropics is responsible for general policy on importing, exporting, producing or manufacturing the drugs laid out in the law.

Law regulating the Practice of the Pharmacy Profession and Pharmaceutical Institutions SD 35/2015

Recent legislation passed in Oman under Royal Decree 35 of 2015 promulgating the law regulating the practice of pharmacy and pharmaceutical Institutions imposes a requirement on pharmaceutical institutions operating in Oman to ensure that at least one of their shareholders is an Omani pharmacist. The Omani pharmacist must hold a bachelor's degree in pharmacy from a well recognised university or institution. Further the law provides a framework for pharmaceutical practice in Oman on areas such as licensing of professionals and institutions, record keeping, training of pharmaceutical students, advertising and sale of drugs in Oman.

Health insurance

Whilst it is not a mandatory requirement on private sector employers in the Sultanate of Oman to provide complimentary health insurance or a medical allowance to its workers and employees, it is customary for employers to provide either benefit.

Labour Law SD 35/2003

The Labour Law applies to all private sectors businesses operating in the Sultanate of Oman and sets out a minimum and mandatory framework of statutory entitlements and protections, including, inter alia, those relating to annual leave and pay, sick leave and pay, maternity leave and pay, daily and weekly working hours, overtime pay, rights to notice, termination provisions and a statutory end-of-service gratuity payment.

Kuwait

Foreign Investment Law

Under Kuwaiti law, a foreign entity may not establish or own a company in Kuwait unless it has a Kuwaiti partner or partners and such Kuwaiti partner(s) own at least 51% of the Kuwaiti company (the “**Kuwait Foreign Ownership Restriction Rule**”). One exception to the Kuwait Foreign Ownership Restriction Rule, is Law No. 116 of 2013 regarding the Promotion of Direct Investment and the executive regulations thereof (collectively, the “**Direct Investment Law**”). The Direct Investment Law aims to facilitate and encourage foreign and local direct investment

within the State of Kuwait and provides that an investment license may be granted in certain circumstances to permit 100% foreign equity ownership of Kuwaiti companies.

The Ministry of Health

The Ministry of Health is the competent authority responsible for the licensing of health care professionals and health care facilities in the State of Kuwait.

Law no 25 for 1981 regarding the practice of the human and dentistry medicine and their supporting profession

This law prescribes that it is not permissible to practice medicine in the State of Kuwait except for those holding certain qualifications. Additionally, the law requires those practicing the medical profession and supporting professions to obtain a license from the Ministry of Public Health and prescribes qualifications that must be met in order to obtain such a license. The law defines the professions supporting the medicine profession and refers ministerial resolutions to determine the qualification requirements, experience and conditions to practice any such supporting profession. The law also stipulates rules and regulations in relation to the opening and operating of private clinics and shops practicing professions supporting the professions of medicine.

Law no. 28 for the year 1996 regarding the organization of pharmaceutical profession and circulation of medicines and its executive bylaw no. 395 of the year 1997

This law provides an outline for the licensing of pharmacist and pharmacies in the State of Kuwait and refers to the executive bylaw to determine the requirements for such licensing. The law specifies that it is not permissible to practice the pharmaceutical profession unless a license from the Ministry of Public Health is obtained. To obtain such license, the pharmacist, amongst other requirements, must be of Kuwaiti nationality, Arab nationality or any other nationality approved by the Ministry of Public Health, and the pharmacist must have a university degree or equivalent in the study of pharmaceuticals which is recognized by the Ministry of Public Health. The license for the Kuwaiti pharmacist shall be unlimited and for non-Kuwaiti it shall be for two years extendable for similar period.

This law and the executive bylaws also provide the requirements and qualifications to open a private pharmacy and medicines warehouse. Specifically, only Kuwait nationals licensed in the State of Kuwait may own, operate and manage a pharmacy and the pharmacists must obtain a license from the Ministry of Health. Furthermore, the law prohibits any person or entity from warehousing medicines except for pharmacists licensed in the State of Kuwait, medicine factories or agents of medicine factories. Additionally, a pharmacist may not obtain more than one license, and thus a pharmacist may not own more than one pharmacy.

The pharmacist may be assisted in his/ her work by pharmacists and technicians licensed to practice the profession of pharmaceuticals in the State of Kuwait under his/ her supervision. The pharmacists holding the license issued by the Kuwait Ministry of Health shall be responsible for any fault caused by the other pharmacists or technicians under his/ her supervision.

Further, this law prescribes the penalties for practicing the pharmaceutical business without license, establishing a pharmacy and medicine warehouse without license, violating the rules for registration of medicines or importation of unregistered medicines

Ministerial decree no. 302/80

The said resolution sets out the requirements for the registration and re-registration of pharmaceutical companies and pharmaceutical products which must be observed by a pharmaceutical company when registering pharmaceuticals in Kuwait.

Law No. 1 for the Year 1999 Regarding Medical Insurance of Foreigners and Imposing Fees for Medical Services ("Kuwait Health Insurance Law").

Pursuant to the Kuwait Health Insurance Law, it is mandatory for foreigners to have medical insurance. A foreigner may have medical insurance through his private sector employment or through the Kuwait Ministry of Health. Residency will not be granted to foreigners unless they have medical insurance and the renewal of residency permits may be denied on this basis alone.

Labour Law No. 6 of 2010

This law provides minimum mandatory protection with respect to hours of work, mandatory holidays, sick leave, annual leave entitlement, employment of women, compensation of accidents, working conditions and termination of service indemnity. It applies to all employees (including foreign employees) working in the private sector in the State of Kuwait,

and to private sector employees working outside Kuwait (if they are employed by a Kuwait employer). This law applies regardless of any choice of law clause in the employment contract.

Jordan

Jordanian Companies Law No. (22) of 1997 (“Jordanian Companies Law”)

The Jordanian Companies Law sets out the legal framework that concerns partnerships as well as corporate vehicles (private and public) operating in Jordan. It particularly prescribes the regime in respect of incorporation of any such entities, their capital structure, membership/partnership/shareholding, as the case may be, their management and dissolution.

The Jordanian Companies Law governs Jordanian limited liability companies which are of direct application in relation to the Issuer’s Jordan operations, which have been carried out mainly through such limited liability companies.

Regulation No.(54) of 2000, regulating investments of non-Jordanians (“Foreign Investment Regulation”)

Pursuant to the Foreign Investment Regulation, foreign investment is allowed at a minimum contribution of JOD 50,000, per foreign investor in any company.

Foreign investment restrictions vary depending on the sector the company is operating within. Depending on the activity in question, direct foreign shareholding may range from 100% to a complete bar on foreign ownership. Pharmaceutical activities are not specifically included under the list of activities for which foreign ownership restrictions apply. However, article 3(2) of the Foreign Investment Regulation, stipulates that the purchase of goods and other moveables for the purpose of selling the same for a profit requires a 50% local partner.

The local ownership restriction may apply to the Group’s Jordan operations.

Drug and Pharmacy Law No. (13) of 2013 (“Drug and Pharmacy Law”)

The Drug and Pharmacy Law outlines the obligations of pharmacists in Jordan, particularly in relation to the sale and purchase of prescription medicine. It highlights the conditions relating to the conduct of pharmacists while undertaking pharmaceutical activities and operating pharmacies. It further specifies the penalties imposed in the event of violation of any of its provisions.

The Drug and Pharmacy Law prohibits any non-pharmacist from owning a pharmacy. It allows companies to own one or more pharmacies, provided that all shareholders in such companies are licensed pharmacists in Jordan. It prohibits the establishment of any pharmacy unless a license from the Minister of Health is obtained upon the recommendation of the Jordanian Pharmaceutical Association.

The Drug and Pharmacy Law further outlines the requirements for the licensing of pharmacists and the pharmacies in Jordan. It sets out the requirements for licensing a pharmacist, such as the requirement that a pharmacist must hold pharmacy degree from an accredited university in Jordan and must not be convicted of any crimes relating to honour or undermining the integrity/ moral of the pharmacist in question. Further, the pharmacist must be registered in the pharmacist’s registrar with the Pharmacists Bar Association in Jordan and should be licensed to practice pharmaceutical activities by the Ministry of Health in Jordan.

Pursuant to the provisions of the Drug and Pharmacy Law, it is permissible for more than one pharmacist to partner in establishing and owning more than one pharmacy provided that:

- The number of pharmacies owned by one company must not, at any time, be more than the number of partners/shareholders in a company; and
- The shareholding of any pharmacist in a company must not be less than 2.5% or more than 30% of the shareholding.

The Regulation for licensing pharmaceutical establishments No. (75) of 2014 (“Licensing Regulation”)

The Licensing Regulation outlines the requirements for licensing pharmaceutical establishments. It specifies the types of pharmaceutical establishments which include amongst others, a general pharmacy, a drugs warehouse and a drug factory.

The Licensing Regulation stipulates that in order to obtain a license to operate a general pharmacy (a commercial pharmacy), the area of the pharmacy must not be less than 32 square meters, be at least 200 meters away from any other general pharmacy and its interior design must include a reception area and a laboratory.

The Jordanian Pharmacists Association Law No. 51 of 1972 (“Pharmacists Association Law”)

The Pharmacists Association Law outlines the formation of the Pharmacists Association, its activities and objectives. It contains provisions pertaining to its internal organization including but not limited to details pertaining to electing the President of the Association and the committees.

Moreover, the Pharmacists Association Law outlines in detail membership requirements and fees with respect to new applicants and current members. It should be noted that in order for a pharmacist to practice and undertake pharmaceutical activities in Jordan, such pharmacists must be members of the Jordanian Pharmacist Association.

The Pharmacist Association Law also lists the rights and obligations of its members. It provides for an internal disciplinary committee and a penal code in the event of violation. Decisions of the internal disciplinary committee may include permanent dismissal of a member depending on the severity of the violation in question.

Vocational Licenses for the City of Amman Law No. 20 of the year 1976 (“Vocational Licenses Law”)

The Vocational Licenses Law stipulates that notwithstanding any other licenses and requirements imposed by any other law, it is prohibited for any person (whether natural or juristic) to conduct any business or profession within the Municipality of Amman without having first obtained a vocational license. In terms of this law, pharmaceutical activities including operating a pharmacy requires a vocational license.

The Vocational License Law relates to the municipality of greater Amman. That said, there are other similar laws and regulations which pertain to other Jordanian cities.

Pursuant to the Vocational Licenses Law, vocational licenses must be renewed on a yearly basis. An application for renewal of a vocational license must be submitted in the form provided at the relevant Greater Amman Municipality. The law provides that all renewals must be submitted before the end of February of every year, which is in essence a grace period of 2 months from the start of the year. The Vocational Licenses Law also stipulates that the Mayor of Amman (or whom he authorizes) shall have the right to this grace period until the 31st of March of every year.

The Vocational Licenses Law provides for the following penalties in the event an application for renewal is submitted after the grace period and/or any extensions provided (if applicable):

- an additional 20% of the vocational license fee if submitted before the 29th of June; and
- an additional 50% of the vocational license fee if submitted after the 29th of June.

The Jordanian Labour Law No. (8) of 1996 (“Jordanian Labour Law”)

The Jordanian Labour Law regulates the relationship between the employer and the employee in the private sector. The entitlements prescribed by this law represent the minimum entitlements of employees in Jordan and any employment terms contradicting the provisions of this law shall be void unless such terms are more advantageous to the employee. Any waiver of the entitlements of employees prescribed by this law is void. Further, any rights and/ or additional benefits granted to the employees whether through the employment contract, by prescription and/ or the employers internal regulations would be considered acquired rights that may not be later withdrawn.

An employment contract may be in writing and/ or oral. Jordanian courts would look at the elements of the relationship, namely, monthly wage, subordination and supervision. Should the aforementioned three elements exist, then a relationship would be considered as an employment relationship and the Jordanian Labour Law Provisions would apply.

Kingdom of Bahrain

Foreign Ownership Restriction - Law of Commerce and Commercial Companies Law

Under Bahraini law, there is a foreign ownership restriction that applies in respect of businesses carrying out certain commercial activities. If the foreign ownership restriction is applicable to a certain activity, the restriction threshold differs depending on whether there are any shares in the business owned by a Bahraini shareholder. Companies operating in Bahrain that have a GCC shareholder other than a Bahraini national, may be owned 100% by the said GCC non-Bahraini shareholder(s). If at least one share in a company is held by a non-GCC shareholder(s), at least 51% of the shares in such company must be held by a Bahraini national.

Law No. 38 of 2009 establishing the National Health Regulatory Authority (“NHRA”)

NHRA is the regulatory body responsible for regulating healthcare services and licensing of healthcare professionals, facilities and equipment, medicines and drugs in the Kingdom of Bahrain.

There are no established laws in Bahrain regulating medical devices. Generally, in the absence of specific regulations, the Bahraini authorities are inclined to follow their international counterparts as well as prominent international organisations in such matters.

Health insurance

Bahrain has no applicable mandatory health insurance law.

Labour Law No. 36 of 2012

The Labour Law regulates the relationship between the employer and the employees, with the exception of a few categories of workers. The entitlements prescribed by this law represents the minimum entitlements of employees in the Kingdom of Bahrain and any employment terms contradicting the provisions of this law shall be void unless such terms are more favourable to the employee.

Philippines

Foreign Investments Act of 1991 (Republic Act No. 7042)

Republic Act No. 7042, otherwise known as the Foreign Investments Act of 1991 (“**FIA**”) is the main law that governs foreign investments in economic and commercial activities in the Philippines. The FIA provides for the Foreign Investments Negative Lists A and B which are lists of areas of economic activity whose foreign ownership is limited to a certain percentage of the equity capital of the enterprises engaged therein.

If a juridical entity violates the provisions of the FIA (by having foreign equity in excess of what is allowed under the Foreign Investments Negative Lists), the President and/or responsible officials may be subject to fines of up to PhP 200,000.00.

Republic Act No. 4688 (An Act Regulating the Operation and Maintenance of Clinic Laboratories and Requiring the Registration of the Same with the Department of Health)

Republic Act No. 4688 requires any person, firm or corporation, operating and maintaining a clinical laboratory in which body fluids, tissues, secretions, excretions and radioactivity from beings or animals are analyzed for the determination of the presence of pathologic organisms, processes and/or conditions in the persons or animals from which they were obtained, shall register and secure a license annually at the office of the Secretary of Health.

Department of Health Administrative Order No. 0027-07

DOH AO No. 0027-07 was promulgated to prescribe a revised minimum standard for clinical laboratories. This shall also ensure accuracy and precision of laboratory examinations in order to safeguard public health and safety. DOH AO No. 0027-07 applies to all individuals, agencies, partnerships or corporations that operate clinical laboratories in the Philippines performing examination and analysis of samples of tissues, fluids, secretions, excretions, or other materials from the human body that would yield relevant laboratory information, which physicians use for the prevention, diagnosis, and treatment of diseases, and the management and promotion of personal and public health.

Social Security Law (Republic Act No. 8282)

The Social Security Law aims to promote social justice and provide meaningful protection to members and their beneficiaries against the hazards of disability, sickness, maternity, old age, death, and other contingencies resulting in loss of income or financial burden. It requires employers to deduct and withhold the employee’s contribution from the employee’s compensation (salary) and to remit the same to the Social Security System, together with the employer’s contribution.

Failure to remit the SSS contributions will subject the employer to penalties of up to PhP 20,000.00 in fines or imprisonment of up to 12 years. If the act or omission penalized by the Social Security Law be committed by an association, partnership, corporation or any other institution, its managing head, directors or partners shall be liable to the penalties provided in this Act for the offense.

Philippine Health Insurance Law (Republic Act No. 7875 As Amended By Republic Act No. 10606)

The law declared it a policy of the State to adopt an integrated and comprehensive approach to health development, which shall endeavor to make essential goods, health and other social services available to all the people at affordable cost and to provide free medical care to paupers. Towards this end, the State shall provide comprehensive health care services to all Filipinos through a socialized health insurance program that will prioritize the health care needs of the underprivileged, sick,

elderly, persons with disabilities, women and children and provide free health care services to indigents. The law makes it mandatory for employers to remit monthly contributions from the employee and the employer (aside from the contributions under the Social Security Law).

If the act or omission penalized by the Philhealth Act be committed by an association, partnership, corporation or any other institution, its managing directors or partners or president or general manager, or other persons responsible for the commission of the said act shall be liable for the penalties provided for in the law.

Home Development Mutual Fund Law (Republic Act No. 9679)

The Home Development Mutual Fund Law aims to establish, develop, promote, and integrate a nationwide sound and viable tax-exempt mutual provident savings system suitable to the needs of the employed and other earning groups, and to motivate them to better plan and provide for their housing needs. The law requires the employer (and also the employee) to remit monthly contributions to the fund in the spirit of social justice and the pursuit of national development.

The Home Development Mutual Fund Law provides for the penalties of fine and imprisonment for violations of said law. If the offender is a corporation, the penalty is imposed on the members of the governing board (directors) and the President or general manager.

Data Privacy Act (Republic Act No. 10173)

The Data Privacy Act of 2012 is a law that aims to protect the security of personal information and sensitive personal information. In general, the Data Privacy Act applies to “personal information controllers” and “personal information processors.”

“Personal information controller” refers to a person or organization who controls the collection, holding, processing or use of personal information, including a person or organization who instructs another person or organization to collect, hold, process, use, transfer or disclose personal information on his or her behalf. Notably, a person or organization who performs such functions as instructed by another person or organization is excluded.

“Personal information processor” refers to any natural or juridical person qualified to act as such under the Data Privacy Act to whom a personal information controller may outsource the processing of personal data pertaining to a data subject.

The law penalizes the unauthorized processing of personal information, disclosure of personal information due to negligence, improper disposal of personal information, unauthorized access or intentional breach of data systems (and concealment of such security breaches), malicious disclosure of personal information, and unauthorized disclosure of personal information. The law imposes a range of penalties on these acts, but in general, the usual penalty is one (1) to three (3) years imprisonment and a fine of PHP 500,000.00 to PHP 1 Million if the violation involves personal information, and three (3) to six (6) years imprisonment and a fine of PHP 1 Million to PHP 5 Million if it involves sensitive personal information.

Law on the Environmental Impact System (Presidential Decree No. 1586)

Presidential Decree No. 1586 introduced and required the implementation of the environmental impact statement system. Pursuant thereto, all government agencies, government-owned or controlled corporations, and private companies are required to prepare an environmental impact assessment for any project or activity that affects the quality of the environment. These assessments, which are systematic studies of the relationship between the project and its surrounding environment, are essential in obtaining an Environmental Compliance Certificate. The Environmental Compliance Certificate is required to be obtained by all projects that are deemed environmentally critical or are located in environmentally critical areas.

The ECC contains specific measures and conditions that the holder has to undertake before and during the operation of a project to mitigate identified environmental impacts. Among such conditions is the acquisition of the required approvals by the appropriate regulatory authorities and government agencies for the various activities covered by the project. After the acquisition of the said approvals, the project can start implementation.

Section 9 of Presidential Decree No. 1586 provides that any person, corporation or partnership found violating the terms and conditions in the issuance of the Environmental Compliance Certificate will be punished by the suspension or cancellation of its ECC or and/or a fine in an amount not exceeding Fifty Thousand Pesos for every violation thereof.

Local Government Code (R.A. 7160)

The Local Government Code is the general law that governs the powers, authority, and functions of the various local government units composing the Philippine political structure.

Relevant to this discussion is Section 444 of the Local Government Code, which grants the local chief executive (e.g. the mayor) the power to “issue licenses and permits” to businesses. Accordingly Section 444(b)(3)(iv) of the Local Government Code also grants the local chief executive the power to suspend or revoke such licenses or permits for any violation of the conditions upon which said licenses or permits had been issued, pursuant to law or ordinance. The local government governing the area where the hospital is situated may likewise assess real property taxes on the land and building (hospital facility), as well as have requirements and limitation in relation to the zoning classification of the area (whether the area is suitable for hospital development).

Labor Code and its Implementing Rules and Regulations

Provides the labor standards and governs the relationship between employers and employees. Also contains provisions on contracting out labor.

HISTORY AND CERTAIN CORPORATE MATTERS

Brief history of our Company

Our Company was incorporated as DM Healthcare Private Limited on January 18, 2008 at Kochi, Ernakulam, Kerala, India as a private limited company under the Companies Act, 1956. The name of our Company was changed to Aster DM Healthcare Private Limited and a fresh certificate of incorporation consequent upon change of name was issued on November 29, 2013. The name of our Company was changed from DM Healthcare Private Limited to Aster DM Healthcare Private Limited to align ourselves with the brand name 'Aster' and leverage the value of the brand.

Our Company was converted into a public limited company pursuant to a special resolution passed by our Shareholders at the EGM held on November 10, 2014 and the name of our Company was changed to Aster DM Healthcare Limited. A fresh certificate of incorporation consequent upon conversion to a public limited company was issued on January 1, 2015.

Changes in Registered Office

The details of changes in the registered office of our Company are given below:

Date of change of Registered Office	Details of the address of Registered Office
July 3, 2009	From 39/4718, Sreekandath Road, Ravipuram, Kochi - 682 016, Ernakulam, Kerala, India to 5B, Oxford Business Center, Sreekandath Road, Ravipuram, Kochi - 682 016, Ernakulam, Kerala, India
August 1, 2010	From 5B, Oxford Business Center, Sreekandath Road, Ravipuram, Kochi - 682 016 Ernakulam, Kerala, India to 39/3105, PDR Bhavan, I Floor, Palliyil Lane, Foreshore Road, Kochi - 682 016, Ernakulam, Kerala, India
November 20, 2013	From 39/3105, PDR Bhavan, I Floor, Palliyil Lane, Foreshore Road, Kochi - 682 016, Ernakulam, Kerala, India to IX/475L, Aster Medcity, Kuttisahib Road, near Kothad Bridge, South Chittoor P.O., Cheranalloor, Kochi - 682 027, Ernakulam, Kerala, India

The changes in the Registered Office were made to ensure greater operational efficiency and to meet growing business requirements.

Main Objects of our Company

The main objects contained in the Memorandum of Association of our Company are as follows:

"1. To set up and run the business of super-specialty health centres, medical clinics, nursing homes, hospitals, in and out patient services and to run all allied functions related to surgical and medicare services;

2. To purchase, lease or otherwise acquire, establish, maintain, operate, run, manage or administer hospitals, daycare and healthcare centers, nursing homes, clinics for in-door and out-door patients and facilities for reception and treatment of persons suffering from injuries and illness, disabilities and deficiencies of any kind or nature whatsoever and treatment of persons during convalescence or of persons requiring medical attention or rehabilitation, geriatric care centre, assisted living, in the generality, specialty and/or super-specialty departments."

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out and the activities proposed to be undertaken pursuant to the objects of the Offer. For further details, see "Objects of the Offer" on page 99.

Amendments to the Memorandum of Association

Set out below are the amendments to our Memorandum of Association since the incorporation of our Company.

Date of Shareholders' Resolution	Particulars
February 23, 2008	Clause V of the Memorandum of Association was amended to reflect the increase in authorised capital from ₹500,000 divided into 50,000 Equity Shares of ₹10 each to ₹10,000,000 comprising of ₹4,000,000 divided into 400,000 Class A Equity Shares of ₹10 each, ₹4,000,000 divided into 400,000 Class B Equity Shares of ₹10 each and ₹2,000,000 divided into 200,000 redeemable preference shares of ₹10 each
October 22, 2011	Clause V of the Memorandum of Association was amended to reflect the reclassification of authorised capital from ₹10,000,000 comprising of ₹4,000,000 divided into 400,000 Class A Equity Shares of ₹10 each, ₹4,000,000 divided into 400,000 Class B Equity Shares of ₹10 each and ₹2,000,000 divided into 200,000 redeemable preference shares of ₹10 each to ₹10,000,000 divided into 800,000 Equity Shares of ₹10 each and 200,000 redeemable preference shares of ₹10 each
July 9, 2012	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹10,000,000 divided into 800,000 Equity Shares of ₹10 each and 200,000 redeemable preference shares of ₹10 each to ₹1,300,000,000 divided into 129,800,000 Equity Shares of ₹10 each and 200,000

Date of Shareholders' Resolution	Particulars
	redeemable preference shares of ₹10 each
November 18, 2013	Pursuant to the change in the name of our Company from DM Healthcare Private Limited to Aster DM Healthcare Private Limited, the relevant clauses of the Memorandum of Association were amended to replace the words 'DM Healthcare Private Limited' with the words 'Aster DM Healthcare Private Limited'. Further, clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹1,300,000,000 divided into 129,800,000 Equity Shares of ₹10 each and 200,000 redeemable preference shares of ₹10 each to ₹3,802,000,000 divided into 380,000,000 Equity Shares of ₹10 each and 200,000 redeemable preference shares of ₹10 each
April 30, 2014	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹3,802,000,000 divided into 380,000,000 Equity Shares of ₹10 each and 200,000 redeemable preference of ₹10 each to ₹4,052,000,000 divided into 390,000,000 Equity Shares of ₹10 each and 15,200,000 compulsorily convertible preference shares of ₹10 each
July 31, 2014	Clause III of the Memorandum of Association was amended to reflect the diversification of the business activities of our Company by inserting clause 3(a)(2) and 3(b)(44); and adoption of a new set of Memorandum of Association in accordance with the provisions of the Companies Act, 2013
November 10, 2014	Consequent to the conversion of our Company into a public limited company, the relevant clauses of the Memorandum of Association were amended to replace the words 'Aster DM Healthcare Private Limited' with the words 'Aster DM Healthcare Limited'
February 7, 2015*	The scheme of amalgamation between IHPL and our Company was approved at the court convened meeting of our Shareholders. Pursuant to its order dated July 1, 2015, the High Court of Kerala approved the amalgamation of IHPL with our Company and Clause V of the MoA was amended to reflect the increase in authorised share capital from ₹4,052,000,000 divided into 390,000,000 Equity Shares of ₹10 each and 15,200,000 compulsorily convertible preference shares of ₹10 each to ₹4,552,000,000 divided into 440,000,000 Equity Shares of ₹10 each and 15,200,000 compulsorily convertible preference shares of ₹10 each
September 9, 2015	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹4,552,000,000 divided into 440,000,000 Equity Shares of ₹10 each and 15,200,000 compulsorily convertible preference shares of ₹10 each to ₹5,662,000,000 divided into 500,000,000 Equity Shares of ₹10 each and 15,200,000 series A compulsorily convertible preference shares of the face value of ₹10 each and 51,000,000 RAR compulsorily convertible preference shares of the face value of ₹10 each
May 27, 2016	Clause V of the Memorandum of Association was amended to reflect the increase in authorised share capital from ₹5,662,000,000 divided into 500,000,000 Equity Shares of ₹10 each and 15,200,000 series A compulsorily convertible preference shares of the face value of ₹10 each and 51,000,000 RAR compulsorily convertible preference shares of the face value of ₹10 each to ₹616,200,000 divided into 550,000,000 Equity Shares of ₹10 each and 15,200,000 series A compulsorily convertible preference shares of the face value of ₹10 each and 51,000,000 RAR compulsorily convertible preference shares of the face value of ₹10 each

* Court convened meeting

Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

Year	Particulars
1987	Our Promoter started a clinic in Dubai
1995	Our first specialty medical centre was launched in Dubai
2001	MIMS Kozhikode Hospital commenced operations
2005	Al Rafa Hospital for Maternity and Surgery (now called Aster IVF and Women Clinic LLC) commenced operations
2006	Medcare Hospital, commenced operations
2008	- India Value Fund III A acquired 28.20% of the paid up Equity Share capital our Company calculated at the time of investment - Our Company acquired majority stake in PHL, Kolhapur
2009	Al Raffah Hospital, our first hospital in Oman, commenced operations in Muscat
2010	- Our Company acquired 100% of the paid up equity share capital of Affinity, Mauritius - Al Raffah Hospital, our second hospital in Oman, commenced operations in Sohar
2011	Second Medcare Hospital, namely Medcare Orthopedics and Spine Hospital (Dubai) commenced operations
2012	- Olympus acquired 25.47 % of the paid up equity share capital of our Company 40.8% of the paid up equity share capital of Sanad Al Rahma for Medical Care LLC was conditionally acquired
2013	Our Company acquired 60.35% of the paid up equity share capital of IHPL and consequently MIMS became our Subsidiary.
2014	- Our Company acquired hospital operational and management rights in Aster CMC, Bangalore pursuant to the hospital operation and management agreement dated May 12, 2014 - Aster Medcity was inaugurated in Kochi, Kerala - Our Company acquired 51% voting rights in Sainatha Hospitals, Andhra Pradesh - We acquired 54% stake in Aster Kuwait - We acquired 51% stake in Orange Pharmacies LLC, Jordan

2015	- First clinic in the Kingdom of Bahrain commenced operations - First clinic in the Philippines commenced operations
2016	- Our Company divested its stake in Medipoint Hospitals Private Limited, Pune - Our Company acquired hospital operational and management rights in DM Wayanad Institute of Medical Sciences, Wayanad pursuant to a medical services agreement and an operation and management agreement, both dated March 4, 2016 - Our Company increased stake up to 70.68% in the paid up equity share capital of MIMS - We increased stake up to 97% stake in Sanad Medical Care - Our Company has entered into a share subscription and share purchase agreement dated April 30, 2016 to acquire 51% stake in Dr Ramesh Hospital

Awards and Accreditations

We have been given the following awards and accreditations:

Year	Awards and Accreditations
2001	MIMS Hospital, Kozhikode, India received its first place (certificate of merit) from the Kerala State Pollution Control Board for making a substantial and sustained effort in pollution control. MIMS subsequently received this certificate of merit in 2007, 2008, 2009, 2010, 2011, 2012 and 2013 for various hospitals
2006	MIMS Hospital, Kozhikode, India received NABH accreditation valid upto October 29, 2009 which was subsequently renewed up to October 29, 2018
2012	MIMS Laboratory Services, MIMS received ISO 15181:2007 certification in the field of Medical Testing valid up to October 8, 2016
2013	- Medcare Hospital LLC, Dubai, UAE received JCI accreditation valid up to December 12, 2016 - Medcare Orthopaedics and Spine Hospital, Dubai, UAE received JCI accreditation valid up to December 19, 2016 - Dr. Ahmed Abanamy Hospital received accreditation from the Central Board for Accreditation of Healthcare Institutions, Council of Health Services, KSA valid up to October 2016
2014	- Aster Medcity Hospital, Kochi, India received ISO 9001 : 2008 certification valid up to August 5, 2017 - Medinova Diagnostic Centre, Dubai, UAE received JCI accreditation valid up to July 10, 2017 - Aster Pharmacy Group received the Best Service Performance Brand Award by Dubai Service Excellence Scheme
2015	- Aster Medcity, Kochi, India received NABH accreditation for compliance with the Certification Standards for Nursing Excellence valid up to March 30, 2017 - Aster Medcity, Kochi, India received NABH accreditation valid up to March 30, 2018 - Aster Medcity, Kochi, India received the ISO 22000:2005 certification for production and service of food for patients, staff and patients' relatives within the hospital from Bureau Veritas Certification Holding SAS – UK Branch, valid up to July 16, 2018 - Aster Pharmacies Group LLC has been awarded 'Superbrand' status by the UAE Superbrands Council - Aster Medcity, Kochi received JCI accreditation valid up to June 19, 2018 - Our Company received the 'National Awards for Excellence in Healthcare Award for Best Dialysis Service Provider' by CMO Asia - Our Company received the 'National Awards for Excellence in Healthcare Award for Best Marketing Campaign – Healthcare Industry' by CMO Asia - Our Company received the 'National Awards for Excellence in Healthcare Award for Best Healthcare Entrepreneur' by CMO Asia
2016	- Our Company received the 'Institutional Bravery Award' for Distinguished Service in Flood Relief in Chennai and Cuddalore, 2015 by the Society for Emergency Medicine India - Aster Medcity received the 'Quality Beyond Accreditation Award' by the Association of Healthcare Providers (India) - Our Company received the 'National Awards for Excellence in Healthcare Award for Best Healthcare Entrepreneur' by CMO Asia - Aster Medcity received the 'Dhanam Award 2016 - NRK Brand of the Year' award - Aster Medcity received the 'Distinction in Quality of Service Delivery Award' by Asia Healthcare - Aster Medcity received the 'Nursing Excellence Award' by the Association of Healthcare Providers (India) - Aster Medcity received the 'Award for Best Quality Initiative in Healthcare' by Asia Healthcare - Our Company received the 'Award for the Best Marketing Campaign' by Asia Healthcare - Our Company received the 'National Awards for Excellence in Healthcare Award for Best Marketing Campaign' by CMO Asia - Aster Medcity received the Certificate of Honor from the NABH for being 'One of the Best & Safest Hospitals in India' - Aster Medcity received the first place (certificate of merit) from the Kerala State Pollution Control Board for making a substantial and sustained effort in pollution control

Pre-IPO Placement

Our Company and UIPL may consider a pre-offer placement of up to 9,600,000 Equity Shares comprising of a fresh issue of up to 4,800,000 Equity Shares by our Company and a transfer of up to 4,800,000 Equity Shares by UIPL for an aggregate amount not exceeding ₹2,000 million for each portion at the discretion of the Company and UIPL. The Pre-IPO Placement

will be at a price to be decided by our Company and UIPL and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares allotted and transferred will be reduced from the Fresh Issue and the Offer for Sale, as applicable, subject to a minimum offer of 10% of the post-Offer paid-up Equity Share capital being offered to the public. Further, Rimco may exercise its pre-emptive rights and tag along rights in relation to the Pre-IPO Placement, pursuant to the terms of the SHA, as amended.

Other Details Regarding our Company

For details regarding the description of our activities, the growth of our Company, technology, the standing of our Company in relation to the prominent competitors with reference to its products, management, major suppliers and customers, segment, capacity/facility creation, market capacity build-up, environmental issues, marketing and competition, see “*Our Business*” and “*Industry Overview*” on pages 134 and 113 respectively.

For details regarding our management and its managerial competence, see “*Our Management*” on page 217.

For details regarding profits due to foreign operations, see “*Financial Statements*” on page 244.

Strikes and Lock-outs

Staff nurses at our MIMS hospital in Kozhikode submitted a charter of demands, seeking among other things, revision of salary structure. Subsequently, the nurses went on strike on April 4, 2012. The District Labour Officer convened conciliation meetings pursuant to which a settlement was agreed to and the strike was called off April 8, 2012.

Members of the Bharatiya Kamgar Sena went on an illegal strike at Aster Aadhar Hospital, Pune on September 20, 2013 which was called off on September 22, 2013. Our Subsidiary, PHL, which operated Aster Aadhar Hospital has initiated legal action against the employees who lead the strike. For further details, see “*Outstanding Litigation and Material Developments – Litigation involving PHL*” on page 432.

Details regarding acquisition of business/undertakings, mergers, amalgamation, revaluation of assets, if any

Except as disclosed below, our Company has neither acquired any entity, business or undertaking nor undertaken any merger, amalgamation or revaluation of assets:

Scheme of Amalgamation of IHPL with our Company as approved by the High Court of Kerala at Ernakulam

IHPL merged with our Company pursuant to Sections 391 to 394 of the Companies Act, 1956 under a scheme of arrangement and amalgamation which was approved by the High Court of Kerala by its order dated July 1, 2015. The appointed date for the merger is April 1, 2014. Pursuant to this scheme, all estate, assets, properties, debts, outstandings, credits, liabilities, duties and obligations of IHPL were transferred to and vested in our Company. Upon the scheme coming into effect, all equity shares held by our Company in IHPL stood cancelled. In consideration for the transfer and vesting of the undertaking and business of IHPL in our Company, our Company allotted to each shareholder of IHPL (other than our Company) 100 Equity Shares of our Company for every 222 equity shares of IHPL held by them. For further details, see “*Capital Structure*” on page 82.

Capital raising activities through equity and debt

Except as mentioned in “*Capital Structure*” on page 82, our Company has not raised any capital through equity. For details of the outstanding debt facilities of our Company, see “*Financial Indebtedness*” and “*Financial Statements*” on pages 426 and 244.

Defaults or rescheduling of borrowings with financial institutions/banks and conversion of loans into equity

There have been no defaults or rescheduling of borrowings with financial institutions/banks in respect of our current borrowings from lenders. None of our outstanding loans have been converted into equity shares.

Time and cost overruns

There have been no significant time and cost overruns in the development or construction of any of our projects or establishments.

Changes in the activities of our Company during the last five years

There has been no change in the activities of our Company during the last five years which may have had a material effect on the profit/loss account of our Company including discontinuance of line of business, loss of agencies or markets and similar factors.

Accumulated Profits or Losses

There are no accumulated profits or losses of any of our Subsidiaries that are not accounted for by our Company in the Restated Consolidated Financial Statements.

Injunction or restraining order

Our Company is not operating under any injunction or restraining order.

Partnership Firms

Our Company is not a partner in any partnership firm.

Interest in our Company

None of our Subsidiaries have any interest in our Company's business other than as stated in "*Our Business*" and "*Financial Statements*" on page 134 and 244 respectively.

Our Shareholders

Our Company has 63 Shareholders, (including the shares jointly held by Sooraj P., Ram Bhushan and Mathew T.S. as trustees on behalf of the DM Healthcare Employees Welfare Trust) as of the date of this Draft Red Herring Prospectus. For further details regarding our Shareholders, see "*Capital Structure*" on page 82.

Strategic or Financial Partners

For further details regarding our strategic or financial partners, see "*Our Business*" on page 134.

Our Holding Company

UIPL is the holding company of our Company. For details of our holding company, see "*Our Promoters and Promoter Group*" on page 235.

Our Subsidiaries

Our Company has 52 Subsidiaries. Unless stated otherwise, information in relation our Subsidiaries is as on the date of this Draft Red Herring Prospectus.

Our Indian Subsidiaries

1. *Ambady Infrastructure Private Limited ("AIPL")*

Corporate Information

AIPL was incorporated on January 22, 2008 under the Companies Act, 1956 as a private limited company. It has its registered office at IX/475L, Aster Medcity, Kuttisahib Road, near Kothad Bridge, South Chittoor P.O., Cheranalloor, Kochi - 682 027, Kerala, India.

AIPL is authorized to engage in the business of all types of infrastructure and construction activities.

Capital Structure

The authorised share capital of AIPL is ₹150,200,000 divided into 1,502,000 equity shares of ₹100 each and the issued and paid up share capital of AIPL is ₹150,100,000 divided into 1,501,000 equity shares of ₹100 each.

Shareholding

Our Company directly holds 1,500,500 equity shares of ₹100 each aggregating to 99.97% of the issued and paid up share capital of AIPL. Dr. Azad Moopen holds 500 equity shares of ₹100 each aggregating to 0.03% of the issued and paid up share capital of AIPL beneficially in favour of our Company.

2. *Aster DM Healthcare (Trivandrum) Private Limited ("Aster Trivandrum")*

Corporate Information

Aster Trivandrum was incorporated on February 25, 2010 under the Companies Act, 1956 as a private limited company under the name DM Eye Care (Delhi) Private Limited. The name of the company was subsequently

changed to Aster Trivandrum pursuant to a special resolution dated May 6, 2016. A fresh certificate of incorporation consequent upon change of name was issued on May 30, 2016. It has its registered office at IX/475L, Aster Medcity, Kuttisahib Road, near Kothad Bridge, South Chittoor P.O., Cheranallor, Kochi - 682 027, Kerala, India.

Aster Trivandrum is authorised to set up and engage in the business of, *inter-alia*, super-specialty health centres, medical clinics, nursing homes, hospitals, in and out-patient services and to run all allied functions related to surgical and medicare services and to engage in the business of setting up eye care centers for the purpose of providing surgeries, treatments, corrections, physician services, counselling, consulting and dispensing services in ophthalmology related areas.

Capital Structure

The authorised share capital of Aster Trivandrum is ₹401,000,000 divided into 40,100,000 equity shares of ₹10 each and the issued and paid up share capital of Aster Trivandrum is ₹80,100,000 divided into 8,010,000 equity shares of ₹10 each.

Shareholding

Our Company directly holds 8,009,999 equity shares of ₹10 each aggregating to 99.99% of the issued and paid up share capital of Aster Trivandrum.

3. ***DM Med City Hospitals (India) Private Limited (“DM Med City”)***

Corporate Information

DM Med City was incorporated on November 12, 2009 under the Companies Act, 1956 as a private limited company. It has its registered office at IX/475L, Aster Medcity, Kuttisahib Road, near Kothad Bridge, South Chittoor P.O., Cheranallor, Kochi - 682 027, Kerala, India.

DM Med City is authorized to engage in the business of, *inter-alia*, constructing and running hospitals, speciality health clinics, pre-post operative care centers, dispensing centers and medical infrastructure units by developing itself as a fully integrated self contained medical satellite township.

Capital Structure

The authorised share capital of DM Med City is ₹1,000,000 divided into 100,000 equity shares of ₹10 each and the issued and paid up share capital is ₹100,000 divided into 10,000 equity shares of ₹10 each.

Shareholding

Our Company directly holds 9,999 equity shares of ₹10 each aggregating to 99.99% of the issued and paid up share capital of DM Med City.

4. ***Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited (“Dr. Ramesh Hospital”)***

Corporate Information

Dr. Ramesh Hospital was incorporated on May 29, 1995 under the Companies Act, 1956 as a public company limited by shares as Citi Cardiac Research Centre Limited and received the certificate of commencement of business on June 29, 1995. The name of the company was subsequently changed to Dr. Ramesh Cardiac and Multispeciality Hospital Limited and a fresh certificate of incorporation consequent upon change of name was issued on May 28, 2008. The company was converted to a private limited company and a fresh certificate of incorporation consequent upon change of name was issued on May 29, 2011 and the name of the company was changed to Dr Ramesh Cardiac and Multispeciality Hospital Private Limited. It has its registered office at Ward 33D, Ring Road, ITI Bus Stop, Vijaywada, Krishna, Andhra Pradesh, India.

Capital Structure

The authorised share capital of Dr. Ramesh Hospital is ₹210,000,000 divided into 11,000,000 equity shares of ₹10 each and 1,000,000 preference shares of ₹100 each and the issued and paid up share capital of Dr. Ramesh Hospital is ₹107,555,030 divided into 9,455,503 equity shares of ₹10 each and 130,000 preference shares of ₹100 each.

Shareholding

Our Company holds 2,833,409 equity shares of ₹10 each aggregating to 29.97% of the issued and paid up share

capital of Dr. Ramesh Hospital and is entitled to appoint 4 out of 7 directors on the board of Dr. Ramesh Hospital. Pursuant to a share subscription and share purchase agreement and a share purchase agreement shareholders agreement, each dated April 30, 2016, our Company has agreed to acquire up to 51% stake in Dr. Ramesh Hospital in three tranches. For further details, see “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

5. **Malabar Institute of Medical Sciences Limited (“MIMS”)**

Corporate Information

MIMS was incorporated on February 17, 1995 under the Companies Act, 1956 as a public company limited by shares and received the certificate of commencement of business on July 18, 1995. It has its registered office at Mini Bye Pass Road, Govindapuram P.O., Kozhikode District - 673 016, Kerala, India.

MIMS is authorised to engage in the business of, *inter-alia*, organizing, establishing, setting up and running (i) hospitals, nursing homes, clinics and health care centres for reception and treatment of persons suffering from illness; and (ii) medical colleges, nursing colleges, schools and institutions for providing coaching and training for medical and paramedical courses, issuing certificates and undertaking academic and research activities in all branches of medical science.

Capital Structure

The authorised share capital of MIMS is ₹1,000,000,000 divided into 100,000,000 equity shares of ₹10 each and the issued and paid up share capital of MIMS is ₹908,294,970 divided into 90,829,497 equity shares of ₹10 each.

Shareholding

Our Company holds 64,198,863 equity shares of ₹10 each aggregating to 70.68% of the issued and paid up share capital of MIMS.

MIMS is in the process of compounding non-compliance with the provisions of Section 67(3) in relation to certain past allotments before the National Company Law Tribunal, Chennai Bench and complying with the SEBI press release dated November 30, 2015 and SEBI Circular no. CIR/CFD/DIL3/18/2015 dated December 31, 2015. For further details, see “*Risk Factors – One of our Subsidiaries, MIMS, has filed a compounding application before the Company Law Board (“CLB”), Chennai in respect of past violations of Section 67(3) of the Companies Act, 1956.*” and “*Outstanding Litigation and Material Developments – Fines imposed or compounding of offences – Compounding involving MIMS*” on pages 23 and 434 respectively.

6. **Prerana Hospital Limited (“PHL”)**

Corporate Information

PHL was incorporated on December 3, 1996 under the Companies Act, 1956 as a private limited company under the name “Prerana Hospital Private Limited”. Subsequently, PHL was issued a new certificate of incorporation dated March 12, 2001 by the registrar of companies, Pune consequent to its conversion into a public limited company. It has its registered office at R. S. No. 628 ‘B’, Ward, near Shastri Nagar, KMT Workshop, Kolhapur, Maharashtra – 416 012.

PHL is authorised to engaged in the business of, *inter-alia* (i) establishing, promoting, subsidizing and organizing hospitals, dispensaries, clinics, diagnostic centers, polyclinics, blood banks, investigation centers and other similar establishments for providing treatment and medical relief in all its branches by all available means to the public at large on suitable fees, concessional fees or on a free of charge basis; and (ii) manufacturing, exporting, importing, buying, selling, and otherwise dealing in all sorts of medicines, pharmaceuticals, chemicals, drugs and other allied goods and articles.

Capital Structure

The authorised share capital of PHL is ₹50,000,000 divided into 3,400,000 equity shares of ₹10 each and 1,600,000, 11.75% compulsorily convertible preference shares of ₹10 each. The issued and paid up share capital of PHL is ₹47,811,670 divided into 3,250,000 equity shares of ₹10 each and 1,531,167 11.75% compulsorily convertible preference shares of ₹10 each.

Shareholding

Our Company holds 2,626,100 equity shares of ₹10 each and 1,531,167 11.75% compulsorily convertible preference shares aggregating to 80.80% of the issued and paid up equity share capital and 100% of the preference

share capital of PHL respectively.

7. **Sri Sainatha Multispeciality Hospitals Private Limited (“Sainatha Hospitals”)**

Corporate Information

Sainatha Hospitals was incorporated on May 24, 2007 under the Companies Act, 1956 as a private limited company. It has its registered office at P-4, beside Blue Forex Hotel, Mythri Vihar, Ameerpet, Hyderabad - 500 016, Telangana, India.

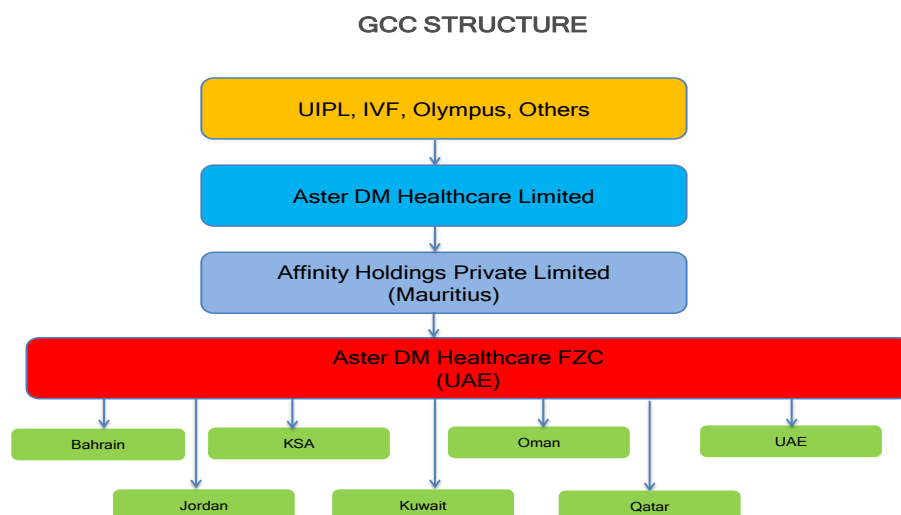
Sainatha Hospitals is authorised to engage in the business of, *inter-alia*, (i) maintaining, managing and developing multispeciality hospitals, dispensaries, clinics, diagnostic centers, polyclinics, research centers, chemist shops, blood banks, investigation centers and other similar establishments for providing treatment and medical relief to the public at large on suitable fees, concessional fees or on free of charge basis; and (ii) manufacturing, producing, exporting, importing, distributing or otherwise dealing in various types of medicines, pharmaceuticals, chemicals, drugs, instruments and other allied goods and articles incidental to its business.

Capital Structure

The authorised share capital of Sainatha Hospitals is ₹100,000,000 divided into 6,909,053 equity shares of ₹10 each, 3,089,847 series A compulsorily convertible preference shares of ₹10 each and 1,000 class A equity shares of ₹10 each. The issued and paid up equity share capital of Sainatha Hospitals is ₹70,159,470 divided into 3,925,000 equity shares of ₹10 each, 3,089,947 series A compulsorily convertible preference shares of ₹10 each and 1,000 class A equity shares of ₹10 each.

Shareholding

Our Company holds 200,000 equity shares of ₹10 each of Sainatha Hospitals, aggregating to 5.10% of the issued and paid up share capital of Sainatha Hospitals. Our Company also holds 1,000 class A equity shares of ₹10 each aggregating to 100% of the issued and paid up class A equity share capital (equivalent to 44.90% of the paid up equity share capital of Sainatha Hospitals) and 3,089,947 series A compulsorily convertible preference shares of ₹10 each aggregating to 100% of the issued and paid up compulsorily convertible preference share capital of Sainatha Hospitals.



Our Subsidiary in Mauritius

1. Affinity Holdings Private Limited (“Affinity”)

Corporate Information

Affinity was incorporated on January 24, 2008 as a private limited company in Mauritius under the Companies Act, 2001 of the republic of Mauritius. It has its registered office at C/o CIM Corporate Services Limited, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius.

Affinity is authorised to engage in the business of, *inter-alia*, investing directly or through other entities, substantially all of its capital to securities of entities owning and operating medical clinics, pharmacies, hospitals, healthcare centres and providing related consultancy services in Gulf countries and other parts of the world. Affinity is authorised to engage in qualified global business as permitted under the Financial Services Development Act, 2007 of Mauritius, the Companies Act, 2001 of Mauritius and any other law for the time being in force in the republic of Mauritius.

Capital Structure

The share capital of Affinity is USD 255,929,675 divided into 1,000 ordinary shares of USD 1 each and 255,929,675 redeemable non-convertible preference shares of USD 1 each.

Shareholding

Our Company (along with its nominees) holds 1,000 equity shares and 255,928,675 redeemable non-convertible preference shares of a nominal value of USD 1 each aggregating to 100% of the issued and paid up share capital of Affinity.

Our Subsidiaries in UAE

Under UAE law, UAE nationals (natural or legal persons) are required to hold at least 51% of the companies incorporated in UAE. Accordingly, Aster FZC legally owns up to 49% of the shares of our Subsidiaries in UAE while the balance is held by UAE nationals and/or a company incorporated in the DIFC, namely Al Rafa Holdings Limited, as the case may be.

With respect to Subsidiaries where shares are held by UAE individuals, Aster FZC has entered into trust and sponsorship arrangements with such UAE shareholders, pursuant to which the UAE shareholders have assigned beneficial rights and profits derived from their legally owned shares to Aster FZC. For further details, see “*Risk Factors*”, “*Regulations and Policies*”, “*Our Business*” and “*History and Certain Corporate Matters – Summary of Key Agreements*” on pages 17, 153, 134 and 202.

In respect of Subsidiaries where we derive beneficial ownership through the DIFC structure, shares in our Subsidiaries are held by Al Rafa Holdings Limited which is wholly owned by Al Rafa Investments Limited another company incorporated in the DIFC. We have entered into the Trust Deed with Al Rafa Investments Limited and the shareholders of Al Rafa Investments Limited pursuant to which, the shares of Al Rafa Investments Limited, Al Rafa Holdings Limited and the shares of the downstream UAE entities are held in trust for Aster FZC. For further details, see “*Risk Factors*”, “*Regulations and Policies*”, “*Our Business*” and “*History and Certain Corporate Matters – Summary of Key Agreements*” on pages 17, 153, 134 and 202.

1. Aster DM Healthcare FZC (“Aster FZC”)

Corporate Information

Aster FZC was incorporated as a free zone company in Dubai, UAE on December 4, 2007 under the name of Dr. Moopens Holdings FZC. The license granted to it by the Government of Sharjah-Hamriyah Free Zone Authority, UAE is valid up to December 3, 2018. It has its registered office at ELOB Office No. E-64, F-30, Hamriyah Free Zone, Sharjah, UAE.

Aster FZC is authorised to engage in the business of investment of own resources and business consultancy.

Capital Structure

The issued share capital of Aster FZC is AED 1,024,191,000 comprising of 1,024,191 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Affinity, holds shares in Aster FZC.

Affinity holds 1,024,041 shares of AED 1,000 each aggregating to 99.98% of the issued share capital of Aster FZC.

2. ***Aster IVF and Women Clinic LLC (“Aster Women Clinic”)***

Corporate Information

Aster Women Clinic was incorporated as a limited liability company in UAE on January 5, 2005 under the name of Al Rafa Hospital for Maternity and Surgery LLC. The commercial license granted to it by the Department of Economic Development, UAE is valid up to January 4, 2017. It has its registered office at Showroom No. 1, Mohamad Hussein Ali Al Yatim property, Bur Dubai – Al Raffaah.

Aster Women Clinic is authorised to engage in the business of operating assisted fertilization centre.

Capital Structure

The issued share capital of Aster Women Clinic is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Aster Women Clinic.

Aster FZC holds 147 shares of AED 1,000 each aggregating to 49% of the issued share capital of Aster Women Clinic. Further, pursuant to the terms of the Trust Deed, the trust and sponsorship agreements and stake agreements entered into with the shareholders of Aster Women Clinic, Aster FZC beneficially owns 82% of the issued share capital of Aster Women Clinic. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

3. ***Al Rafa Medical Centre LLC (“Al Rafa Medical Centre AUH”)***

Corporate Information

Al Rafa Medical Centre AUH was incorporated as a limited liability company in UAE on July 24, 2007. The commercial license granted to it by the Abu Dhabi Business Centre and Department of Economic Development, UAE is valid up to August 10, 2016. It has its registered office at Hamdan Street-Salem Ben Ibrahim Al Saman Building, Abu Dhabi.

Al Rafa Medical Centre AUH is authorised to engage in the business of operating medical complexes, onshore and offshore oil and gas fields and facilities services.

Capital Structure

The issued share capital of Al Rafa Medical Centre AUH is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Al Rafa Medical Centre AUH.

Aster FZC holds 120 shares of AED 1,000 each aggregating to 40% of the issued share capital of Al Rafa Medical Centre AUH. Further, pursuant to the terms of the trust and sponsorship agreement entered into with a shareholder of Al Rafa Medical Centre AUH, Aster FZC beneficially owns 51% of the issued capital of Al Rafa Medical Centre AUH. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

4. ***Al Rafa Holdings Limited***

Corporate Information

Al Rafa Holdings Limited was incorporated in Dubai International Financial Centre on September 13, 2015. It has its registered office at Unit 813B, Level 8, Liberty House, P.O. Box 8703, Dubai International Financial Centre, UAE. The commercial license granted to it by the DIFC Registrar of Companies is valid up to September 12, 2016.

Al Rafa Holdings Limited is authorised to engage in the business of acting as a holding company, investing in commercial enterprises and management and investment in healthcare enterprises and development.

Capital Structure

The authorised, issued and paid up share capital of Al Rafa Holdings Limited is USD 50,000 comprising of 50 shares of USD 1,000 each.

Shareholding

Pursuant to the terms of the Trust Deed, Aster FZC beneficially holds 100% of the shareholding of Al Rafa Holdings Limited.

5. ***Al Rafa Investments Limited***

Corporate Information

Al Rafa Investments Limited was incorporated in Dubai International Financial Centre on September 6, 2015. It has its registered office at Unit 813B, Level 8, Liberty House, P.O. Box 8703, Dubai International Financial Corporation, Dubai, UAE. The commercial license granted to it by the DIFC Registrar of Companies is valid up to September 5, 2016.

Al Rafa Investments Limited is authorised to engage in the business of acting as a holding company, investment in commercial enterprises and management and investment in healthcare enterprises and development.

Capital Structure

The authorised, issued and paid up share capital of Al Rafa Investments Limited is USD 50,000 comprising of 50 shares of USD 1,000 each.

Shareholding

Two UAE nationals, namely Jamal Majed Khalfan Bin Theniyeh and Shamsudheen Bin Mohideen Mammu Haji are the legal and beneficial owners of Al Rafa Investments Limited. Al Rafa Investments Limited is the trustee under a trust established pursuant to the Trust Deed. Pursuant to the terms of the trust deed Al Rafa Investments Limited holds the trust fund (being all the shares in Al Rafa Holdings Limited and all interests therein) for and on behalf of Aster FZC as the beneficiary under the trust.

6. ***Al Shafar Pharmacy LLC (“Al Shafar Pharmacy”)***

Corporate Information

Al Shafar Pharmacy was incorporated as a limited liability company in UAE on July 4, 2010. The commercial license granted to it by the Department of Economic Development, UAE has expired and an application has been made for its renewal. It has its registered office at Hamdan Street, Central Market, Shop no. 73, Abu Dhabi.

Al Shafar Pharmacy is authorised to engage in the business of operating a pharmacy.

Capital Structure

The authorised, issued share capital of Al Shafar Pharmacy is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Al Shafar Pharmacy.

Aster FZC holds 147 shares of AED 1,000 each aggregating to 49% of the issued share capital of Al Shafar Pharmacy. Further, pursuant to the terms of a trust and sponsorship agreement entered into with a shareholder of Al Shafar Pharmacy, Aster FZC beneficially holds 51% of the issued share capital of Al Shafar Pharmacy. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

7. ***Asma Pharmacy LLC (“Asma Pharmacy”)***

Corporate Information

Asma Pharmacy was incorporated as a limited liability company in UAE on December 8, 1983. The commercial license granted to it by the Department of Economic Development, UAE is valid up to December 7, 2016. It has its registered office at Store 9, owned by Abdulla Soliman Marhoon, Deira, Sabkha.

Asma Pharmacy is authorised to engage in the business of operating drug stores, trading in perfumes, cosmetics and baby care requisites.

Capital Structure

The issued share capital of Asma Pharmacy is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Asma Pharmacy.

Pursuant to the terms of the trust and sponsorship agreements and stake agreements entered into between Aster FZC and certain shareholders of Asma Pharmacy, Aster FZC beneficially holds 50% of the issued share capital of Asma Pharmacy. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

8. *Aster Al Shafar Pharmacies Group LLC (“Aster Al Shafar Pharmacies Group”)*

Corporate Information

Aster Al Shafar Pharmacies Group was incorporated as a limited liability company in UAE on September 14, 2008. The commercial license granted to it by the Department of Economic Development, UAE is valid up to September 13, 2016. It has its registered office at No. 104, Property of Ahmed Abdullah Al Shafar, Bur Dubai, Karama.

Aster Al Shafar Pharmacies Group is authorised to engage in the business of investment in commercial enterprises and management.

Capital Structure

The issued share capital of Aster Al Shafar Pharmacies Group is AED 3,000,000 comprising of 3,000 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Aster Al Shafar Pharmacies Group.

Aster FZC holds 1,470 shares of AED 1,000 each aggregating to 49% of the issued share capital of Aster Al Shafar Pharmacies Group. Further, pursuant to the terms of the Trust Deed, Aster FZC beneficially owns 51% of the issued share capital of Aster Al Shafar Pharmacies Group. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

9. *Alfa Drug Store LLC (“Alfa Drug Store”)*

Corporate Information

Alfa Drug Store was incorporated as a limited liability company in UAE on March 7, 2013 under the name of Aster Drug Store LLC. The commercial license granted to it by the Department of Economic Development, UAE is valid up to March 6, 2017. It has its registered office at Warehouse No. 1, property of Dubai Properties/Hassan Mohamad Mohamad Saleh Fekri-Deira.

Alfa Drug Store is authorised to engage in the business of operating a drug store.

Capital Structure

The issued share capital of Alfa Drug Store is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Alfa Drug Store.

Aster FZC holds 147 shares of AED 1,000 each aggregating to 49% of the issued and paid up share capital of Alfa Drug Store. Further, pursuant to the terms of the Trust Deed, Aster FZC beneficially owns 100% of the issued share capital of Alfa Drug Store. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

10. *Aster Grace Nursing and Physiotherapy LLC (“Aster Grace”)*

Aster Grace was incorporated as a limited liability company in UAE on February 22, 2015. The commercial license granted to it by the Department of Economic Development, UAE is valid up to February 7, 2017. It has its

registered office at Abu Dhabi, Zayed the First Street, West 4, Plot 116, Floor 2, Office No 23, Property of Musabeh Khamis Nasser Al Mazrooi.

Aster Grace is authorised to engage in the business of providing home medical and healthcare.

Capital Structure

The issued share capital of Aster Grace is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Aster Grace.

Aster FZC holds 87 shares of AED 1,000 each aggregating to 29% of the issued share capital of Aster Grace. Pursuant to the terms of shareholders agreement entered into between Aster FZC and certain shareholders of Aster Grace, Aster FZC beneficially holds 60% of the issued and paid up share capital of Aster Grace.

11. ***Aster Medical Centre LLC (“Aster Medical Centre”)***

Corporate Information

Aster Medical Centre was incorporated as a limited liability company in UAE on May 14, 2015. The commercial license granted to it by the Department of Economic Development UAE is valid up to April 9, 2017. It has its registered office at Abu Dhabi Island, Khalidiya, West 4, Section 108, Store 1, Property of Mohamad Al Mazroui and others.

Aster Medical Centre is authorised to engage in the business of operating medical complexes.

Capital Structure

The issued share capital of Aster Medical Centre is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Aster Medical Centre.

Aster FZC holds 117 shares of AED 1,000 each aggregating to 39% of the issued share capital of Aster Medical Centre. Further, pursuant to the terms of the trust and sponsorship agreements entered into between Aster FZC and the shareholders of Aster Medical Centre, Aster FZC beneficially owns 90% of the issued share capital of Aster Medical Centre. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

12. ***Aster Opticals LLC (“Aster Opticals”)***

Corporate Information

Aster Opticals was incorporated as a limited liability company in UAE on December 25, 2014. The commercial license granted to it by the Department of Economic Development UAE is valid up to December 24, 2016. It has its registered office at office no. 201, property of Mohamad Al Emadi, Grand Souq.

Aster Opticals is authorised to engage in the business of optical lenses cutting and fixing, spectacles and contact lenses trading, sunglasses trading and spectacles repairing.

Capital Structure

The issued share capital of Aster Opticals is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Aster Opticals.

Aster FZC holds 87 shares of AED 1,000 each aggregating to 29% of the issued share capital of Aster Opticals. Further, pursuant to the terms of a Trust Deed and stake agreement, Aster FZC beneficially owns 60% of the issued share capital of Aster Opticals. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

13. ***Aster Pharmacies Group LLC (“Aster Pharmacies Group”)***

Corporate Information

Aster Pharmacies Group was incorporated as a limited liability company in UAE on May 29, 2013. The commercial license granted to it by the Department of Economic Development, UAE is valid up to May 28, 2018. It has its registered office at Offices No. 202, 203, 204, 205, Property of Mohamad Darwish Ali Al Emadi, Grand Souq.

Aster Pharmacies Group is authorised to engage in the business of investing in commercial enterprises and management and investing in healthcare enterprises and management.

Capital Structure

The issued share capital of Aster Pharmacies Group is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Aster Pharmacies Group.

Aster FZC holds 147 shares of AED 1,000 each aggregating to 49% of the issued share capital of Aster Pharmacies Group. Further, pursuant to the terms of the Trust Deed, Aster FZC beneficially owns 100% of the issued share capital of Aster Pharmacies Group. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

14. Aster Pharmacy LLC (“Aster Pharmacy AUH”)

Corporate Information

Aster Pharmacy AUH was incorporated as a limited liability company in, UAE on February 11, 2007. The commercial license granted to it by the Department of Economic Development, UAE is valid up to July 20, 2016. It has its registered office at Abu Dhabi - Al Masfah Al Tijariyah, East 9 K No. 26 – Assafir Centre Building, owned by Shiekh Saif Ben Mohamed Ben Batti.

Aster Pharmacy AUH is authorised to engage in the business of operating pharmacies.

Capital Structure

The issued share capital of Aster Pharmacy AUH is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Aster Pharmacy AUH.

Aster FZC holds 147 shares of AED 1,000 each aggregating to 49% of the issued share capital of Aster Pharmacy AUH. Further, pursuant to the terms of the trust and sponsorship agreement entered into with a shareholder of Aster Pharmacy AUH, Aster FZC beneficially owns 100% of the issued share capital of Aster Pharmacy AUH. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

15. Dar Al Shifa Medical Centre LLC AUH (“Dar Al Shifa Medical Centre”)

Corporate Information

Dar Al Shifa Medical Centre was incorporated as a limited liability company in UAE on February 27, 1999. The commercial license granted to it by the Abu Dhabi Business Centre and Department of Economic Development, UAE is valid up to August 25, 2016. It has its registered office at Abu Dhabi, Zayed Thani Street, Warsa Building/Mohamad Ali Nasser Alnouways.

Dar Al Shifa Medical Centre is authorised to engage in the business of operating medical complexes, 5 to 9 clinics, onshore and offshore oil and gas fields and facilities services.

Capital Structure

The issued share capital of Dar Al Shifa Medical Centre is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Dar Al Shifa Medical Centre.

Aster FZC holds 120 shares of AED 1,000 each aggregating to 40% of the issued share capital of Dar Al Shifa Medical Centre. Further, pursuant to the terms of the trust and sponsorship agreements entered into between Aster FZC and a shareholder of Dar Al Shifa Medical Centre, Aster FZC beneficially owns 51% of the issued share capital of Dar Al Shifa Medical Centre. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

16. **DM Group FZ LLC**

Corporate Information

DM Group FZ LLC was incorporated as a free zone limited liability company in UAE on April 20, 2009. The commercial license granted to it by the Dubai Healthcare City Authority, UAE is valid up to February 28, 2017. DM Group FZ LLC is being wound up. It has its registered office at premises no. 301, Floor 3, Building 27, Block B-Dubai, UAE.

DM Group FZ LLC is authorised to engage in the business of serving as regional head quarters, administrative office.

Capital Structure

The issued share capital of DM Group FZ LLC is AED 100,000 comprising of 100 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in DM Group FZ LLC. Aster FZC holds 60 shares of AED 1,000 each aggregating to 60% of the issued and paid up share capital of DM Group FZ LLC. Pursuant to the terms of assignment agreements, Aster FZC beneficially holds 100% of the issued and paid up capital of DM Group FZ LLC.

17. **DM Healthcare LLC (“DM Healthcare”)**

Corporate Information

DM Healthcare was incorporated as a limited liability company in UAE on January 20, 2009. The commercial license granted to it by the Department of Economic Development, UAE is valid up to January 19, 2017. It has its registered office at office no. 3801, Dr. Moopens Holdings Property, Burj Khalifa – Bur Dubai.

DM Healthcare is authorised to engage in the business of investments in commercial enterprises and management.

Capital Structure

The issued share capital of DM Healthcare is AED 3,000,000 comprising of 3,000 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in DM Healthcare.

Aster FZC holds 1,470 shares of AED 1,000 each aggregating to 49% of the issued share capital of DM Healthcare. Further, pursuant to the terms of the Trust Deed, Aster FZC beneficially holds 100% of the issued share capital of DM Healthcare. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

18. **Dr. Moopens Medical Clinic LLC AUH (“DM Medical Clinic”)**

Corporate Information

DM Medical Clinic was incorporated as a limited liability company in UAE on August 23, 2005 under the name of Dr. Moopen’s Medical Polyclinic LLC. The professional license granted to it by the Department of Economic Development, UAE is valid up to April 13, 2017. It has its registered office at Industrial Mussafah, K 26-M 9, Department of Agriculture and the Municipal Building.

DM Medical Clinic is authorised to engage in the business of operating a medical complex.

Capital Structure

The issued share capital of DM Medical Clinic is AED 300,000 comprising of 300 equity shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in DM Medical Clinic.

Aster FZC holds 120 shares of AED 1,000 each aggregating to 40% of the issued share capital of DM Medical Clinic. Pursuant to the terms of trust and sponsorship agreements entered into with the shareholders of DM Medical Clinic, Aster FZC beneficially holds 71% of the issued and paid up capital of DM Medical Clinic.

19. ***DM Pharmacies LLC (“DM Pharmacies”)***

Corporate Information

DM Pharmacies was incorporated as a limited liability company in UAE on November 11, 2010. The commercial license granted to it by the Department of Economic Development, UAE is valid up to November 10, 2016. It has its registered office at offices no. 101, 102, 103, 104, 105, property of Mohamad Darwish Ali Al Emadi.

DM Pharmacies is authorised to engage in the business of investing in commercial enterprises and management.

Capital Structure

The authorised, issued and paid up share capital of DM Pharmacies is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in DM Pharmacies.

Aster FZC holds 147 shares of AED 1,000 each aggregating to 49% of the issued share capital of DM Pharmacies. Further, pursuant to the terms of the Trust Deed and trust and sponsorship agreements entered into between Aster FZC and the shareholder of DM Pharmacies, Aster FZC beneficially owns 100% of the issued share capital of DM Pharmacies. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

20. ***Dr. Moopens Healthcare Management Services LLC (“DM Healthcare Services”)***

Corporate Information

DM Healthcare Services was incorporated as a limited liability company in UAE on March 12, 2002. The commercial license granted to it by the Department of Economic Development, UAE is valid up to March 11, 2017. It has its registered office at offices 302-303-304, Mohamad Darwish Ali Al Emadi Property, Grand Souq.

DM Healthcare Services is authorised to engage in the business of facilities management services.

Capital Structure

The issued share capital of DM Healthcare Services is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in DM Healthcare Services.

Aster FZC directly holds 147 shares of AED 1,000 each aggregating to 49% of the issued and paid up share capital of DM Healthcare Services. Further, pursuant to the terms of the Trust Deed, Aster FZC beneficially owns 100% of the issued share capital of DM Healthcare Services. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

21. ***Eurohealth Systems FZ LLC (“Eurohealth Systems”)***

Corporate Information

Eurohealth Systems was incorporated as a free zone limited liability company in UAE on September 27, 2006. The commercial license granted to it by the Dubai Healthcare City Authority, UAE has expired and is currently under renewal. It has its registered office at premises no. 301, 3rd floor, building no. 27, Block B, Dubai, UAE.

Eurohealth Systems is authorised to engage in the business of healthcare consultancy and healthcare management consultancy.

Capital Structure

The issued share capital of Eurohealth Systems is AED 100,000 comprising of 100 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Eurohealth Systems.

Aster FZC directly holds 95 shares of AED 1,000 each aggregating to 95% of the issued share capital of Eurohealth Systems. Our Promoter, Dr. Azad Moopen holds 5 shares of AED 1,000 each aggregating to 5% of the issued share capital of Eurohealth Systems beneficially on behalf of Aster FZC. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

22. *Ibn Al Haitham Pharmacy LLC (“Ibn Al Haitham Pharmacy”)*

Corporate Information

Ibn Al Haitham Pharmacy was incorporated as a limited liability company in UAE on December 26, 1995. The commercial license granted to it by the Department of Economic Development, UAE has expired. Ibn Al Haitham Pharmacy is in the process of being wound up. It has its registered office at shop owned by Hilal Salim Bin Turaf, Hamria, Bur Dubai.

Ibn Al Haitham Pharmacy is authorised to engage in the business of operating drug stores, trading in para pharmaceutical products, medical surgical articles and requisites, perfumes and cosmetics, baby care requisites and medical, surgical equipment and instruments.

Capital Structure

The issued share capital of Ibn Al Haitham Pharmacy is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Ibn Al Haitham Pharmacy.

Aster FZC holds 147 shares of AED 1,000 each aggregating to 49% of the issued share capital of Ibn Al Haitham Pharmacy. Further, pursuant to the terms of the trust and sponsorship agreements entered into between Aster FZC and the shareholders of Ibn Al Haitham Pharmacy, Aster FZC beneficially owns 100% of the issued share capital of Ibn Al Haitham Pharmacy. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

23. *Marina Pearl Pharmacy LLC (“Marina Pearl”)*

Corporate Information

Marina Pearl was incorporated as a limited liability company in UAE on December 14, 2005. The commercial license granted to it by the Department of Economic Development, UAE has expired. Marina Pearl is under liquidation. It has its registered office at store 2S, Dubai Marina Building, Marsa Dubai, P.O. Box 50585.

Marina Pearl is authorised to engage in the business of operating pharmacies, trading in perfumes and cosmetics and baby care requisites.

Capital Structure

The issued share capital of Marina Pearl is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Marina Pearl.

Aster FZC holds 147 shares of AED 1,000 each aggregating to 49% of the issued share capital of Marina Pearl. Pursuant to the terms of the trust and sponsorship agreement, Aster FZC beneficially owns 100% of the issued share capital of Marina Pearl. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

24. *Maryam Pharmacy LLC (“Maryam Pharmacy”)*

Corporate Information

Maryam Pharmacy was incorporated as a limited liability company in UAE on March 1, 2004. The commercial license granted to it by the Department of Economic Development, UAE has expired. Maryam Pharmacy is in the process of being wound up. It has its registered office at G8 owned by Juma Al Majed, Bur Dubai, Al Hamria.

Maryam Pharmacy is authorised to engage in the business of operating pharmacies, trading in perfumes and cosmetics, medical, surgical equipments and instruments, baby care requisites, para pharmaceuticals products and sunglasses.

Capital Structure

The issued share capital of Maryam Pharmacy is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Maryam Pharmacy.

Pursuant to the terms of the trust and sponsorship agreements entered into between Aster FZC and the shareholders of Maryam Pharmacy, Aster FZC beneficially owns 100% of the issued share capital of Maryam Pharmacy. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

25. ***Med Shop Drugs Store LLC (“Med Shop”)***

Corporate Information

Med Shop was incorporated as a limited liability company in UAE on March 12, 2006. The commercial license granted to it by the Department of Economic Development, UAE is valid up to March 11, 2017. It has its registered office at Warehouse No 2, 4, 6, Dubai Properties Property through Mohamad Mashroom, Al Qusais.

Med Shop is authorised to engage in the business of operating a drug store.

Capital Structure

The issued share capital of Med Shop is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Med Shop.

Aster FZC holds 147 shares of AED 1,000 each aggregating to 49% of the issued share capital of Med Shop. Further, pursuant to the terms of the Trust Deed, Aster FZC beneficially holds 100% of the issued and paid up share capital of Med Shop. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

26. ***Medcare Hospital LLC (“Medcare Hospital”)***

Corporate Information

Medcare Hospital was incorporated as a limited liability company in UAE on August 16, 2006. The commercial license granted to it by the Department of Economic Development, UAE is valid up to August 15, 2016. It has its registered office at office 1, property of Mohamad Jumah Al Nabooda – Safa 1.

Medcare Hospital is authorised to engage in the business of operating pharmacies, general hospitals and general clinics.

Capital Structure

The authorised, issued and paid up share capital of Medcare Hospital is AED 5,000,000 comprising of 5,000 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Medcare Hospital.

Aster FZC holds 1,500 shares of AED 1,000 each aggregating to 30% of the issued share capital of Medcare Hospital. Further, pursuant to the terms of the share transfer agreements, the Trust Deed and a stake agreement,

Aster FZC beneficially holds 80% of the issued share capital of Medcare Hospital. For further details, refer to “History and Certain Corporate Matters – Summary of Key Agreements” on page 202.

27. **Medshop Garden Pharmacy LLC (“Medshop Garden Pharmacy”)**

Corporate Information

Medshop Garden Pharmacy was incorporated as a limited liability company in UAE on August 9, 2009. The commercial license granted to it by the Department of Ports, Customs and Free Zone Corporation, UAE is valid up to August 8, 2016. It has its registered office at Nakheel, Discovery Garden, Dubai.

Medshop Garden Pharmacy is authorised to engage in the business of operating pharmacies.

Capital Structure

The issued share capital of Medshop Garden Pharmacy is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Medshop Garden Pharmacy.

Aster FZC holds 147 shares of AED 1,000 each aggregating to 49% of the issued share capital of Medshop Garden Pharmacy. Further, pursuant to the terms of the Trust Deed, Aster FZC beneficially holds 100% of the issued share capital of Medshop Garden Pharmacy. For further details, refer to “History and Certain Corporate Matters – Summary of Key Agreements” on page 202.

28. **Modern Dar Al Shifa Pharmacy LLC (“Modern Dar Al Shifa Pharmacy”)**

Corporate Information

Modern Dar Al Shifa Pharmacy was incorporated as a limited liability company in UAE on February 20, 1999. The commercial license granted to it by the Department of Economic Development, UAE is valid up to September 12, 2016. It has its registered office at Abu Dhabi, Zayed the Second Street, building of the heirs of Mohamed Ali Nasser Al Nouwais.

Modern Dar Al Shifa Pharmacy is authorised to engage in the business of operating pharmacies and onshore and offshore oil and gas fields and facilities services.

Capital Structure

The issued share capital of Modern Dar Al Shifa Pharmacy is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Modern Dar Al Shifa Pharmacy.

Aster FZC holds 120 equity shares of AED 1,000 each aggregating to 40% of the issued share capital of Modern Dar Al Shifa Pharmacy. Further, pursuant to the terms of a trust and sponsorship agreement entered into with a shareholder of Modern Dar Al Shifa Pharmacy, Aster FZC beneficially owns 51% of the issued share capital of Modern Dar Al Shifa Pharmacy. Further, we are entitled to 50% of the dividend distribution in this entity. For further details, refer to “History and Certain Corporate Matters – Summary of Key Agreements” on page 202.

29. **New Aster Pharmacy DMCC (“New Aster Pharmacy”)**

Corporate Information

New Aster Pharmacy was incorporated as a company in UAE on July 22, 2012. The commercial license granted to it by the Dubai Multi Commodities Centre is valid up to July 21, 2016. It has its registered office at Jumeirah Lake Tower, Red Diamond Building, Unit no. (B-G11-09-01-PP).

New Aster Pharmacy is authorised to engage in the business of operating pharmacies.

Capital Structure

The issued share capital of New Aster Pharmacy is AED 200,000 comprising of 200 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in New Aster Pharmacy.

Aster FZC holds 150 shares of AED 1,000 each aggregating to 75% of the issued share capital of New Aster Pharmacy. Further, pursuant to the terms of the trust and sponsorship agreement entered into between Aster FZC and the shareholder of New Aster Pharmacy, Aster FZC beneficially holds 100% of the issued share capital of New Aster Pharmacy. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

30. ***Rafa Pharmacy LLC (“Rafa Pharmacy”)***

Corporate Information

Rafa Pharmacy was incorporated as a limited liability company in UAE on November 6, 1991. The commercial license granted to it by the Department of Economic Development, UAE is valid up to January 27, 2017. It has its registered office at Al Ain, Al Souq Area, Building of heirs of Ali Saif Al Darmaki.

Rafa Pharmacy is authorised to engage in the business of trading in wholesale medication, wholesale cosmetics, make-up, retail sale of perfumes, medical equipment and apparatus, baby care equipments and medical shoes.

Capital Structure

The issued share capital of Rafa Pharmacy is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Rafa Pharmacy.

Aster FZC holds 147 shares of AED 1,000 each aggregating to 49% of the issued share capital of Rafa Pharmacy. Further, pursuant to the terms of the trust and sponsorship agreement entered into between Aster FZC and a shareholder of Rafa Pharmacy, Aster FZC beneficially holds 100% of the issued and paid up capital of Rafa Pharmacy. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

31. ***Shindagha Pharmacy LLC (“Shindagha Pharmacy”)***

Corporate Information

Shindagha Pharmacy was incorporated as a limited liability company in UAE on September 23, 2002. The commercial license granted to it by the Department of Economic Development, UAE is valid up to September 22, 2016. It has its registered office at Majid Al Futtaim, No. 4, Bur Dubai – Shindagha, P.O. Box 8703, Dubai.

Shindagha Pharmacy is authorised to engage in the business of operating pharmacies.

Capital Structure

The authorised, issued and paid up share capital of Shindagha Pharmacy is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Shindagha Pharmacy.

Aster FZC holds 147 shares of AED 1,000 each aggregating to 49% of the issued share capital of Shindagha Pharmacy. Further, pursuant to the terms of the Trust Deed, the trust and sponsorship agreements and the stake agreement entered into between Aster FZC and the shareholders of Shindagha Pharmacy, Aster FZC beneficially holds 90% of the issued and paid up share capital of Shindagha Pharmacy. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

32. ***Symphony Health Care Management Services LLC (“Symphony Healthcare Management Services”)***

Corporate Information

Symphony Healthcare Management Services was incorporated as a limited liability company in UAE on June 19, 2012. The commercial license granted to it by the Department of Economic Development, UAE has expired and is in the process of being renewed. It has its registered office at Office 703, Al Youssef for Real Estate, Bur Dubai,

Al Souk el Kabeer.

Symphony Healthcare Management Services is authorised to engage in the business of facilities management services.

Capital Structure

The issued share capital of Symphony Healthcare Management Services is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Symphony Healthcare Management Services.

Pursuant to the terms of the trust and sponsorship agreements entered into with the shareholders of Symphony Healthcare Management Services, Aster FZC beneficially owns 100% of the issued share capital of Symphony Healthcare Management Services. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

33. **Union Pharmacy LLC (“Union Pharmacy”)**

Corporate Information

Union Pharmacy was incorporated as a limited liability company in UAE on May 30, 1989. The commercial license granted to it by the Department of Economic Development, UAE is valid up to May 29, 2017. It has its registered office at Mohamed Darwich Ali Alhamadi Building, Bur Dubai – Al Rifaa P.O. Box 50585.

Union Pharmacy is authorised to engage in the business of operating drug stores, trading in para pharmaceutical products, perfumes, cosmetics and baby care requisites.

Capital Structure

The issued share capital of Union Pharmacy is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Union Pharmacy.

Aster FZC holds 111 equity shares of AED 1,000 each aggregating to 37% of the issued share capital of Union Pharmacy. Further, pursuant to the terms of the Trust Deed, trust and sponsorship agreements and stake agreements entered into between Aster FZC and the shareholders of Union Pharmacy, Aster FZC beneficially holds 75% of the issued and paid up capital of Union Pharmacy. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

34. **Vitamin World LLC (“Vitamin World”)**

Corporate Information

Vitamin World was incorporated as a limited liability company in UAE on November 3, 2002. It has its registered office at Merkato Town Centre, Bur Dubai, Jumeirah. The commercial license granted to it by the Department of Economic Development UAE has expired. Vitamin World is in the process of being wound up.

Vitamin World is authorised to engage in the business of trading in health food, para pharmaceutical products, medical and surgical articles and requisites, perfumes and cosmetics.

Capital Structure

The issued share capital of Vitamin World is AED 300,000 comprising of 300 equity shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Vitamin World.

Aster FZC holds 147 equity shares of AED 1,000 each aggregating to 49% of the issued share capital of Vitamin World. Further, pursuant to the terms of Trust Deed, Vitamin World, Aster FZC beneficially 51% of the issued share capital of Vitamin World. For further details, refer to “*History and Certain Corporate Matters – Summary of*

Key Agreements” on page 202.

35. ***Zabeel Pharmacy LLC (“Zabeel Pharmacy”)***

Corporate Information

Zabeel Pharmacy was incorporated as a limited liability company in UAE on December 26, 2000. The commercial license granted to it by the Department of Economic Development UAE has expired. Zabeel Pharmacy is being liquidated. It has its registered office at Dubai Al Alamiyah for Real Estate, Oum Houreir - PO Box 2185.

Zabeel Pharmacy is authorised to engage in the business of operating a pharmacy.

Capital Structure

The issued share capital of Zabeel Pharmacy is AED 300,000 comprising of 300 shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Zabeel Pharmacy.

Aster FZC holds 147 shares of AED 1,000 each aggregating to 49% of the issued share capital of Zabeel Pharmacy. Further, pursuant to the terms of the trust and sponsorship agreement entered into between Aster FZC and the shareholder of Zabeel Pharmacy, Aster FZC beneficially owns 51% of the issued share capital of Zabeel Pharmacy. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

Our Subsidiaries in Oman

Under Omani law, Omani nationals (natural or legal persons) are required to hold at least 30% of foreign companies incorporated in Oman. Accordingly, Aster FZC legally owns 70% of the shares of our Subsidiaries in Oman while the balance is held by an Omani national. Pursuant to trust and sponsorship arrangements entered into between Aster FZC and the Omani shareholder, the Omani shareholder has assigned beneficial rights and profits derived from his legally owned shares to Aster FZC. For further details, see “*Risk Factors*” “*Regulations and Policies*”, “*Our Business*” and “*History and Certain Corporate Matters – Summary of Key Agreements*” on pages 17, 153 and 202.

1. ***Al Raffah Hospital LLC (“Al Raffah Hospital”)***

Corporate Information

Al Raffah Hospital was incorporated as a limited liability company in Oman and was granted its commercial license by the Ministry of Commerce and Industry, Oman on February 22, 2009. The business license is valid up to February 21, 2019. It has its registered office at P.O. Box 42, PC 115, Al Ghubrah, Muscat, Oman.

Al Raffah Hospital is authorised to operate health institutions.

Capital Structure

The issued and paid up share capital of Al Raffah Hospital is OMR 300,000 comprising of 300,000 shares of OMR 1 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Al Raffah Hospital. Aster FZC holds 210,000 shares of OMR 1 each aggregating to 70% of the issued and paid up share capital of Al Raffah Hospital. Further, pursuant to the terms of the trust and sponsorship agreement entered into between Aster FZC and the Omani shareholder of Al Raffah Hospital, Aster FZC beneficially owns 100% of the issued and paid-up share capital of Al Raffah Hospital. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

2. ***Al Raffah Medical Centre LLC (“Al Raffah Medical Centre”)***

Corporate Information

Al Raffah Medical Centre was incorporated as a limited liability company in Oman on June 23, 2007. The business license granted to it by the Ministry of Commerce and Industry, Oman is valid up to June 22, 2017. It has its registered office at P.O. Box 444, PC 311, Sohar, Oman.

Al Raffah Medical Centre is authorised to operate specialised clinics.

Capital Structure

The issued and paid up share capital of Al Raffah Medical Centre is OMR 150,000 comprising of 150,000 shares of OMR 1 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Al Raffah Medical Centre. Aster FZC holds 105,000 shares of OMR 1 each aggregating to 70% of the issued and paid up share capital of Al Raffah Medical Centre. Further, pursuant to the terms of the trust and sponsorship agreements entered into between Aster FZC and the Omani shareholder of Al Raffah Medical Centre, Aster FZC beneficially owns 100% of the issued and paid-up share capital of Al Raffah Medical Centre. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

Our Subsidiaries in Qatar

Under Qatari law, Qatari nationals (natural or legal persons) are required to hold at least 51% of the companies incorporated in Qatar. Accordingly, Aster FZC legally owns up to 49% of the shares of our Qatari subsidiaries while the balance is held by Qatari nationals or Qatari companies wholly owned by Qatari nationals. Pursuant to trust and sponsorship arrangements entered into between Aster FZC, DM Healthcare Management and the Qatari shareholders, the Qatari shareholders have assigned beneficial rights and profits derived from their legally owned shares to Aster FZC. For further details, see “*Risk Factors*”, “*Regulations and Policies*” and “*History and Certain Corporate Matters – Summary of Key Agreements*” on pages 17, 153 and 202.

1. *Dr. Moopens’ Healthcare Management Services WLL (“DM Healthcare Management”)*

Corporate Information

DM Healthcare Management was incorporated as a limited liability company in Qatar on July 21, 2003. The commercial license granted to it by the Ministry of Economy and Commerce, Qatar, is valid up to July 18, 2016. It has its registered office at Al Marqab Al Jadeed Area No. 39, Salwa Road No. 340 in a building owned by Sheikh Nasser Bin Jassem Al Thani.

DM Healthcare Management is authorised to engage in the business of trading in medicines, trading in medical devices, tools and supplies and operating nursing agencies.

Capital Structure

The authorised, issued and paid up share capital of DM Healthcare Management is QAR 1,700,000 comprising of 1,700 shares of QAR 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, DM Healthcare Services holds shares in DM Healthcare Management.

DM Healthcare Services directly holds 833 shares aggregating to 49% of the issued and paid up share capital of DM Healthcare Management. Pursuant to terms of the memorandum of incorporation, DM Healthcare Management holds 99% of the profit share of DM Healthcare Management. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

2. *Wellcare Medical Complex (“Wellcare Polyclinic”)*

Corporate Information

Wellcare Polyclinic was incorporated as a company in Qatar on November 16, 2008. The commercial license granted to it by Ministry of Economy and Commerce, Qatar is valid up to November 13, 2016. It has its registered office at villa owned by Abdulla Mubarak Al Hajri, Al Qala’a Street No. 910, New Rayyan Area No. 53.

Wellcare Polyclinic is authorised to engage in the business of operating a general medical complex.

Capital Structure

The authorised, issued and paid up share capital of Wellcare Polyclinic is QAR 200,000 comprising 200 shares of QAR 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, DM Healthcare Management, holds shares in Wellcare Polyclinic.

DM Healthcare Management directly holds 45% of the issued and paid up share capital of Wellcare Polyclinic. Pursuant to the terms of a joint venture agreement, DM Healthcare Management has a documented entitlement to 50% of the issued and paid up share capital of Wellcare Polyclinic.

Our Subsidiaries in the Kingdom of Saudi Arabia

1. *Sanad Al Rahma for Medical Care LLC (“Sanad Medical Care”)*

Corporate Information

Sanad Medical Care was incorporated as a limited liability company in KSA on December 25, 2011. It has its registered office at Riyadh, Al Hamra District, Imam Abdullah Ibn Saud Road, P.O. Box 91395, Postal Code 11633.

Sanad Medical Care is authorised to engage in the business of establishing owning and maintaining hospitals.

Capital Structure

The authorised, issued and paid up share capital of Sanad Medical Care is Riyal 25,000,000 comprising 250,000 shares of Riyal 100 each.

Shareholding

Our Company, indirectly through our Subsidiary, DM Healthcare Services, holds shares in Sanad Medical Care.

DM Healthcare Services holds 242,500 shares of Riyal 100 each aggregating to 97% of the issued and paid up share capital of Sanad Medical Care.

Our Subsidiary in Kuwait

1. *Aster Kuwait General Trading Company WLL (“Aster Kuwait”)*

Corporate Information

Aster Kuwait was incorporated as a limited liability company in Kuwait on April 20, 2014. The trading license is valid up to April 19, 2018. It has its registered office at 25 February Tower, Office No. 1, 9th Floor, Block 7, Building 24, Khaled Bin Al Waleed Street, Sharq, Kuwait.

Aster Kuwait is authorised to engage in the business of general trading.

Capital Structure

The authorised, issued and paid up share capital of Aster Kuwait is KWD 600,000 comprising of 100 shares of KWD 6,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Aster Kuwait.

Under Kuwait law, Kuwaiti nationals (natural or legal persons) are required to hold at least 51% of the companies incorporated in Kuwait. Accordingly, Aster FZC holds 2 shares of KWD 6,000 each aggregating to 2% of the issued and paid up share capital of Aster Kuwait. Further, pursuant to the terms of the trust and sponsorship agreements entered into between Aster FZC and the shareholders of Aster Kuwait, Aster FZC beneficially owns 54% of the issued and paid-up share capital of Aster Kuwait. For further details, refer to “*History and Certain Corporate Matters – Summary of Key Agreements*” on page 202.

Our Subsidiary in Jordan

1. *Al Bortoqaliah lil Saydaliat LLC (“Orange Pharmacies LLC”)*

Corporate Information

Orange Pharmacies LLC was incorporated as a limited liability company in Jordan on August 5, 2007. It has its registered office at Amman, Jordan. Aster FZC acquired 51% shares in Orange Pharmacies on December 16, 2015.

Orange Pharmacies LLC is authorised to engage in the business of *inter-alia* opening pharmacies and managing pharmaceutical corporations, acquisition of movable and immovable assets for the implementation of the company's objectives, mortgaging movable and immovable assets for the purpose of achieving the company's best interest and borrowing necessary funds from banks.

Capital Structure

The authorised, issued and paid up share capital of Orange Pharmacies LLC is JOD 30,000 comprising of 30,000 shares of JOD 1 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster Pharmacies Group, holds shares in Orange Pharmacies LLC.

Pursuant to terms of the nominee shareholder agreements entered into between Aster FZC and the shareholders of Orange Pharmacies LLC, Aster Pharmacies Group beneficially holds 51% of the issued and paid up share capital of Orange Pharmacies LLC. For further details, refer to "*History and Certain Corporate Matters – Summary of Key Agreements*" on page 202.

Our Subsidiary in Bahrain

1. Aster DM Healthcare (SPC)

Corporate Information

Aster DM Healthcare (SPC) was incorporated as a company in Bahrain on May 27, 2014. It has its registered office at Unit 11, Building 3353, Road 2151, Block 321, Manama, Kingdom of Bahrain.

Aster DM Healthcare (SPC) is authorised to engage in the activities of head offices or management offices.

Capital Structure

The authorised, issued and paid up share capital of Aster DM Healthcare (SPC) is BHD 5,000,000 comprising of 50,000 shares of BHD 100 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Aster DM Healthcare (SPC).

Aster FZC holds 50,000 shares of BHD 100 each aggregating to 100% of the issued and paid up share capital of Aster DM Healthcare (SPC).

Our Subsidiary in Philippines

1. Aster DM Healthcare, INC

Corporate Information

Aster DM Healthcare, INC was incorporated as a company (with the classification as a domestic Subsidiary of Aster FZC) in Philippines on March 25, 2015 for a duration of 50 years. It has its principal office at Unit 2506, Prestige Tower, F Ortigas Jr. Road, Ortigas Centre, Pasig City, Philippines.

Aster DM Healthcare INC is authorised to engage in the business of establishing, maintaining, operating, owning and managing hospitals, medical and other related healthcare facilities and businesses, including pharmacies, diagnostic centers, ambulatory clinics, and medical laboratories, and other allied undertakings and services, which shall provide professional, medical, surgical, nursing, therapeutic, paramedic or other care.

Capital Structure

The authorised capital of Aster DM Healthcare, INC is PHP 200,000,000 comprising of 200,000,000 shares of PHP 1 each and the issued and paid up share capital of Aster DM Healthcare, INC is PHP 50,000,000 comprising of 50,000,000 shares of PHP 1 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Aster DM Healthcare, INC.

Aster FZC holds 45,000,000 shares of PHP 1 each aggregating to 90% of the issued and paid up share capital of Aster DM Healthcare, INC.

Divestment from Medipoint Hospitals Private Limited

As of December 31, 2015, our Company held 1,186,531 class A equity shares, 115,385 class B equity shares and 424,173 class C equity shares of ₹10 each aggregating to 51% of the total voting rights in Medipoint Hospitals Private Limited, a company incorporated under the Companies Act, 1956 and having its registered office at 241/1, Aundh Baner Boundary, Baner Road, Pune - 411 007, Maharashtra, India.

Pursuant to a share purchase agreement dated January 7, 2016 entered into amongst our Company, Medipoint Hospitals Private Limited, Manish Oswal, Sanjay Oswal, other shareholders of Medipoint Hospitals Private Limited, our Company has sold and transferred all its shareholding in Medipoint Hospitals Private Limited for an aggregate consideration of ₹50 million pursuant to which Medipoint Hospitals Private Limited has ceased to be a subsidiary of the Company. The Board of Directors of Medipoint Hospitals Private Limited took on record and approved the said transfer of shares at their meeting held on January 7, 2016. Consequent to the transfer of shares and disinvestment of stake, all nominee directors of our Company have resigned from the board of directors of Medipoint Hospitals Private Limited with effect from January 7, 2016.

A report dated June 22, 2016 has been obtained from BSR and Associates regarding the fact of the divestment and the consideration received in accordance with the requirements of Schedule VIII, Part A (IX)(B)(23)(3) of the SEBI ICDR Regulations.

Our Associate Companies

1. MIMS Infrastructure and Properties Private Limited (“MIPPL”)

Corporate Information

MIPPL was incorporated on July 6, 2010 under the Companies Act, 1956 as a private limited company. It has its registered office at Mini Bypass Road, Post Govindapuram, Kozhikode, Kerala – 673 016, India.

MIPPL is authorised to engage in the business of establishing and developing all necessary infrastructure like buildings, roads, equipments, sports facilities, amenities, training centres and selling the foregoing or making it available on rent or otherwise or on any suitable arrangement to institutions, agencies, entities and persons including educational, cultural, social trusts/societies, government agencies, non governmental organisations and companies established under Section 25 of the Companies Act, 1956.

Capital Structure

The authorised share capital of MIPPL is ₹180,000,000 divided into 15,000,000 equity shares of ₹10 each and 3,000,000 preference shares of ₹10 each and the issued and paid up share capital of MIPPL is ₹16,178,175 divided into 13,504,901 equity shares of ₹10 each and 2,673,724 preference shares of ₹10 each.

Shareholding

Our Subsidiary, MIMS holds 6,617,401 equity shares of ₹10 each and 2,673,724 preference shares of ₹10 each aggregating to 57.42% of the issued and paid up share capital of MIPPL.

2. EMED Human Resources India Private Limited (“EMED HR”)

Corporate Information

EMED HR was incorporated on March 8, 2010 under the Companies Act, 1956 as a private limited company. It has its registered office at 39/3104, PDR Bhavan, II Floor, Palliyil Lane, Foreshore Road, Kochi, Ernakulam – 682 016, Kerala, India.

EMED HR is authorised to engage in the business of providing human resource services including human resources management consultancy services, executive and other personnel search, recruitment and placement services including overseas recruitment of Indian nationals, human resource related services such as talent acquisition, development, training, performance evaluation, and executive development, in India and abroad through any mode including electronic media especially for the healthcare sector.

Capital Structure

The authorised share capital of EMED HR is ₹500,000 divided into 50,000 equity shares of ₹10 each and the issued and paid up share capital of EMED HR is ₹150,000 divided into 15,000 equity shares of ₹10 each.

Shareholding

Our Company holds 5,000 equity shares of ₹10 each aggregating to 33.33% of the issued and paid up share capital of EMED HR.

3. *Aries Holdings FZC (“Aries Holdings”)*

Corporate Information

Aries Holdings was incorporated as a free zone company in UAE on July 10, 2013. The commercial license granted to it by the Hamriyah Free Zone Authority, UAE is valid up to July 9, 2016. It has its registered office at E LOB Office No E-67, F-24, Hamriyah Free Zone, Sharjah, UAE.

Aries Holdings is authorised to engage in the business of investing its own resources.

Capital Structure

The issued share capital of Aries Holdings is AED 5,000,000 comprising of 5,000 equity shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in Aries Holdings.

Aster FZC holds 1,250 equity shares of AED 1,000 each aggregating to 25% of the issued share capital of Aries Holdings.

4. *AAQ Healthcare Investments LLC (“AAQ Healthcare”)*

Corporate Information

AAQ Healthcare was incorporated in UAE on March 27, 2016. The commercial license granted to it by the Department of Economic Development, UAE is valid up to March 26, 2017. It has its registered office at Bur Dubai, Al Barsha

AAQ Healthcare is authorised to engage in the business of investing in healthcare enterprises and development.

Capital Structure

The issued share capital of AAQ Healthcare is AED 300,000 comprising of 300 equity shares of AED 1,000 each.

Shareholding

Our Company, indirectly through our Subsidiary, Aster FZC, holds shares in AAQ Healthcare.

Aster FZC holds 99 equity shares of AED 1,000 each aggregating to 33% of the issued share capital of AAQ Healthcare.

Summary of Key Agreements

Amended and restated shareholders agreement dated November 25, 2011 entered into by and amongst our Company, UIPL, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, IVF, Indium and Olympus

Our Company has entered into an amended and restated shareholders' agreement dated November 25, 2011 (“SHA”) with UIPL, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, IVF and Olympus. As per the terms of the SHA, our investors have been granted certain rights including affirmative voting rights on a list of reserved matters including, *inter-alia*, changes to the authorised share capital of our Company, listing of our Company's shares other than by means of a qualified initial public offering and amendments to charter documents, right of first offer and tag along rights on transfer of Equity Shares by our Promoter, IVF, or Olympus (as the case may be). They have also been granted pre-emptive rights in case of preferential issues and rights issues by our Company and ratchet rights which entitle them to additional shares of our Company in the event of a dilutive issuance by our Company. The SHA also gives our Promoters the right of pre-emption over transfers of our Equity Shares held by the Regency Group, represented by Mr. Shamsudheen

Bin Mohideen Mammu Haji. Further, for as long as Olympus or IVF hold at least 10% of the issued share capital of our Company and for a period of two years thereafter, each member of the promoter group (as defined in the SHA) is required to adhere to certain non-compete obligations.

The SHA has been further amended five times through supplements dated January 12, 2012, January 18, 2012, May 6, 2014, January 12, 2015 and August 27, 2015. The third supplement dated May 6, 2014 has been executed in light of the investment made in our Company by Olympus and Indium. The third supplement gives Indium rights similar to those given to IVF and Olympus under the SHA. The fourth supplement dated January 12, 2015 provides for the fall away of certain rights of IVF and Olympus including their right to appoint nominee directors, affirmative voting rights etc. in the event that Olympus or Indium as the case may be cease to hold at least 10% of the paid up share capital of our Company.

Share subscription agreement cum fifth supplement to the amended and restated shareholders' agreement dated August 27, 2015 entered into by and amongst our Company, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, Olympus, IVF, Indium and Rimco

Our Company has entered into a share subscription agreement cum fifth supplement to the SHA pursuant to which Rimco has subscribed to one Equity Share for a consideration of USD 4.99 and 50,155,666 RAR CCPS for an aggregate consideration of USD 247,200,000. Rimco is entitled to nominate a director to our Board in the event that a director nominated by Olympus ceases to be a director on our Board or if Olympus' shareholding in our Company falls below the shareholding of Rimco. Rimco has also been granted a tag along right in the event of any sale of shares by the promoter group. Certain transfer restrictions have also been placed on Rimco which include obtaining our consent prior to such transfers. Rimco is not permitted to increase its stake in our Company over 24.90% without the prior consent of Dr. Azad Moopen. Further, Rimco is not permitted to take any steps which would result in our Promoters ceasing to be the sole promoters of our Company or having the largest share capital block in our Company. Rimco is entitled to the same pre-emptive rights provided to Olympus and Indium under the SHA. Rimco is required to intimate the Company prior to increasing its stake in our Company over 15% of our share capital. Rimco would require the prior consent of the Promoters prior to increasing its stake over 20% of our share capital. Rights granted to Rimco under this agreement shall fall away on the date on which our Company receives final listing and trading approvals from the stock exchanges.

Termination agreement dated June 17, 2016 entered into by and amongst UIPL, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, IVF, Olympus, Indium and Rimco

Our Company has entered into a termination agreement dated June 17, 2016 with UIPL, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, IVF, Olympus, Indium and Rimco in order to terminate the SHA. Pursuant to the terms of this agreement, the SHA shall stand terminated from such date on which our Company receives the final listing and trading approvals from the Stock Exchanges. However, obligations placed upon Rimco under the SHA shall survive the termination of the SHA. Such obligations *inter-alia* include Rimco's covenant to not increasing its stake in our Company over 24.9% without the prior consent of our Company and Rimco not causing any event which would result in our Promoters ceasing to be the sole Promoters of our Company or ceasing to retain the largest shareholding block of our Company. Pursuant to the terms of this agreement, the parties have consented to the issue and transfer of Equity Shares pursuant to the Offer, Pre-IPO Placement and waived all pre-emptive, anti-dilutive and other rights that they have been granted in this regard. However, with respect to the Pre-IPO Placement, Rimco is entitled to exercise pre-emptive rights and tag along rights granted to it under the SHA. Our Company will be required to give written notice to Rimco prior to the issuance of any Equity Shares proposed to be issued, the price per Equity Share and all other terms and conditions on which our Company proposes to make such issuance. Further, in the event that UIPL proposes to sell Equity Shares in the Pre-IPO Placement, Rimco shall have the right to sell all or a portion of its Equity Shares at the same price and on the same terms to the purchaser. The parties have also agreed that the CCPS and the RAR CCPS shall convert prior to the Red Herring Prospectus in accordance with the terms of the SHA. The termination agreement shall *ipso facto* terminate if listing of the Equity Shares is not completed on or before June 30, 2017 or an earlier date on which our Board decides to not undertake the Offer, or such other mutually acceptable date. In the event that the termination agreement is terminated, the parties have agreed that the provisions of the SHA shall (i) survive and continue; and (ii) be deemed to have been continuing during the period from the execution date and the date of annulment/termination without any break or interruption whatsoever.

Share purchase agreement dated November 25, 2011 entered into by and amongst our Company, UIPL, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, IVF, and Olympus

Our Company has entered into a share purchase agreement dated November 25, 2011 with Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, IVF and Olympus for the transfer of 6,917 fully paid up Equity Shares of our Company from IVF to Olympus for a purchase price of ₹158,916.20 per Equity Share and an aggregate purchase price of ₹1,099,200,000.

Share subscription agreement dated November 25, 2011 entered into by and amongst our Company, UIPL, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, IVF and Olympus

Our Company has entered into a share subscription agreement dated November 25, 2011 with Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, IVF and Olympus. Pursuant to this agreement, Olympus has subscribed to 24,843 Equity Shares of our Company at an aggregate subscription price of ₹3,947,999,874.

Share purchase agreement dated May 6, 2014 entered into by and amongst UIPL, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, Olympus and Indium (“SPA”)

Our Promoter, UIPL, has entered into a share purchase agreement dated May 6, 2014 with Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, Olympus and Indium for the sale of Equity Shares held by UIPL in our Company to Olympus and Indium. The agreement stipulates transfer of Equity Shares in two tranches. In the first tranche, UIPL has transferred 3,830,400 Equity Shares to Olympus for an aggregate consideration of USD 12,096,000 and 1,869,600 Equity Shares to Indium for an aggregate consideration of USD 5,904,000. Olympus and Indium have paid an aggregate consideration of USD 1,344,000 and USD 656,000 respectively for the second tranche of Equity Shares. The second tranche of Equity Shares will be transferred on a future date. The number of Equity Shares to be transferred under the second tranche will be calculated as per the conversion formula linked to the valuation of the Company at the time of filing the Red Herring Prospectus. As per the conversion formula, UIPL will be liable to transfer such number of Equity Shares within a band of a maximum of 3,642,711 Equity Shares and a minimum of 1,141,369 Equity Shares to Olympus and such number of Equity Shares within a band of a maximum of 1,778,590 Equity Shares and a minimum of 557,697 Equity Shares to Indium. The Equity Shares to be transferred in the second tranche are held in escrow pursuant to an escrow agreement dated June 18, 2014 which is valid up to May 4, 2018. In terms of the escrow agreement, the escrow documents (which includes share certificates) may be released at the joint instructions of Olympus or Indium (as the case may be) and UIPL, or at the unilateral instructions of Olympus or Indium if the joint instructions are not issued within a time limit stipulated in the escrow agreement. The escrow agreement also provides for the automatic release of the escrow documents upon expiry of the term of the escrow agreement. The second tranche of Equity Shares will be transferred by UIPL prior to filing the Red Herring Prospectus.

Share subscription agreement dated May 6, 2014 entered into by and amongst our Company, UIPL, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, Olympus and Indium

Our Company has entered into a share subscription agreement dated May 6, 2014 with Indium, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen and Olympus. Under this agreement, Olympus has subscribed to (i) 6,369,878 Equity Shares of our Company for a subscription price of ₹102.85 per Equity Share at an aggregate subscription price of ₹655,145,400; and (ii) 9,309,822 series A compulsorily convertible preference shares (“CCPS”) for a subscription price of ₹102.85 per CCPS at an aggregate subscription price of ₹957,520,200. Further, Indium has subscribed to (i) 3,109,107 Equity Shares for a subscription price of ₹102.85 per Equity Share at an aggregate subscription price of ₹319,773,350; and (ii) 4,544,080 CCPS for a subscription price of ₹102.85 per CCPS at an aggregate subscription price of ₹467,361,050. The CCPS confer on the holder of such CCPS the right to receive, in priority to the holders of any other class of shares in the capital of the Company, a dividend at the rate of 0.00001% per annum on the face value of the CCPS. The CCPS are to be compulsorily converted upon the expiry of the ninth anniversary of the completion date of this share subscription agreement. The agreement also provides for the method for ascertaining the percentage equity shareholding and voting rights of Olympus and Indium in our Company on a fully diluted basis and on an ‘as if converted basis’. The CCPS shall be converted prior to filing of the Red Herring Prospectus. For further details, please see “Capital Structure” on page 82.

Acquisition Agreements

Share purchase, share subscription and shareholders’ agreement dated October 1, 2008 between our Company, PHL and certain shareholders of PHL as amended by agreements dated November 7, 2008 and May 6, 2015

Our Company has entered into a share purchase, share subscription and shareholders’ agreement dated October 1, 2008 with PHL and certain shareholders of PHL (“Existing Prerana Shareholders”) pursuant to which, our Company has acquired a total of 80.80% of the total issued, subscribed and paid-up equity share capital of PHL for an aggregate consideration of ₹204,144,000. Pursuant to the terms of this agreement, our Company is entitled to appoint non-executive directors on the board of PHL in proportion to our shareholding in PHL and such directors appointed by us are not liable to retire by rotation. Till such time as our Company holds 20% of the shares in PHL, the presence of one director appointed by our Company is required to constitute quorum at board and shareholders’ meetings, unless waived specifically by our Company. The directors appointed by our Company and the shareholder representing our Company shall have an affirmative vote on all matters discussed at board and shareholders’ meetings, respectively. Upon a change in the management control of our Company, the Existing Prerana Shareholders have the right to sell the shares held by them in PHL to our Company. The Existing Prerana Shareholders have also been given the right, after the expiry of 5 years from the first completion date under the agreement to call upon our Company to purchase 50% of the shares held by them in PHL at such price determined in accordance with the agreement. Pursuant to the amendment to this agreement dated May 6, 2015, the Existing Prerana Shareholders have the right to sell their shares in PHL to our Company at such time as may be mutually acceptable. In the event that our Company commits an event of default, the Existing Prerana Shareholders will not be required to fulfill any of

their obligations under the agreement including their lock-in and non-compete obligations under the agreement and, the Existing Prerana Shareholders will have the right to require our Company to purchase all the shares held by them in accordance with the agreement.

Agreement dated March 31, 2015 entered into between our Company, PHL and the Existing Prerana Shareholders

As of March 31, 2015, PHL owed a sum of money to our Company pursuant to network fees owed to our Company under the terms of the share purchase agreement described above, intercorporate loans availed by PHL from our Company, rent owed to our Company by PHL for use of a cardiac catheterization lab and other dues. Pursuant to the terms of this agreement, a sum of ₹119,431,026 out of the sums owed to our Company was converted to 1,531,167 compulsorily convertible preference shares of face value ₹10 each having a premium of ₹68 per share and bearing a coupon rate of 11.75%. The compulsorily convertible preference shares may be converted to equity shares at any time prior to the earlier of 90 days from the finalization of the audited accounts of PHL for Financial Year 2017 or six months from the end of Financial Year 2017.

Share subscription and share purchase agreement dated April 30, 2016 by and amongst our Company, Dr. Ramesh Hospital and the promoters of Dr. Ramesh Hospital

Our Company has entered into a share subscription and share purchase agreement dated April 30, 2016 with Dr. Ramesh Hospital and the promoters of Dr. Ramesh Hospital. Prior to the execution of this agreement, our Company had purchased 25,000 equity shares of Dr. Ramesh Hospital from one of the promoters of Dr. Ramesh Hospital. Pursuant to this agreement, our Company has agreed to purchase 1,689,946 equity shares of Dr. Ramesh Hospital held by the promoters of Dr. Ramesh Hospital (“**Sale Shares**”) in three tranches and subscribe to 1,478,133 equity shares of Dr. Ramesh Hospital (“**Subscription Shares**”) in two tranches. In terms of the agreement, our Company has (i) purchased 160,800 Sale Shares for an aggregate consideration of ₹54,393,816 (ii) purchased 192,106 Sale Shares for an aggregate consideration of ₹64,983,697 and (iii) subscribed to 147,811 Subscription Shares. Subsequently, in terms this agreement, our Company proposes to (i) acquire 1,337,040 Sale Shares, and (ii) subscribe to 1,330,322 Subscription Shares on or before July 20, 2016 or within 60 days thereafter (“**Tranche 3 Closing**”). The aggregate consideration for the Subscription Shares under the agreement is ₹500,008,050. Further, our Company is required to pay an aggregate consideration of ₹452,280,521 for the Sale Shares forming part of the Tranche 3 Closing. In the event of non-consummation of the third tranche by July 20, 2016, our Company shall pay the promoters of Dr. Ramesh Hospital interest on the unpaid portion of the sale consideration and the unsubscribed portion of the subscription amount at a rate of 15% per annum until the earlier of the date of actual purchase and subscription of the remaining Sale Shares and Subscription Shares or until expiry of the grace period of 20 days for the third tranche. As of the date of this Draft Red Herring Prospectus, our Company holds 29.97% of the equity share capital of Dr. Ramesh Hospital, and subsequent to the successful completion of the proposed Tranche 3 Closing, our Company shall hold 51% of the equity share capital of Dr. Ramesh Hospital.

Pursuant to the terms of this agreement, upon the completion of the second tranche of Sale Shares and the first tranche of Subscription Shares, Dr. Ramesh Hospital’s board of directors is required to approve the appointment of four persons appointed by our Company to serve as directors on the board of Dr. Ramesh Hospital, with the total number of directors on the Board of Dr. Ramesh Hospital being seven. Further, under this agreement, the promoters of Dr. Ramesh Hospital have the option to repurchase all equity shares held by our Company in Dr. Ramesh Hospital in the event that the proposed purchase of Sale Shares at Tranche 3 Closing does not occur for reasons solely attributable to our Company.

Share purchase agreement dated April 30, 2016 entered into by and amongst our Company, IL&FS Trust Company Limited (in its capacity as trustee to India Venture Trust Fund – I), Dr. Ramesh Hospital and certain shareholders of Dr. Ramesh Hospital

Our Company has entered into a share purchase agreement dated April 30, 2016 with certain existing shareholders of Dr. Ramesh Hospital, pursuant to which our Company has purchased an aggregate of 2,307,692 equity shares of Dr. Ramesh Hospital for an aggregate consideration of ₹780,622,973.

Shareholders’ agreement dated April 30, 2016 entered into by and amongst our Company, Dr. Ramesh Hospital and promoters of Dr. Ramesh Hospital.

A shareholders’ agreement dated April 30, 2016 has been entered into between our Company, Dr. Ramesh Hospital and promoters of Dr. Ramesh Hospital to record their *inter-se* rights and obligations as shareholders of Dr. Ramesh Hospital in light of our Company’s investment in Dr. Ramesh Hospital. Under the terms of this agreement, the promoters of Dr. Ramesh Hospital shall have the option to purchase all or part of the securities held by our Company in Dr. Ramesh Hospital pursuant to the two tranches of the share subscription and share purchase agreement dated April 30, 2016 in the event that the Tranche 3 Closing fail to take place for reasons solely attributable to our Company, further, all rights granted to our Company under the agreement shall fall away and our Company shall be required to pay the promoters a sum of ₹50,000,000 as liquidated damages. Pursuant to the terms of this agreement, our Company is entitled to nominate four out of the seven directors on the board of Dr. Ramesh Hospital. The presence of one of our nominee directors and a

representative of our Company is required to constitute quorum at all board meetings and shareholders' meetings respectively. The affirmative consent of our Company is required prior to taking a decision on a list of reserved matters which *inter-alia* include issue of securities, amendment to charter documents, dividend distribution etc. As per the terms of the agreement, any further issuances of securities shall have to be offered first and on the same terms to our Company and the promoter group in proportion to their *inter-se* shareholding. 100% of the promoter shareholding is locked in for a period of three years from the effective date and 80% is locked in for a period of five years from the effective date, any transfer of shares (except to affiliates) by the promoters during this period would require the prior consent of our Company. Our Company has also been granted a right of first refusal in respect of transfers by the promoter group. Should we decide to transfer our shares to third parties, the promoter group has been granted a right of first offer and tag along right in relation to such transfers. The promoter group may exercise a put option on our Company upon the expiry of five years from the effective date within a period of four years thereafter. The promoter group is also subject to non-compete and non-solicit obligations in relation to the business of Dr. Ramesh Hospital. Our Company is required to grant a right of first refusal to Dr. Ramesh Hospital in respect of any new hospital project within a bed capacity of more than 150 beds if desired to be set-up, acquired, managed or obtaining of any investment interest by our Company (either directly or indirectly through any affiliate) in such project within the territory of Andhra Pradesh.

Share purchase agreement dated July 14, 2014 entered into by and amongst our Company, Mr. Sobhan Prakash P., Dr. B.S.V. Raju, Dr. G. Satish Reddy, Dr. C. Raghu, Mrs. K. Ammannamma, and Sainatha Hospitals

Our Company has entered into a share purchase agreement dated July 14, 2014 with certain existing shareholders of Sainatha Hospitals, being Mr. Sobhan Prakash P., Dr. B.S.V. Raju, Dr. G. Satish Reddy, Dr. C. Raghu and Mrs. K. Ammannamma and Sainatha Hospitals pursuant to which our Company has purchased 5.10% of the equity shares of Sainatha Hospitals in the first tranche of the transaction from the above named Existing Sainatha Shareholders for an aggregate consideration of ₹20,200,000 and as part of the second tranche of the transaction, we have agreed to purchase such number of equity shares as determined in accordance with the formula set out under the agreement for an aggregate consideration of ₹79,800,000.

Share subscription agreement dated July 14, 2014 entered into by and amongst our Company, Mr. Sobhan Prakash P., Dr. B.S.V. Raju, Dr. G. Satish Reddy, Dr. C. Raghu ("Existing Sainatha Shareholders") and Sainatha Hospitals

A share subscription agreement dated July 14, 2014 has been entered into between Sainatha Hospitals, the Existing Sainatha Shareholders and our Company. Pursuant to the terms of this agreement, our Company has subscribed to 1000 class A equity shares with differential rights and 2,452,129 series A compulsorily convertible preference shares of Sainatha Hospitals for an aggregate consideration of ₹250,000,000. Further, our Company has agreed to invest a sum of ₹65,000,000 within one year from the initial completion date as specified under this agreement. Our Company as a holder of 1,000 class A equity shares is entitled to 51% voting rights in Sainatha Hospitals until conversion of the compulsorily convertible preference shares. Our Company has the right to acquire a minimum of 51% of the issued share capital of Sainatha Hospital through this investment, and it can require Sainatha Hospitals to issue such number of additional securities as necessary or call upon the Existing Sainatha Shareholders to sell such number of additional securities at the lowest price permissible under law, until it holds 51% of the issued share capital. Upon the conversion of the series A compulsorily convertible preference shares, Sainatha Hospitals has agreed to buy-back the class A equity shares issued to our Company under this agreement in accordance with applicable law.

Shareholders' agreement dated July 14, 2014 entered into by and amongst our Company, the Existing Sainatha Shareholders and Sainatha Hospitals and amended on July 28, 2015

A shareholders' agreement dated July 14, 2014 has been entered into between our Company, Sainatha Hospitals and the Existing Sainatha Shareholders to record their *inter-se* rights and obligations as shareholders of Sainatha Hospitals in light of our Company's investment in Sainatha Hospitals. Under this agreement, Sainatha Hospitals has the right of first refusal on any new hospital project with a bed capacity of an individual hospital up to 150 beds, to be started by our Company in Andhra Pradesh and/or Telangana as long as our Company holds shares in Sainatha Hospitals. Further, pursuant to the terms of this agreement, the Existing Sainatha Shareholders will be in charge of the day to day management of Sainatha Hospitals as long as they hold 10% or more in the issued share capital of Sainatha Hospitals. Further, for as long as our Company owns 51% or more in the issued share capital of Sainatha Hospitals, we will be entitled to nominate such number of directors on the board of Sainatha Hospitals so as to constitute a majority.

The agreement provides that no reserved matter under the agreement shall be decided without the consent of the directors appointed by our Company and the directors nominated by the Existing Sainatha Shareholders. The list of reserved matters includes the listing of the shares of Sainatha Hospitals, change in the size of the board of directors, assignment of intellectual property etc. The Existing Sainatha Shareholders have also been granted certain affirmative voting rights which include the matters in relation to appointment of doctors and negotiation of key commercial contracts. The agreement also imposes certain transfer restrictions such that (i) the transfers by existing shareholders are subject to a non-disposal undertaking and (ii) transfers by existing shareholders with the exception of Existing Sainatha Shareholders are subject to right of first refusal. In the event of any transfer of shares by our Company, the Existing Sainatha Shareholders shall have

the right to tag along and the right of first refusal. Further, our Company has the right of first offer on further issue of new or existing securities.

The Existing Sainatha Shareholders have also been granted additional rights including the right to exercise a put option on our Company. Our Company has been granted the right to exercise a call option on the Existing Sainatha Shareholders at any point after the expiry of six years from the initial completion date. In terms of this agreement, till such time as our Company holds any securities in Sainatha Hospitals, we are not permitted to solicit any doctor or key employee (as defined under the agreement) employed with Sainatha Hospitals without the prior written consent of Mr. Sobhan Prakash P.

UAE

Trust deed dated September 15, 2015 entered into by and amongst Jamal Majed Khalfan Bin Theniyeh, Shamsudheen Bin Mohideen Mammu Haji, Al Rafa Investments Limited and Aster FZC

Pursuant to the Trust Deed, Al Rafa Investments Limited (the “Trustee”) has agreed to hold in trust for the benefit of Aster FZC, all the issued shares in Al Rafa Holdings Limited together with all the issued shares and securities of any other entity in which the Trustee holds shares from time to time or any entity or company which is a subsidiary of such entities and any interest or other income transaction arising out of the assets held in trust. The Trustee is required to exercise its vote in the various downstream subsidiaries in accordance with the directions of Aster FZC. Aster FZC is solely entitled to receive all dividends, proceeds of sale and other benefits arising in respect of the trust shares and trust assets. In case of any further issuance of shares in any of the downstream subsidiaries or any transfer of shares, the Trustee will be required to purchase such additional securities in accordance with the directions of Aster FZC. The trust shares and assets may only be disposed off by the Trustee in accordance with the provisions of the Trust Deed. The proceeds from such sale or transfer shall be distributed to Aster FZC. The Trustee’s resignation will not be accepted until such time that Aster FZC finds a replacement for the Trustee. Among other things, the Trustee is permitted to deal with and dispose of the trust shares and trust assets or any rights or obligations attached to such trust shares and trust assets only in accordance with the written directions received from Aster FZC. Pursuant to the Trust Deed, Jamal Majed Khalfan Bin Thenieh and Shamsudheen Bin Mohideen Mammu Haji, the shareholders of the Trustee have agreed to not dispose off their shareholding in the Trustee or effect any change in the capital structure of the Trustee without the prior permission of Aster FZC. Further, they are not permitted to create any charge on the shares of the Trustee or effect any amendments to its charter documents without the prior permission of Aster FZC. The rights and obligations of the Trustee under this agreement may not be assigned to a third party without the written consent of Aster FZC. Aster FZC has agreed to indemnify the trustees against all amounts that they become liable to pay to any third party in settlement against any claims raised against such subsidiary or its employees. Further, the trustee has agreed to indemnify Aster FZC and the relevant subsidiary against any expenses that we may incur as a result of a breach of this agreement. Except for a material breach by Aster FZC under this agreement which has not been remedied within 30 days of the Trustee providing Aster FZC of such notice of the breach, the Trustee is not permitted to resign without the prior permission of Aster FZC. Aster FZC is entitled to terminate this agreement by providing notice of the same to the other parties. The agreement may be terminated pursuant to any decree or decision of the federal or local government in the UAE, the DIFC Registrar of Companies, the courts of the DIFC or any applicable law declaring the trust to be illegal or invalid or if a party has its commercial license cancelled by authorities in the UAE or the DIFC. In consideration for the services being provided by Jamal Majed Khalfan Bin Thenieh and Shamsudheen Bin Mohideen Mammu Haji, under this agreement, they are being paid an annual fee of AED 500,000 each pursuant to nominee services agreements dated September 15, 2015 entered into amongst Aster FZC, the Trustee and each of Jamal Majed Khalfan Bin Thenieh and Shamsudheen Bin Mohideen Mammu Haji.

Subsidiaries whose shares are held by Al Rafa Holdings pursuant to the DIFC restructuring:

Subsidiary	Percentage of shares held in trust (%)
Alfa Drug Store	51.00
Aster Al Shafar Pharmacies Group	2.00
Aster Opticals	51.00
Aster Pharmacies Group	51.00
Aster Women Clinic	26.00
DM Healthcare	51.00
DM Healthcare Services	51.00
DM Pharmacies	46.00
Medcare Hospital	41.00
Med Shop	51.00
Medshop Garden Pharmacy	51.00
Shindagha Pharmacy	46.00
Union Pharmacy	46.00
Vitamin World	2.00

Trust and Sponsorship Agreements

Aster FZC derives its beneficial ownership in respect of Subsidiaries not covered under the Trust Deed above, pursuant to trust and sponsorship agreements entered into with certain shareholders of these Subsidiaries. Pursuant to the trust and sponsorship agreements, such shareholders have agreed to hold in trust for Aster FZC all or a percentage of shares in such Subsidiary. The common terms of these agreements are as follows:

Pursuant to the terms of these agreements, the trustees have agreed to hold in trust for Aster FZC, the trust shares, trust assets, all interests, dividends, other accruals or distribution of profits, other assets and all rights arising out of or in connection with the trust shares and the trust assets. Aster FZC has agreed to pay the trustees consideration in the form of fees or profit share for the services to be rendered by the trustee. The trustees is permitted to deal with and dispose of the trust shares and trust assets or any rights or obligations attached to such trust shares and trust assets only in accordance with the written directions received from Aster FZC. Aster FZC is solely entitled to receive all dividends, proceeds of sale and other benefits arising in respect of the trust shares and trust assets. The trustees are required to execute and perform all such acts, deeds, documents and things as Aster FZC may require in respect of the trust shares and trust assets. Without the express written instructions from Aster FZC, the trustees may not sign or enter into any agreement, commitment, obligation or do any act in the name of such Subsidiary. The rights and obligations of the trustee under these agreements may not be assigned to a third party by the trustee without the written consent of Aster FZC. These agreements may be terminated if Aster FZC wishes to replace the trustee, or in the event of a change in law that would permit a foreign investor to hold more than 49% of the shares in a limited liability company, or on the death of the trustee. The agreement may also be terminated by either party by giving not less than three months written notice of termination. In the event of such voluntary termination, the trustees would be required to do all such actions as may be necessary to transfer the trust shares and the trust assets to the new trustee appointed by Aster FZC. In the event of the death of the trustee, the trustees have acknowledged and confirmed that his heirs, executors, administrators, legal representatives, successors and assigns shall have no right to succeed as trustee and that they shall take all steps that Aster FZC may require to transfer the trust shares and trust assets to a new trustee nominated by Aster FZC. Aster FZC has agreed to indemnify the trustees against all amounts that they become liable to pay to any third party in settlement against any claims raised against such subsidiary or its employees. Further, the trustee has agreed to indemnify Aster FZC and the relevant subsidiary against any expenses that we may incur as a result of a breach of this agreement by the trustee or any person within his control or acting on his behalf.

Specific details of the number of shares held in trust and the remuneration paid to the trustees are set out below:

Trust and Sponsorship agreement dated October 29, 2009 entered into between Aster FZC and Shamsudheen Bin Mohideen Mammu Haji (in his capacity as the representative of the heirs of Aslam Bin Mohideen Mammu Haji)

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Shamsudheen Bin Mohideen Mammu Haji, a shareholder of Aster Women Clinic, pursuant to which Shamsudheen Bin Mohideen Mammu Haji has agreed to hold in trust for Aster FZC all of his shares in Aster Women Clinic to 25% of the issued and paid-up share capital of Aster Women Clinic. In consideration of the services being provided by the trustee under this agreement, Aster FZC has agreed to cause the issue or transfer of a certain percentage of shares in our Company. Accordingly, Shamsudheen Bin Mohideen Mammu Haji, has been issued 5,612,607 Equity Shares.

Trust and sponsorship agreement dated June 14, 2012 entered into between Aster FZC, Zuhdi Mohammad Ahmad Mohammad Sarhan and Mulook Aman Mirza Hassan Alrahma

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Zuhdi Mohammad Ahmad Mohammad Sarhan and Mulook Aman Mirza Hassan Alrahma, shareholders of Symphony Healthcare Management Services, pursuant to which Zuhdi Mohammad Ahmad Mohammad Sarhan and Mulook Aman Mirza Hassan Alrahma, the trustees have agreed to hold in trust for Aster FZC all of their shares in Symphony Healthcare Management Services aggregating to 100% of the issued and paid-up share capital of Al Symphony Healthcare Management Services. In consideration for the services to be rendered by the trustee, Aster FZC has agreed to pay the trustees an aggregate annual fee of AED 25,000.

Trust and sponsorship agreement dated August 22, 2012 entered into between Aster FZC and Wajdan Mahmood Khalil Mahmood Shuhait

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Wajdan Mahmood Khalil Mahmood Shuhait, a shareholder of New Aster Pharmacy, pursuant to which Wajdan Mahmood Khalil Mahmood Shuhait, the trustee has agreed to hold in trust for Aster FZC all of his shares in New Aster Pharmacy aggregating to 25% of the issued and paid-up share capital of New Aster Pharmacy. In consideration for the services to be rendered by the trustee, Aster FZC has agreed to pay the trustee an annual fee.

Trust and sponsorship agreement dated June 25, 2008 entered into between Aster FZC and Hashim Ismail Fateh Al Abdulla Khajah

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Hashim Ismail Fateh Al Abdulla Khajah, a shareholder of Modern Dar Al Shifa Pharmacy, pursuant to which Hashim Ismail Fateh Al Abdulla Khajah, the trustee has agreed to hold in trust for Aster FZC all of his shares in Modern Dar Al Shifa Pharmacy aggregating to 11% of

the issued and paid-up share capital of Modern Dar Al Shifa Pharmacy. In consideration for the services to be rendered by the trustee, the trustee shall be entitled to 40% of the profit and losses of Modern Dar Al Shifa Pharmacy.

Trust and sponsorship agreement dated June 25, 2009 entered into between Aster FZC and Ibrahim Ismail Fateh Ali Abdulla Khajah as amended

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Ibrahim Ismail Fateh Ali Abdulla Khajah, a shareholder of Al Rafa Medical Centre AUH, pursuant to which Ismail Fateh Ali Abdulla Khajah, the trustee has agreed to hold in trust for Aster FZC a percentage of his shares in Al Rafa Medical Centre AUH aggregating to 11% of the issued and paid-up share capital of Al Rafa Medical Centre AUH. In consideration for the services to be rendered by the trustee, the trustee will be entitled to 40% of the profits of Al Rafa Medical Centre AUH.

Trust and sponsorship agreement dated June 25, 2009 entered into between Aster FZC and Ibrahim Ismail Fateh Ali Abdulla Khajah as amended

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Ibrahim Ismail Fateh Ali Abdulla Khajah, a shareholder of DM Medical Clinic, pursuant to which Ismail Fateh Ali Abdulla Khajah, the trustee has agreed to hold in trust for Aster FZC a percentage of his shares in DM Healthcare aggregating to 31% of the issued and paid-up share capital of DM Medical Clinic. In consideration for the services to be rendered by the trustee, the trustee will be entitled to 20% of the profits of DM Medical Clinic.

Trust and sponsorship agreement dated June 25, 2009 entered into between Aster FZC and Ibrahim Ismail Fateh Ali Abdulla Khajah

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Ibrahim Ismail Fateh Ali Abdulla Khajah, a shareholder of Dar Al Shifa Medical Centre, pursuant to which Ibrahim Ismail Fateh Ali Abdulla Khajah, the trustee has agreed to hold in trust for Aster FZC some of his shares in Dar Al Shifa Medical Centre aggregating to 11% of the issued and paid-up share capital of Dar Al Shifa Medical Centre. In consideration for the services to be rendered by the trustee, the trustee will be entitled to 40% of the profits of Dar Al Shifa Medical Centre.

Trust and sponsorship agreement dated January 10, 2011 entered into between Aster FZC and Jamal Majed Khalfan Bin Theniyeh as amended

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Jamal Majed Khalfan Bin Theniyeh, a shareholder of Rafa Pharmacy pursuant to which Jamal Majed Khalfan Bin Theniyeh, the trustee has agreed to hold in trust for Aster FZC all of his shares in Rafa Pharmacy aggregating to 51%. In consideration for the services to be rendered by the trustee, Aster FZC has agreed to pay the trustee an annual fee of AED 500,000 for the entire group entities of Aster FZC.

Trust and sponsorship agreement dated July 15, 2014 entered into between Aster FZC and Jamal Majed Khalfan Bin Theniyeh as amended

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Jamal Majed Khalfan Bin Theniyeh, a shareholder of Aster Pharmacy LLC (AUH) pursuant to which Jamal Majed Khalfan Bin Theniyeh, the trustee has agreed to hold in trust for Aster FZC all of his shares in Aster Pharmacy LLC (AUH) aggregating to 51%. In consideration for the services to be rendered by the trustee, Aster FZC has agreed to pay the trustee an annual fee of AED 500,000 for the entire group entities of Aster FZC.

Trust and sponsorship agreement dated January 2, 2013 entered into between Aster FZC and Jamal Majed Khalfan Bin Theniyeh as amended

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Jamal Majed Khalfan Bin Theniyeh, a shareholder of Zabeel Pharmacy pursuant to which Jamal Majed Khalfan Bin Theniyeh, the trustee has agreed to hold in trust for Aster FZC all of his shares in Zabeel Pharmacy aggregating to 2%. In consideration for the services to be rendered by the trustee, Aster FZC has agreed to pay the trustee an annual fee of AED 500,000 for the entire group entities of Aster FZC.

Trust and sponsorship agreement dated June 25, 2008 entered into between Aster FZC and Ebraheem Hasan Hasan Al Ali

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Ebraheem Hasan Hasan Al Ali, a shareholder of Asma Pharmacy, pursuant to which Ebraheem Hasan Hasan Al Ali, the trustee has agreed to hold in trust for Aster FZC all of his shares in Asma Pharmacy aggregating to 51% of the issued capital of Asma Pharmacy. In consideration for the services to be rendered by the trustee, Aster FZC has agreed to pay the trustee an annual fee of AED 25,000.

Assignment agreement dated October 25, 2009 entered into between Aster FZC and Naseera Azad

Our Subsidiary, Aster FZC has entered into an assignment agreement with Naseera Azad, a shareholder of Asma Pharmacy,

pursuant to which Naseera Azad, the trustee has agreed to assign the beneficial interest of her shares in Asma Pharmacy aggregating to 25% of the issued share capital of Asma Pharmacy, in favour of Aster FZC.

Assignment agreement dated October 25, 2009 entered into between Aster FZC and Dr. Azad Moopen

Our Subsidiary, Aster FZC has entered into an assignment agreement with Dr. Azad Moopen, a shareholder of DM Group FZ LLC, pursuant to which Dr. Azad Moopen, has agreed to assign the beneficial interest of her shares in DM Group FZ LLC aggregating to 35% of the issued share capital of DM Group FZ LLC, in favour of Aster FZC.

Assignment agreement dated October 25, 2009 entered into between Aster FZC and T.J. Wilson

Our Subsidiary, Aster FZC has entered into an assignment agreement with T.J. Wilson, a shareholder of DM Group FZ LLC, pursuant to which T.J. Wilson, has agreed to assign the beneficial interest of his shares in DM Group FZ LLC aggregating to 5% of the issued share capital of DM Group FZ LLC, in favour of Aster FZC.

Agreement dated May 11, 2009 entered into between Aster FZC and T.J. Wilson

Our Subsidiary, Aster FZC has entered into an agreement with T.J. Wilson, a shareholder of Medcare Hospital, pursuant to which T.J. Wilson, has transferred his shares in Medcare Hospital aggregating to 2% of the issued share capital of Medcare Hospital to Aster FZC. However, since required amendments have not been made to the memorandum of association and the share transfer documents have not been notarised, this agreement does not result a change in title to the relevant shares but only confers a beneficial interest over these shares.

Trust and sponsorship agreement dated December 19, 2010 entered into between Aster FZC and Shamsudheen Bin Mohideen Mammu Haji

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Shamsudheen Bin Mohideen Mammu Haji, a shareholder of Ibn Alhaitham Pharmacy pursuant to which Shamsudheen Bin Mohideen Mammu Haji, the trustee has agreed to hold in trust for Aster FZC all of his shares in this entity aggregating to 46% of the paid up capital of this entity. In consideration for the services to be rendered by the trustee Shamsudheen Bin Mohideen Mammu Haji, has been issued 5,612,607 Equity Shares.

Trust and sponsorship agreement dated April 23, 2014 entered into between Aster FZC and Shamsudheen Bin Mohideen Mammu Haji

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Shamsudheen Bin Mohideen Mammu Haji, a shareholder of Al Shafar Pharmacy AUH, pursuant to which Shamsudheen Bin Mohideen Mammu Haji, the trustee has agreed to hold in trust for Aster FZC all of his shares in Al Shafar Pharmacy aggregating to 2% of the issued and paid-up share capital of Al Shafar Pharmacy. Since the trustee is a shareholder of our Company, it was agreed that no remuneration would be payable to him.

Trust and sponsorship agreement dated February 10, 2010 entered into between Aster FZC and Ahmad Ozair Suroor Rafia

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Ahmad Ozair Suroor Rafia, a shareholder of Ibn Alhaitham Pharmacy, pursuant to which Ahmad Ozair Suroor Rafia, the trustee has agreed to hold in trust for Aster FZC all of his shares in Ibn Alhaitham Pharmacy aggregating to 5% of the share capital of this entity. In consideration for the services to be rendered by the trustee, Aster FZC has agreed to pay the trustee an annual fee of AED 20,000.

Trust and sponsorship agreement dated July 8, 2008 entered into between Aster FZC and Walid Jamal Yousuf Al Sawalhi

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Walid Jamal Yousuf Al Sawalhi, a shareholder of Maryam Pharmacy, pursuant to which Walid Jamal Yousuf Al Sawalhi, the trustee has agreed to hold in trust for Aster FZC all of his shares in Maryam Pharmacy aggregating to 95% of the issued share capital of Maryam Pharmacy. In consideration for the services to be rendered by the trustee, the trustee will be entitled to an annual fee of AED 20,000.

Trust and sponsorship agreement dated July 8, 2008 entered into between Aster FZC and Ali Hassan Ali Al Zarouni

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Ali Hassan Ali Al Zarouni, a shareholder of Maryam Pharmacy, pursuant to which Ali Hassan Ali Al Zarouni, the trustee has agreed to hold in trust for Aster FZC all of his shares in Maryam Pharmacy aggregating to 5% of the issued share capital of Maryam Pharmacy. In consideration for the services to be rendered by the trustee, the trustee will be entitled to an annual fee of AED 10,000.

Trust and sponsorship agreement dated October 25, 2009 entered into between Aster FZC and Sidiqa Asad Ali Mirza Al Raeisi

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Sidiqa Asad Ali Mirza Al Raeisi, a shareholder of Shindagha Pharmacy, pursuant to which Sidiqa Asad Ali Mirza Al Raeisi has agreed to hold in trust for Aster FZC all of her shares in Shindagha Pharmacy aggregating to 5% of the issued and paid-up share capital of Shindagha Pharmacy such that Aster FZC acquires a beneficial interest over all the shares of in Shindagha Pharmacy. Aster FZC has agreed to pay the trustee an annual fee of AED 20,000 for the services to be rendered by the trustee.

Trust and sponsorship agreement dated November 27, 2012 entered into between Aster FZC and Ahmed Nasser Abdulla Hussein Al Nasser

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Ahmed Nasser Abdulla Hussein Al Nasser, a shareholder of Union Pharmacy, pursuant to which Ahmed Nasser Abdulla Hussein Al Nasser has agreed to hold in trust for Aster FZC all of his shares in Union Pharmacy aggregating to 5% of the issued and paid-up share capital of Union Pharmacy such that Aster FZC acquires a beneficial interest over such shares of Union Pharmacy. Aster FZC has agreed to pay the trustee an annual fee of AED 1,000 for the services to be rendered by the trustee.

Trust and sponsorship agreement dated November 10, 2010 entered into between Aster FZC and Ahmed Nasser Abdulla Hussein Al Nasser

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Ahmed Nasser Abdulla Hussein Al Nasser, a shareholder of DM Pharmacies, pursuant to which Ahmed Nasser Abdulla Hussein Al Nasser has agreed to hold in trust for Aster FZC all of his shares in DM Pharmacies aggregating to 5% of the issued and paid-up share capital of DM Pharmacies such that Aster FZC acquires a beneficial interest over such shares of DM Pharmacies. Aster FZC has agreed to pay the trustee an annual fee of AED 300,000 for the services to be rendered by the trustee.

Trust and sponsorship agreement dated March 11, 2015 entered into between Aster FZC and Jamal Majed Khalfan Bin Theniyeh

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Jamal Majed Khalfan Bin Theniyeh, a shareholder of Aster Medical Centre, pursuant to which Jamal Majed Khalfan Bin Theniyeh, the trustee has agreed to hold in trust for Aster FZC all of his shares in Aster Medical Centre aggregating to 41% of the issued and paid-up share capital of Aster Medical Centre. In consideration for the services to be rendered by the trustee, the trustee will be entitled to an annual fee of AED 500,000 for the entire group entities of Aster FZC.

Trust and sponsorship agreement dated February 10, 2015 entered into between Aster FZC and Ismail Fateh Ali Abdulla Al Khaja

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Ismail Fateh Ali Abdulla Al Khaja, a shareholder of Aster Medical Centre, pursuant to which Ismail Fateh Ali Abdulla Al Khaja, the trustee has agreed to hold in trust for Aster FZC all of his shares in Aster Medical Centre aggregating to 10% of the issued and paid-up share capital of Aster Medical Centre. In consideration for the services to be rendered by the trustee, the trustee will be entitled to 10% of the profits of this Subsidiary.

Trust and sponsorship agreement dated September 15, 2015 entered into between Aster FZC and Jamal Majed Khalfan Bin Theniyeh

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Jamal Majed Khalfan Bin Theniyeh, a shareholder of Marina Pearl, pursuant to which Jamal Majed Khalfan Bin Theniyeh, the trustee has agreed to hold in trust for Aster FZC all of his shares in Marina Pearl aggregating to 51% of the issued and paid-up share capital of Marina Pearl. In consideration for the services to be rendered by the trustee, the trustee will be entitled to an annual fee of AED 500,000.

Shareholder agreement dated September 14, 2014 entered into amongst Jamal Majed Khalfan Bin Thaniyeh, Grace Healthcare Consultants LLC and Aster FZC.

Our Subsidiary, Aster FZC has entered into a shareholders agreement with Jamal Majed Khalfan Bin Thaniyeh, a shareholder of Aster Grace, pursuant to which the shareholder has agreed to hold in trust for Aster FZC 31% of the issued capital of Aster Grace. In consideration for the services to be rendered by the shareholder, an annual fee of AED 10,000 is payable.

Stake Agreements

Stake Agreement dated May 15, 2014 entered into between Aster FZC and Basheer Utteri

Pursuant to the stake agreement dated May 15 2014, Basheer Utteri, the stakeholder, has invested a certain amount into the business of Aster Optical, pursuant to which he is entitled to 120 shares, 40% beneficial shareholding and 40% profit share. The stakeholder will not be entitled to receive any amount in the event there are no profits accruing or arising in any particular financial year. The agreement can be terminated by either party by each giving a written notice of termination to the other.

Stake Agreement dated October 25, 2009 entered into between Aster FZC and Dr. Pakkar Koya

Pursuant to the stake agreement dated October 25, 2009, Dr. Pakkar Koya, the stakeholder has agreed to invest in 10% of the total shares of Shindagha Pharmacy pursuant to which he is entitled to a proportionate share of profits or losses in Shindagha Pharmacy. The minority stakeholder would not be entitled to any income in the event that there are no profits accruing in any particular financial year. The agreement may be terminated by notice being given by either party to the agreement.

Stake Agreement dated August 15, 2009 entered into between Aster FZC and Dr. A. R. Salim

Pursuant to the stake agreement dated August 15, 2009, Dr. A. R. Salim, the stakeholder has agreed to invest a certain amount in the business of Aster Women Clinic, New Al Qouz Pharmacy and Grand Pharmacy, pursuant to which he is entitled to a proportionate share of profits or losses in the Subsidiary aggregating to 18% in Aster Women Clinic, 20% in New Al Qouz Pharmacy and 20% in Grand Pharmacy. The minority stakeholder would not be entitled to any income in the event that there are no profits accruing in any particular financial year. The agreement may be terminated by notice being given by either party to the agreement.

Agreement dated November 2, 2014 entered into between Aster FZC and Mohamed Abdul Rahim Pathiya Parambath Aboobaker

Pursuant to the stake agreement dated November 2, 2014, Mohamed Abdul Rahim Pathiya Parambath Aboobaker, the stakeholder has agreed to invest a certain amount in the business of Union Pharmacy, Al Qouz Pharmacy and Ibn Al Azwar Pharmacy, pursuant to which he is entitled to a proportionate share of profits or losses in the Subsidiary aggregating to 25% in Union Pharmacy, 25% in Al Qouz Pharmacy and 18.8% in Ibn Al Azwar Pharmacy. The minority stakeholder would not be entitled to any income in the event that there are no profits accruing in any particular financial year. The agreement may be terminated by notice being given by either party to the agreement.

Stake Agreement dated June 25, 2009 entered into between Aster FZC and Mariam Pakkar

Pursuant to the stake agreement dated June 25, 2009, Mariam Pakkar, the stakeholder has agreed to invest a certain amount in the business of Asma Pharmacy, pursuant to which she is entitled to a proportionate share of profits or losses in the Subsidiary aggregating to 50%. The agreement may be terminated by notice being given by either party to the agreement.

Stake Agreement dated September 3, 2015 entered into between Aster FZC Mr. Moolakkadath Salahuddin, Ali Hasan Kutty Kunhailil and Dr. Mohamed Ashraf Chozhimadathingal.

Pursuant to the stake agreement dated September 3, 2015, Moolakkadath Salahuddin, Ali Hasan Kutty Kunhailil, and Dr. Mohamed Ashraf Chozhimadathingal, the stakeholders, are entitled to receive legal shareholding at par with their respective profit share percentage of Medcare Hospital LLC. Thus, Aster FZC has agreed that the stakeholders are to receive 3% of the shares out of the 41% held by Al Rafa Holdings Limited for and on behalf of Aster FZC.

Jordan

Nominee Shareholder Agreement entered into between Suzan Hasan Farah Harb and Aster Pharmacies Group

Our Subsidiary Aster Pharmacies Group has entered into a nominee shareholder agreement with Suzan Hasan Farah Harb, a shareholder of Orange Pharmacies, pursuant to which Suzan Hasan Farah Harb has agreed to hold all of his shares in Orange Pharmacies aggregating to 25.50% of the issued and paid-up share capital of Orange Pharmacies on behalf of and for the benefit of Aster Pharmacies Group. In consideration for this, Aster Pharmacies Group, has agreed to pay the nominee, JOD 400 per month. This fee is subject to an annual revision. The nominee has agreed to transfer to Aster Pharmacies Group all dividend that he receives from Orange Pharmacies. If on the termination of the agreement, the nominee refuses to transfer shares to the replacement nominee, the nominee shall be entitled to pay Aster Pharmacies Group a sum of JOD 1,122,000 or the actual value of such shares. The shares have also been pledged in favour of Aster Pharmacies Group. Further, an irrevocable power of attorney has been granted to Mr. Jobilal Vavachan on on pursuant to which he has been authorised to transfer, mortgage or remove the pledge on behalf of Aster Pharmacies Group.

Nominee Shareholder Agreement entered into between Samah Abdel Rahman Ibrahim Jaber and Aster Pharmacies Group

Our Subsidiary Aster Pharmacies Group has entered into a nominee shareholder agreement with Samah Abdel Rahman Ibrahim Jaber, a shareholder of Orange Pharmacies, pursuant to which Samah Abdel Rahman Ibrahim Jaber has agreed to hold all of his shares in Orange Pharmacies aggregating to 25.50% of the issued and paid-up share capital of Orange Pharmacies on behalf of and for the benefit of Aster Pharmacies Group. In consideration for this, Aster Pharmacies Group, has agreed to pay the nominee, JOD 400 per month. This fee is subject to an annual revision. The nominee has agreed to transfer to Aster Pharmacies Group all dividend that he receives from Orange Pharmacies. If on the termination of the agreement, the nominee refuses to transfer shares to the replacement nominee, the nominee shall be entitled to pay Aster Pharmacies Group a sum of JOD 1,122,000 or the actual value of such shares. The shares have also been pledged in favour of Aster Pharmacies Group. Further, an irrevocable power of attorney has been granted to Mr. Jobilal Vavachan pursuant to which he has been authorised to transfer, mortgage or remove the pledge on behalf of Aster Pharmacies Group.

Kuwait

Trust and sponsorship agreement dated May 14, 2014 entered into between Aster FZC and Jamal Majed Khalfan Bin Theniyeh

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Jamal Majed Khalfan Bin Theniyeh, a shareholder of Aster Kuwait pursuant to which Jamal Majed Khalfan Bin Theniyeh, the trustee has agreed to hold in trust for Aster FZC all of his shares in Aster Kuwait aggregating to 51% of the issued and paid-up share capital of Aster Kuwait. The agreement may be terminated by either party by giving the other party not less than three months written notice. Aster FZC is entitled to receive all dividends, proceeds of sale and other benefits in respect of the trust shares. The trustee may only transfer the shares and assets held by him on behalf of Aster FZC with the express permission of Aster FZC. In the event of such voluntary termination, the trustees would be required to do all such actions as may be necessary to transfer the trust shares and the trust assets to the new trustee appointed by Aster FZC. In consideration for the services to be rendered by the trustee, Aster FZC has agreed to pay the trustee an annual fee of AED 10,000, being the consolidated fee for all the units that Jamal Majed Khalfan Bin Theniyeh serves as the trustee for in the UAE and Kuwait.

Nominee Arrangement dated June 16, 2014 entered into between Aster FZC and Dr. Dunya Ahmad Mohammad Al Sharhan

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Dr. Dunya Ahmad Mohommad Al Sharhan, a shareholder of Aster Kuwait pursuant to which Dr. Dunya Ahmad Mohommad Al Sharhan, the trustee has agreed to hold in trust for Aster FZC all of her shares in Aster Kuwait aggregating to 1% of the issued and paid-up share capital of Aster Kuwait. The trustee may only transfer the shares and assets held by her on behalf of Aster FZC with the express permission of Aster FZC. In the event of such voluntary termination, the trustees would be required to do all such actions as may be necessary to transfer the trust shares and the trust assets to the new trustee appointed by Aster FZC. In consideration for the services to be rendered by the trustee, Aster FZC has agreed to pay the trustee an annual fee.

Shareholders Agreement dated May 14, 2014 entered into amongst Dr. Dunya Ahmad Mohammad Al Sharhan, Jamal Majed Khalfan Bin Theniyeh, Dr. Alamaldin Mohammed Adi and Mansoor Khalil Al Owaishi

Shareholders of Aster Kuwait have entered into a shareholders agreement pursuant to which no shareholder may transfer his shares to third parties without the prior consent of other shareholders. Further, Jamal Majed Khalfan Bin Theniyeh would be entitled to exercise a drag along right on the other minority shareholders of Aster Kuwait should he wish to transfer his shares to a third party.

Oman

Trust and Sponsorship Agreements

Aster FZC has entered into two trust and sponsorship agreements with the Omani shareholder of our Subsidiaries in Oman pursuant to which the Omani shareholder has agreed to hold in trust for Aster FZC all the shares held by that shareholder in such Subsidiary. The common terms of these agreements are as follows:

Pursuant to the terms of these agreements, the trustee has agreed to hold in trust for Aster FZC, the trust shares, trust assets, all interests, dividends, other accruals or distribution of profits, other assets and all rights arising out of or in connection with the trust shares and the trust assets. The trustee is permitted to deal with and dispose of the trust shares and trust assets or any rights or obligations attached to such trust shares and trust assets only in accordance with the written directions received from Aster FZC. Aster FZC is solely entitled to receive all dividends, proceeds of sale and other benefits arising in respect of the trust shares and trust assets. The trustee is required to execute and perform all such acts, deeds, documents and things as Aster FZC may require in respect of the trust shares and trust assets. Without the express written instructions from Aster FZC, the trustee may not sign or enter into any agreement, commitment, obligation or do any act in the name of such

Subsidiary. The rights and obligations of the trustee under these agreements may not be assigned to a third party by the trustee without the written consent of Aster FZC. These agreements may be terminated if Aster FZC wishes to replace the trustee, or in the event of a change in law that would permit a foreign investor to hold more than 30% of the shares in a limited liability company, or on the death of the trustee. The agreement may also be terminated by either party by giving not less than three months written notice of termination. In the event of such voluntary termination, the trustee would be required to carry out all such actions as may be necessary to transfer the trust shares and the trust assets to the new trustee appointed by Aster FZC. Further, the trustee has agreed to indemnify Aster FZC and the relevant subsidiary against any expenses that they may incur as a result of a breach of this agreement by the trustee.

Specific details of the number of shares held in trust and the remuneration paid to the trustees are set out below:

Trust and sponsorship agreement dated 2009 entered into between Aster FZC and Abdullah Ali Ahamed al Kashari

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Abdullah Ali Ahamed al Kashari, a shareholder of Al Raffah Hospital, pursuant to which Abdullah Ali Ahamed al Kashari, the trustee, has agreed to hold in trust for Aster FZC all of his shares in Al Raffah Hospital aggregating to 30% of the issued and paid-up share capital of Al Raffah Hospital. In consideration for the services to be rendered by the trustee, the trustee will be entitled to an annual fee of OMR 7,500.

Trust and sponsorship agreement dated June 25, 2009 entered into between Aster FZC and Abdullah Ali Ahamed al Kashari

Our Subsidiary, Aster FZC has entered into a trust and sponsorship agreement with Abdullah Ali Ahamed al Kashari, a shareholder of Al Raffah Medical Centre, pursuant to which Abdullah Ali Ahamed al Kashari, the trustee, has agreed to hold in trust for Aster FZC all of his shares in Al Raffah Medical Centre aggregating to 30% of the issued and paid-up share capital of Al Raffah Medical Centre. In consideration for the services to be rendered by the trustee, the trustee will be entitled to an annual fee of OMR 7,500.

Qatar

Joint venture agreement dated June 1, 2010 entered into between DM Healthcare Management and Welcare Group WLL

Pursuant to the agreement, DM Healthcare Management has is entitled to full and absolute authority to execute the management and operations of the business of Wellcare Polyclinic. Further, DM Healthcare Management is entitled to 50% of the profits and losses of Welcare Polyclinic.

Letter dated February 15, 2010 executed between DM Healthcare Management and Sheikha Munira

Pursuant to a letter dated February 15, 2010, Sheikha Munira, a shareholder of Wellcare Polyclinic has agreed to hold shares aggregating to 5% of the issue capital of Wellcare Polyclinic on trust in favour of DM Healthcare Management.

Joint Venture agreement dated December 2014 entered into amongst Bethel Business and Management Services LLC, DM Healthcare Services, Mohammed Abdulrahiman Elempilassery, Methale Purayil Hassna Kunhi, Sameer Moopan Mandayapurath, Mohammed Unni Olakara, Mandayapurath Mohamed Nazar, Kesaivath Parambil Abdul Hameed, Vattakandi Mohamed Mukhtar, DM Healthcare Management, as amended by an amendment to the joint venture agreement on September 13, 2015

The agreement acknowledges the transfer of shares aggregating 22% of the capital of DM Healthcare Management from the individual shareholders to DM Healthcare Services. There has been no release of the existing shareholders and/or remaining shareholders from their contractual obligations and liabilities under the joint venture agreement as amended pursuant to the share transfer. The profit share under this agreement is not in accordance with the profit share under the memorandum of association of DM Healthcare Management. Notwithstanding, the profit share payable to the Qatari shareholders is limited to a fixed fee. The agreement also records a mortgage of 867 shares held by Bethel Business and Management Services LLC in favour of DM Healthcare Services together with a right to dividend over the pledged shares.

Saudi Arabia

Sale and purchase Agreement dated on or about September 1, 2015 (as amended by a Supplemental Agreement dated on or about 14 September 2015) amongst Sanad Healthcare Company LLC, Abdulmonem Rashed Al Rashed, DM Healthcare Services, Rico Limited, Rimco (Mauritius) Limited and Aster FZC

Pursuant to the agreement, DM Healthcare Services has acquired 56.2% of the shares of Sanad Medical Care (to give an aggregate 97% shareholding) and has agreed to acquire a further 3% of the shares of Sanad Medical Care on a deferred basis. The deferred cash consideration is payable on election by the sellers, on March 31, 2017 or March 31, 2018. The amount of each instalment of deferred consideration is calculated in accordance with the agreement subject to a maximum

of USD 75,000,000 for the first instalment of deferred consideration and USD 85,000,000 for the second instalment of deferred consideration.

Other Material Contracts

Hospital operation and management agreement dated May 12, 2014 between our Company and Cauvery Medical Center Limited (“CMCL”)

Our Company has entered into a hospital operation and management agreement with CMCL pursuant to which we have been appointed as an independent contractor for upgrading, operating, maintaining and managing a multi-specialty hospital with associated utilities called “Cauvery Medical Centre” run by CMCL in Bangalore. Pursuant to the terms of this agreement, our Company is solely and exclusively responsible for the proper and efficient operation and management of the hospital. Further, our Company is required to either directly or through its affiliates or any other persons invest not less than ₹1,500,000,000 (with a variation of 10% on downside) towards the hospital’s infrastructure upgradation, equipment and operational cash loss funding within three years from the release date as defined under this agreement. Our Company is entitled to the profits and losses in relation to the operation of the hospital and CMCL is not entitled to claim any share in the profits other than the revenue share agreed upon and as computed as follows.

Period	Amount
Each month of the 2 nd financial year from May 12, 2014	An amount amount equivalent to 3% of the gross revenue for such month plus 12% of the margin for such month or ₹2.5 million, whichever is higher
Each month commencing from the 3 rd financial year from May 12, 2014 up to the 9 th financial year	An amount equivalent to 5% of the gross revenue for such month plus 12% of the margin for such month or ₹3 million, whichever is higher
Each month commencing from the 10 th financial year from May 12, 2014	An amount equivalent to 5% of the gross revenue for such month plus 12% of the margin for such month or ₹10 million, whichever is higher

The agreement is valid for a period of 24 years from the date of execution of the agreement and may be renewed for an additional period.

The agreement may be terminated at any time by either party under certain circumstances, including for a default by the other party. After May 11, 2023, our Company may terminate the agreement without the occurrence of an event of default by providing a prior written notice of 120 days. If our Company exercises this right of termination on or prior to May 11, 2023 without the occurrence of any event of default on the part of CMCL, then CMCL shall be entitled to retain 50% of the deposit provided (i.e., ₹200,000,000) as penalty for pre-closure.

Our Company, CMCL and its respective affiliates are also restricted from, directly or indirectly, developing, constructing, owning, operating, promoting or authorizing any other person to do so in respect of hospitals at any location within a seven kilometer radius from the hospital during the term of the agreement. Our Company is permitted to change the name of the hospital to “Aster Cauvery Hospital” or any other name agreed upon by the parties. The name of the hospital has been changed to “Aster CMI Hospital”, and the consent of CMCL has been obtained.

The agreement has been amended pursuant to a separate letter dated May 12, 2014 from CMCL to our Company whereby our Company has been given additional rights in relation to certain immovable properties of CMCL including the right of first counter offer.

Medical Services Agreement dated March 4, 2016 entered into between our Company and DM Education and Research Foundation

Our Company has entered into a medical services agreement with DM Education and Research Foundation pursuant to which our Company has agreed on an exclusive and irrevocable basis to operate, manage and provide medical services at the cardiac sciences super speciality centre and neurosciences super speciality centre located at DM Wayanad Institute of Medical Sciences which is owned by DM Education and Research Foundation. The agreement is valid for an initial period of 10 years. In consideration for services provided by our Company, we are entitled to 5% of the net revenue on a monthly basis. Our Company has provided an interest free refundable security deposit of ₹150,000,000 to DM Education and Research Foundation. As per the terms of this agreement, our Company is required to, inter alia, appoint medical personnel and procure and maintain necessary equipment, consumables and other supplies required for these centres. Our Company is also responsible for marketing sales and promotion in relation to these centres. DM Education and Research Foundation is responsible for maintaining the requisite approvals in relation to these centres. Further, while our Company is required to insure the equipment, DM Education and Research Foundation is responsible for insuring the hospital and the centres. Pursuant to the terms of this agreement DM Education and Research Foundation has agreed to not establish any cardiac or neurosciences services or outsource any such services to third parties without the prior written consent of our Company. Further, our Company has been granted a right of first refusal in respect of any super speciality centres or other projects that

DM Education and Research Foundation may set up within the hospital premises and a right of first offer in respect of medical services to be provided at any other hospitals that DM Education and Research Foundation may set up in the future.

Operation and Management Services Agreement dated March 4, 2016 entered into between our Company and DM Education and Research Foundation

Our Company has entered into operation and management services agreement with DM Education and Research Foundation pursuant to which our Company has agreed to provide operation and management services on an exclusive basis at DM Wayanad Institute of Medical Sciences which is owned by DM Education and Research Foundation for an initial term of five years. In consideration for the services to be provided by our Company, we are entitled to 2.5% of the net revenue of the hospital per month (if the net revenue of the hospital is ₹20,000,000 or lesser) and an additional 5% of the net revenue of the hospital per month (if the net revenue of the hospital exceeds ₹20,000,000). Our Company is required to, inter alia, appoint requisite personnel to provide the services under this agreement. Our Company has been provided with a right of first offer in respect of similar services to be provided at any other hospitals that DM Education and Research Foundation may set up in the future.

Operation and management agreement dated January 2, 2012 between DM Healthcare and Dubai Aluminium (as amended)

Our Subsidiary, DM Healthcare has entered into an operations and management agreement dated January 2, 2012 with Dubai Aluminium pursuant to which our Subsidiary has been appointed to manage an in-house pharmacy attached to the Dubai Aluminium Clinic. In consideration for this, our Subsidiary has agreed to pay Dubai Aluminium a sum of AED 85,000 annually, subject to review at the end of each calendar year.

Management and acquisition agreement dated April 25, 2011 amongst Fahad Ali Hassan Ali Al Zarooni, Fawziya Ali Hassan Ali Al Zarooni and DM Healthcare

Our Subsidiary, DM Healthcare has entered into a management acquisition agreement dated April 25, 2011 with Fahad Ali Hassan Ali Al Zarooni, Fawziya Ali Hassan Ali Al Zarooni pursuant to which the day to day operations and management of business of Mariam New Pharmacy has been assigned to our Subsidiary. In consideration for this, our Subsidiary is required to pay an annual sum of AED 300,000 and a sponsorship fee of AED 32,000 of AED. The parties have agreed that the ownership of the partnership including the assets will be transferred to our Subsidiary for a consideration of AED 1,000,000 (subject to a 10% revision) on the conclusion of the litigation involving the current owners of the assets. Our Subsidiary is entitled to all profits from this entity.

Guarantees:

DM Education and Research Foundation, one of our Group Entities has obtained a loan from the State Bank of Travancore, Ernakulam for a sum of ₹862,800,000. DM Education and Research Foundation has also hypothecated certain assets as security for this loan. Pursuant to the terms of the loan agreement entered into between DM Education and Research Foundation and SBT, our Promoter, Dr. Azad Moopen has provided an irrevocable guarantee in favour of SBT for a sum of ₹862,800,000. Pursuant to the deed of guarantee dated July 5, 2012, our Promoter Dr. Azad Moopen has guaranteed the repayment of the loan on demand along with interest and all costs and expenses incurred by the bank in relation to the loan. The guarantee shall be enforceable against our Promoter notwithstanding the security created by DM Education and Research Foundation. Pursuant to the terms of the deed of guarantee it will not be necessary for the bank to initiate proceedings against the borrower prior to enforcing the guarantee.

OUR MANAGEMENT

Board of Directors

In terms of Part I of the Articles of Association, our Company is required to have not less than three Directors and not more than fifteen Directors. As on the date of this Draft Red Herring Prospectus, our Board comprises 12 Directors.

The following table sets forth details regarding our Board of Directors:

Sl. No.	Name, father's name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/partnerships/trusteeships
1.	Dr. Mandayapurath Azad Moopen ("Dr. Azad Moopen") Father's name: M. A. Moopen Designation: Chairman and Managing Director Address: Moopens, 28/1982 A2, Valiyaparamba, Thondayad Kodamolikunnu Road Kozhikode – 673 016, Kerala, India Occupation: Business Nationality: Indian Term: Period of five years from December 1, 2014 DIN: 00159403	63	Other Directorships <i>Indian Companies</i> - Cheraman Financial Services Limited - DM Med City Hospitals (India) Private Limited - Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited - Greater Malabar Initiative Foundation - Kerala State Industrial Development Corporation Limited - Malabar Institute of Medical Sciences Limited - Malabar Trade and Convention Centre Private Limited - Norka Roots - Wayanad Infrastructure Private Limited <i>Foreign Companies</i> - AAQ Healthcare Investment LLC - Affinity Holdings Private Limited - Al Rafa Medical Centre LLC - Al Raffah Hospital LLC, Muscat - Al Raffah Medical Centre LLC - Al Shafar Pharmacy LLC - Alfa Drug Store LLC - Aries Holdings FZC - Aster Al Shafar Pharmacies Group LLC - Aster DM Healthcare (SPC) - Aster DM Healthcare FZC - Aster DM Healthcare INC - Aster IVF & Women Clinic LLC - Aster Medical Centre LLC - Aster Opticals LLC - Aster Pharmacies Group LLC - Aster Pharmacy LLC - Credence High School LLC - Dar Al Shifa Medical Centre LLC - DM Group FZ LLC (under winding up) - DM Healthcare LLC - DM Pharmacies LLC - Dr. Moopens Healthcare Management Services LLC - Dr. Moopens Healthcare Management Services WLL - Dr. Moopens Medical Clinic LLC - Eurohealth Systems FZ LLC - Ibn Al Haitham Pharmacy LLC (Under winding up) - Marina Pearl Pharmacy LLC (Under winding up) - Med Shop Drugs Store LLC - Medcare Hospital LLC - Medshop Garden Pharmacy LLC - Modern Dar Al Shifa Pharmacy LLC - New Aster Pharmacy DMCC - Rafa Pharmacy LLC - Shindhagha Pharmacy LLC - Union Investments Private Limited - Union Pharmacy LLC - Vitamin World LLC (under winding up)

Sl. No.	Name, father's name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/partnerships/trusteeships
			- Zabeel Pharmacy LLC (under winding up) Partnerships - Learning Chain Education Management LLP - Endeavu Infra Developers LLP Trusteeships - DM Education and Research Foundation - DM Foundation - Dr. Moopen's Family Foundation - MIMS Research Foundation - N & M Foundation
2.	T. J. Wilson Father's name: Thadathil Joseph Designation: Non-Executive Director* Address: Swagath Golfink Road Chevayur, Calicut – 673 017 Kerala, India Occupation: Professional Nationality: Indian Term: Liable to retire by rotation DIN: 02135108	55	Other Directorships <i>Indian Companies</i> - Aster DM Healthcare (Trivandrum) Private Limited - Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited - Malabar Institute of Medical Sciences Limited - Prerana Hospital Limited - Sri Sainatha Multispeciality Hospitals Private Limited - Wayanad Infrastructure Private Limited <i>Foreign Companies</i> - Al Rafa Holdings Limited - Al Rafa Investments Limited - Aster DM Healthcare FZC - DM Group FZ LLC (under winding up) - Euro Health Systems FZ LLC - Sanad Al Rahma for Medical Care Limited Partnerships - Cantown Infra Developers LLP - Endeavu Infra Developers LLP Trusteeships - DM Foundation
3.	Anoop Moopen Father's name: Ahamed Mandayapurath Vadakkethil Designation: Non-Executive Director Address: Mandayapurath, Vadakkethil Kalpakancherry Post Malappuram – 676 551 Kerala, India Occupation: Business Nationality: Indian Term: Liable to retire by rotation DIN: 02301362	39	Other Directorships <i>Indian Companies</i> - Clearwater Educational Management and Resources Company Private Limited - Malabar Institute of Medical Sciences Limited - Wayanad Infrastructure Private Limited <i>Foreign Companies</i> - Aesthetic Technical Solutions LLC - Al Thurath Al Arabi Contracting LLC Partnerships - Moopens Aztech Contracting LLP

Sl. No.	Name, father's name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/partnerships/trusteeships
4.	Alisha Moopen <i>Father's name:</i> Dr. Azad Moopen <i>Designation:</i> Non-Executive Director** <i>Address:</i> Mayan Palace P.O. Challapuram, Kasaba Calicut – 673 002 Kerala, India <i>Occupation:</i> Business <i>Nationality:</i> British <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 02432525	34	Other Directorships <i>Indian Companies</i> - Wayanad Infrastructure Private Limited <i>Foreign Companies</i> - Al Rafa Holdings Limited - Al Rafa Investments Limited - Aster DM Healthcare (SPC) - Aster DM Healthcare INC - Aster Grace Nursing and Physiotherapy LLC - Bikram Hot Yoga Trusteeships - Dr. Moopen's Family Foundation - N&M Foundation
5.	Gaurav Malik <i>Father's name:</i> Yogesh Malik <i>Designation:</i> Non-Executive Director <i>Address:</i> Suite 3406 Exchange Square 8, Connaught Road Hong Kong <i>Occupation:</i> Professional <i>Nationality:</i> Indian <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 00330078	44	Other Directorships <i>Indian Companies</i> - Olympus Capital Holdings Asia India Advisors Private Limited - Quattro Global Services Private Limited <i>Foreign Companies</i> - AEP II Holdings Pte Ltd - Koi Structured Credit Pte Limited - OCA V Holdings Pte Ltd - Olympus Capital Holdings Asia Pte Limited - Olympus ACF Pte Ltd
6.	Shamsudheen Bin Mohideen Mammu Haji <i>Father's name:</i> Moideen Kutty <i>Designation:</i> Non-Executive Director <i>Address:</i> Villa No. 14 Opposite Dubai Mall Post Box 5928 Dubai, 05928, UAE <i>Occupation:</i> Business <i>Nationality:</i> UAE <i>Term:</i> Liable to retire by rotation <i>DIN:</i> 02007279	53	Other Directorships <i>Indian Companies</i> - Wayanad Infrastructure Private Limited <i>Foreign Companies</i> - Regency Group for Corporate Management - Regency Trading LLC Partnerships - Hotel Royal Regency - Hotel Royal Grand Trusteeships - Anappadikkal Charitable Trust
7.	Harsh Charandas Mariwala <i>Father's name:</i> Charandas Mariwala <i>Designation:</i> Independent Director <i>Address:</i> 2nd Floor	65	Other Directorships <i>Indian Companies</i> - Ascent India Foundation - Eternis Fine Chemicals Limited - Halite Personal Care India Private Limited (a company under voluntary liquidation)

Sl. No.	Name, father's name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/partnerships/trusteeships
	'Seven on the Hill Apartments' Auxilium Convent Road Rajendra Kumar Chowk Pali Hill, Bandra West Mumbai – 400 050 Maharashtra, India Occupation: Entrepreneur Nationality: Indian Term: Five years from September 17, 2015 DIN: 00210342		- Indian School of Communications Private Limited - Kaya Limited - L&T Finance Holdings Limited - Marico Consumer Care Limited - Marico Innovation Foundation - Marico Limited - Scientific Precision Private Limited
8.	Rajagopal Sukumar Father's name: G. N. Rajagopal Designation: Independent Director Address: B – 303 Raheja Regency Apartments 90, Santhome High Road M.R.C. Nagar, Chennai – 600 028 Tamil Nadu Occupation: Entrepreneur Nationality: Indian Term: Five years from September 17, 2015 DIN: 07049894	48	Other Directorships <i>Indian Companies</i> Tiny Magiq Innovations Private Limited
9.	Ravi Prasad Father's name: Birendra Narayan Prasad Designation: Independent Director Address: No. 523, 2nd Main, 3rd Block RMV 2nd Stage Bangalore – 560 094 Karnataka, India Occupation: Professional Nationality: Indian Term: Five years from September 17, 2015 DIN: 07022310	55	Other Directorships <i>Indian Companies</i> Varana Design Private Limited
10.	Daniel James Snyder Father's name: James Snyder Designation: Independent Director Address: 3848 Utopia CT Coconut Grove, FL 33133-6425 Florida, USA	61	-

Sl. No.	Name, father's name, designation, address, occupation, nationality, term and DIN	Age (years)	Other directorships/partnerships/trusteeships
	Occupation: Professional Nationality: American Term: Five years from September 17, 2015 DIN: 02298099		
11.	M. Madhavan Nambiar Father's name: Anathil Candoth Madhavan Nambiar Designation: Independent Director Address: No. 3, Nawab Habibullah 3 rd Street Chennai – 600 006 Tamil Nadu, India Occupation: (Retd.) Government Service Nationality: Indian Term: Five years from September 17, 2015 DIN: 03487311	65	Other Directorships Indian Companies - Air Livery India Private Limited - Air Works India (Engineering) Private Limited - Air Works Mro Services Private Limited - Encore Asset Reconstruction Company Private Limited - Hotel Leelaventure Limited - Indian Institute of Information Technology and Management Kerala - Kannur International Airport Limited - Kerala State Industrial Development Corporation Limited - Loyal Textile Mills Limited - Rediff.com India Limited - The Catholic Syrian Bank Limited
12.	Suresh M. Kumar Father's name: Muthu Krishna Rajaram Iyer Designation: Independent Director Address: Apartment 813, B62 Building Al Maktoum Road, Deira Dubai Occupation: Professional Nationality: Indian Term: Five years from September 17, 2015 DIN: 00494479	65	Other Directorships Indian Companies - FedBank Financial Services Limited - ICICI Lombard General Insurance Company Limited - ICICI Prudential Asset Management Company Limited - Value Services International Private Limited Foreign Companies - Emirates REIT Management Private Limited - ICICI International Limited - India Infrastructure Advantage Fund DIF I - India Infrastructure Advantage Fund DIF II - Tricolour Investments Limited - Tricolour Values Investments LLC - Tricolour Values Capital Management Consultancy

* Also, Executive Director and Group Head – Governance and Corporate Affairs, GCC

** Also, Executive Director and CEO – Hospitals and Clinics, GCC

Relationship between our Directors

None of our Directors are related to each other, except as follows:

- (i) Alisha Moopen is the daughter of Dr. Azad Moopen and sister-in-law of Anoop Moopen; and
- (ii) Anoop Moopen is the son-in-law of Dr. Azad Moopen.

Brief Biographies of Directors

Dr. Azad Moopen is the Chairman and Managing Director of our Company. He is a gold medalist in Medicine and a post graduate in General Medicine from University of Calicut, Kerala, India and a diploma holder in Tuberculosis and Chest Diseases from Delhi University, Delhi, India. He is responsible for our Company's overall business operations and is responsible for setting forth the group strategy and vision. He also serves as a director of NORKA Roots and the Kerala State Industrial Development Corporation. He has set up Dr. Moopen's Foundation, a charitable foundation for extending

healthcare charitable benefits to the less privileged. He has been a Director of our Company since its incorporation. He has been honoured by the Government of India with the Padma Shri Award in 2011 and the Pravasi Bharatiya Samman in 2010. He has also been conferred the Best Doctor Award by the Government of Kerala in 2009. He has also received the Arab Health Award from the Arab Health Forum in 2010, the Arabian Business Achievement Award from the ITP Publishing Group in 2010 and the Healthcare CEO of the Year Award at the CEO Middle East Awards 2015.

T. J. Wilson is a Director of our Company and the Group Head – Governance and Corporate Affairs, GCC. He holds a bachelor's degree in Commerce from the University of Calicut, Kerala, India. He is also a member of the Institute of Chartered Accountants of India. In the past, he has worked with Koyenco Feeds Private Limited and Parle (Exports) Limited. He is responsible for overseeing the legal, secretarial and governance function, Saudi vertical, internal audit and large portfolio of new hospital projects. He has been a Director of our Company since April 20, 2009.

Anoop Moopen is a Director of our Company. He holds a bachelor's degree in Civil Engineering from the University of Madras, Tamil Nadu, India and a master's degree in International Construction Management and Engineering from the University of Leeds, United Kingdom. He is also engaged in the field of construction and healthcare management. He has been a Director of our Company since April 20, 2009.

Alisha Moopen is a Director of our Company and the Chief Executive Officer – Hospitals & Clinics, GCC. She holds a bachelor's degree in Business Administration from the University of Michigan, Ann Arbor. She is a member of the Institute of Chartered Accountants of Scotland. She has previously worked at Ernst and Young LLP. She is experienced in the field of finance and administration. She is responsible for overseeing the strategy of the group. She has been a Director of our Company since September 20, 2013.

Gaurav Malik is a Director of our Company. He holds a post graduate diploma in management from the Indian Institute of Management, Bangalore, India. He is experienced in the field of private equity investments. He currently serves on the boards of Olympus Capital Holdings Asia Pte Limited and Olympus ACF Pte Ltd. He has been a Director of our Company since January 18, 2012.

Harsh C. Mariwala is an Independent Director of our Company. He holds a bachelor's degree in Commerce from the University of Mumbai, India. He is experienced in the field of consumer products. He is the promoter of Marico Limited and Kaya Limited. He was ranked as one of India's best CEOs in the FMCG category (mid sized companies) by Business Today. He has been a Director of our Company since January 20, 2015.

Rajagopal Sukumar is an Independent Director of our Company. He holds a bachelor's degree in engineering from the Birla Institute of Technology and Science, Pilani, Rajasthan, India and completed an executive development program from the Wharton School of Business, University of Pennsylvania, USA. He is experienced in the information technology sector. In the past, he has worked with Tata Consultancy Services as a senior systems analyst. He has also worked at Cognizant Technology Solutions India Private Limited as the senior vice-president, chief information officer and head of innovation. He has been a Director of our Company since January 20, 2015.

Ravi Prasad is an Independent Director of our Company. He holds a bachelor's degree in Science from Ranchi University and a master's degree in business management from the Asian Institute of Management, Manila, Philippines. He has experience in the pharmaceutical industry. In the past, he has also worked at Himalaya Global Holding Limited. He has also been awarded the 'Alumni Achievement Award' by the Asian Institute of Management, Manila, Philippines. He has been a director of our Company since April 21, 2015.

Daniel James Snyder is an Independent Director of our Company. He holds a bachelor's degree in Science, Technical Careers (Health Care Services) from the Southern Illinois University, USA. He also holds a master's degree in Arts, from the Webster College Missouri, USA and a degree of Associate in Arts from the College of Dupage. He has been a Commander in the United States Navy. He is experienced in the field of healthcare. He has been a Director of our Company since April 21, 2015.

M. Madhavan Nambiar is an Independent Director of our Company. He holds a bachelor's degree in Arts from the University of Madras and has completed his master's in business administration from the University of Delhi. He has been an officer of the Indian Administrative Service and has served as a secretary to the Ministry of Civil Aviation. He currently serves on the boards of the Catholic Syrian Bank Limited and the Kerala State Industrial Development Corporation Limited. He has been a Director of our Company since April 21, 2015.

Suresh M. Kumar is an Independent Director of our Company. He holds a bachelor's degree in Commerce from the University of Bombay. He has also completed the London Stanford International Investment Management Programme offered by the London Business School and the Stanford University Graduate School of Business. In the past he has been the chairman of Federal Bank, a fellow of the Indian Institute of Bankers and a director of IDBI Federal Life Insurance Company Limited. He is currently a director of FedBank Financial Services Limited, Tricolour Investments Limited, Tricolour Values Investments LLC, Tricolour Values Capital Management Consultancy, ICICI Lombard General Insurance Company Limited and ICICI Prudential Asset Management Company Limited and a member of the oversight board of the

Emirates REIT. He has been a Director of our Company since September 16, 2015.

Shamsudheen Bin Mohideen Mammu Haji is a Director of our Company. He has been a Director of our Company since September 16, 2015. He is an entrepreneur and also the chairman of Regency Group for Corporate Management in the UAE.

Confirmations

With the exception of Harsh C. Mariwala who was a director of Marico Kaya Enterprises Limited which was suspended from trading on the BSE and NSE on May 26, 2015 pursuant to its merger with Kaya Limited, none of our Directors is or was a director of any listed company during the last five years preceding the date of this Draft Red Herring Prospectus, whose shares have been or were suspended from being traded on the BSE or the NSE.

Details in relation to the suspension of trading of the shares of Marico Kaya Enterprises Limited are as follows:

Sl. No	Particulars	Information
1.	Name of the stock exchange(s) on which the company was listed	BSE Limited and National Stock Exchange of India Limited
2.	Date of suspension on stock exchanges	May 26, 2015*
3.	Whether suspended for more than three months	NA
4.	Reasons for suspension and period of suspension, if the suspension has been for more than three months	NA
5.	Whether the suspension has been revoked	NA
6.	Date of revocation of suspension	NA
7.	Term of the Director (along with relevant dates) in the above company	From January 19, 2013 upto May 13, 2015

**The equity shares of Marico Kaya Enterprises Limited were suspended for trading on account of its merger with Kaya Limited through a scheme of arrangement which was approved by the High Court of Judicature at Bombay pursuant to an order dated April 18, 2015. The equity shares of Kaya Limited were listed on both BSE and NSE on August 14, 2015.*

With the exception of Harsh C. Mariwala who was a director of Cadbury India Limited (name changed to Mondelez India Foods Private Limited) which voluntarily delisted from the NSE and BSE, none of our Directors is or was a director of any listed company which has been or was delisted from any stock exchange during the term of their directorship in such company.

Details in relation to the delisting of Cadbury India Limited are as follows:

Sl. No	Particulars	Information
1.	Name of the stock exchange(s) on which the company was listed	BSE and NSE
2.	Date of delisting on stock exchanges	BSE – January 20, 2003; NSE – February 7, 2003
3.	Whether the delisting was compulsory or voluntary delisting	Voluntary delisting
4.	Reasons for delisting	Non-compliance with Clause 21(3)(a) of the SEBI (SAST) Regulations, 1997
5.	Whether the company has been relisted	No
6.	Date of relisting, in the event the company is relisting	NA
7.	Name of the stock exchange(s) on which the company was relisted	NA
8.	Term of the Director (along with relevant dates) in the above company	From August 6, 1998 to February 26, 2013

No proceedings/investigations have been initiated by SEBI against any company, the board of directors of which also comprise any of the Directors of our Company. No consideration in cash or shares or otherwise has been paid or agreed to be paid to any of our Directors or to the firms of companies in which they are interested by any person either to induce him to become or to help him qualify as a Director, or otherwise for services rendered by him or by the firm or company in which he is interested, in connection with the promotion or formation of our Company.

Terms of appointment of Executive Directors

Dr. Azad Moopen

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, we have received approval from the Central Government for his appointment as the Managing Director of our Company. The details of remuneration governing his appointment as set out in the Board resolution dated November 19, 2014 are stated below:

Particulars	Remuneration
Basic Salary	₹0.50 million per month
Other Allowance and Benefits	Use of Company's car, chauffeur and telephone for official purposes

In addition to the above, Dr. Azad Moopen is entitled to gratuity payments and leave encashments as per our Company's policies. It has been agreed that if our Company incurs a loss or if our profits are inadequate during any Financial Year, our Company shall pay Dr. Azad Moopen such remuneration not exceeding the limits specified under Section II, Part II of Schedule V of the Companies Act, 2013.

Other terms of his appointment are set out in an employment agreement dated March 9, 2015 entered into between Dr. Azad Moopen and our Company. Pursuant to the terms of this agreement, Dr. Azad Moopen has been granted substantial powers of management and is required to exercise these powers in accordance with the direction of the Board. Dr. Azad Moopen has been granted the power to appoint and dismiss employees and enter into contracts on behalf of our Company in the ordinary course of business. Further, Dr. Azad Moopen is required to devote his attention and abilities to the business of our Company and its Subsidiaries. During the term of his employment, Dr. Azad Moopen is not permitted to disclose any confidential information or knowledge obtained in relation to the business or affairs of our Company to any third party. Either party may terminate this agreement by giving the other party notice of three months. It has been agreed that if our Company incurs a loss or if our profits are inadequate during any Financial Year, our Company shall pay Dr. Azad Moopen such remuneration not exceeding the limits specified under Section II, Part II of Schedule V of the Companies Act, 2013.

Dr. Azad Moopen also receives remuneration from Aster FZC, the details of which are as follows:

Particulars	Remuneration
Basic Salary	AED 500,000 per month
House Rental Allowance	AED 100,000 per month
Variable Pay	Variable pay slabs are as follows: Up to 75% of the budgeted PAT - Nil 75% to 90% of the budgeted PAT- 1% of PAT 91% to 100% of the budgeted PAT- 1.5% of PAT Above 100% of the budgeted PAT- 2% of PAT

Payment or benefit to Directors of our Company

The sitting fees/other remuneration paid to our Directors in Financial Year 2016 are as follows:

1. Remuneration to Executive Directors:

Our Company has paid a sum of ₹6,000,000 to Dr. Azad Moopen as remuneration in Financial Year 2016.

Aster FZC has paid a sum of ₹126,694,080 to Dr. Azad Moopen as remuneration in Financial Year 2016.

2. Remuneration to Independent Directors:

Each Independent Director is entitled to receive sitting fees of ₹100,000 per sitting pursuant to a resolution of the Board dated April 21, 2015 for attending meetings of the Board or any of its committees within the limits prescribed under the Companies Act, 2013, and the rules made thereunder. The travel expenses for attending meetings of the Board of Directors or a committee thereof, site visits and other Company related expenses are borne by our Company, from time to time. The details of the sitting fees paid to the Independent Directors during Financial Year 2016 is as follows:

Sl. No.	Name of Director	Sitting fees paid (₹)
1.	Daniel James Snyder	816,750
2.	Harsh C. Mariwala	900,000
3.	Madhavan Nambiar	810,000
4.	Ravi Prasad	594,000
5.	Rajagopal Sukumar	630,000
6.	Suresh M. Kumar	297,000

3. Remuneration to Non-Executive Directors:

While our Non-Executive Directors are not paid any remuneration by our Company, during Fiscal 2016, our Non-Executive Directors Alisha Moopen and T.J. Wilson were paid a gross compensation of ₹16,821,587 and ₹27,670,258 respectively from Dr. Moopens Healthcare Management Services LLC in relation to their responsibilities in respect of our GCC operations.

Arrangement or understanding with major Shareholders, customers, suppliers or others

Gaurav Malik who was first nominated to our Board by our Shareholder, Olympus pursuant to the SHA has since been re-appointed as a Non-Executive Director. For further details, see “History and Certain Corporate Matters” on page 176.

Except as disclosed above, there is no arrangement or understanding with the major Shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed on the Board or as a member of the senior management.

Shareholding of Directors in our Company

As per our Articles of Association, our Directors are not required to hold any qualification shares.

The shareholding of our Directors in our Company as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of Director	Number of Equity Shares	Percentage Shareholding (%)
T. J. Wilson*	2,633,343	0.65
Shamsudheen Bin Mohideen Mammu Haji	5,612,607	1.39

* T. J. Wilson has been granted 248,091 outstanding options under ESOP 2013. Of these option 162,445 options have vested. Of these options 107,820 options were exercised and converted into equity shares as on the date of this Draft Red Herring Prospectus

Shareholding of Directors in our Subsidiaries and Associate Companies

The shareholding of our Directors in our Subsidiaries as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of Subsidiary	Number of Equity Shares	Percentage Shareholding (%)
Dr. Azad Moopen		
AIPL*	500	0.03
Aster Trivandrum	1	0.01
DM Med City	1	0.01
Aster FZC*	89	Negligible^
Medcare Hospital**	500	10.00
Eurohealth Systems*	5	5.00
DM Group FZ, LLC (Under winding up)	35	35.00
Aster DM Healthcare INC	1	Negligible^
T. J. Wilson		
Aster FZC	15	Negligible^
Medcare Hospital**	100	2.00
DM Group FZ, LLC (Under winding up)	5	5.00
Shamsudheen Bin Mohideen Mammu Haji		
Al Shafar Pharmacy**	6	2.00
Ibn Al Haitham Pharmacy** (Under winding up)	138	46.00
Al Rafa Investments Limited***	50	100.00
Alisha Moopen		
Aster DM Healthcare INC	1	Negligible^

^ Less than 0.01%

* The shares held by Dr. Azad Moopen in these entities are held beneficially on behalf of our Company

** The shares held by Dr. Azad Moopen, T. J. Wilson and Shamsudheen Bin Mohideen Mammu Haji in these entities are held beneficially on behalf of Aster FZC

*** Held jointly with Jamal Majed Khafan Bin Theniyeh

The shareholding of our Directors in our Associate Companies as of the date of filing this Draft Red Herring Prospectus is set forth below:

Name of Associate	Number of Equity Shares	Percentage Shareholding (%)
Dr. Azad Moopen		
MIPPL	312,500	2.33
Anoop Moopen		
MIPPL	312,500	2.33
T. J. Wilson		
MIPPL	312,500	2.33
Shamsudheen Bin Mohideen Mammu Haji		
MIPPL	100,000	0.74

Appointment of relatives of our Directors to any office or place of profit

Except as disclosed in this Draft Red Herring Prospectus, none of the relatives of our Directors currently holds any office or place of profit in our Company.

Interest of Directors

All Directors may be deemed to be interested to the extent of fees payable to them for attending meetings of our Board or a committee thereof as well as to the extent of other remuneration and reimbursement of expenses payable to them under our Articles of Association, and to the extent of remuneration paid to them for services rendered as an officer or employee of our Company. Dr. Azad Moopen is a director of our Promoter, UIPL and some of our Directors may hold positions as directors on boards of our Subsidiaries and Group Entities and as heads of certain business verticals. In consideration for these services, they are paid managerial remuneration in accordance with the provisions of applicable law.

Except as stated in “*Related Party Transactions*” on page 242, and to the extent of shareholding or stock options in our Company, if any, our Directors do not have any other interest in our business.

Except for properties that Dr. Azad Moopen and Shamsudheen Bin Mohideen Mammu Haji hold on behalf of Aster FZC, our Directors have no interest in any property acquired by our Company two years prior to the date of this Draft Red Herring Prospectus or proposed to be acquired by our Company. Aster FZC has acquired three properties in the UAE during fiscal 2015 and fiscal 2017 for an aggregate purchase price of AED 12,524,475. As Aster FZC is not permitted to hold these properties directly, two properties have been registered under the name of Dr. Azad Moopen, and one property has been registered under the name of Shamsudheen Bin Mohideen Mammu Haji to hold on our behalf without consideration. For risks in relation to this arrangement, see “*Risk Factors - A majority of the lands on which our hospital buildings, clinics and retail pharmacies are operating are not owned by us, which could affect our operations. If the owner of premises does not renew the lease agreement, our business operations may suffer disruptions. We also own certain properties in the UAE under agreements which may not be enforceable*” on page 31.

The Directors may also be regarded as interested in the Equity Shares, if any, held by them or that may be subscribed by or allotted to the companies, firms and trusts, in which they are interested as directors, members, partners, trustees and promoters, pursuant to this Offer. All of our Directors may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of the Equity Shares held by them.

Other than Dr. Azad Moopen who is our Promoter and director of UIPL, neither our Promoter, nor our Directors have any interest in the promotion of our Company other than in the ordinary course of business.

No amount or benefit has been paid or given within the two preceding years or is intended to be paid or given to any of our Directors except the normal remuneration for services rendered as Directors.

No loans have been availed by our Directors from our Company.

None of the beneficiaries of loans, advances and sundry debtors are related to the Directors of our Company.

None of the Directors is party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to each of the Directors.

Further, except statutory benefits upon termination of their employment in our Company on retirement, no officer of our Company, including our Directors and the Key Management Personnel has entered into a service contract with our Company pursuant to which they are entitled to any benefits upon termination of employment.

Changes in the Board in the last three years

Name	Date of Appointment/ Change/Cessation	Reason
Naseera Azad	September 11, 2013	Resignation
Alisha Moopen	September 20, 2013	Appointed as Director
Harsh C. Mariwala	January 20, 2015	Appointed as Additional Director and regularised on September 17, 2015
Rajagopal Sukumar	January 20, 2015	Appointed as Additional Director and regularised on September 17, 2015
Ravi Prasad	April 21, 2015	Appointed as Additional Director and regularised on September 17, 2015
Daniel James Snyder	April 21, 2015	Appointed as Additional Director and regularised on September 17, 2015
M. Madhavan Nambiar	April 21, 2015	Appointed as Additional Director and regularised on September 17, 2015
Sanjay N. Arte	September 16, 2015	Resignation
Anwer Ameen	September 16, 2015	Resignation
Daniel Robert Mintz	September 16, 2015	Resignation
Gaurav Malik	September 16, 2015	Resigned as a nominee director and was re-appointed as Additional Director. He was regularised as a Non-Executive Director on September

Name	Date of Appointment/ Change/Cessation	Reason
		17, 2015
Suresh M. Kumar	September 16, 2015	Appointed as Additional Director and regularised on September 17, 2015
Shamsudheen Bin Mohideen Mammu Haji	September 16, 2015	Appointed as Additional Director and regularised on September 17, 2015

Borrowing Powers of Board

In accordance with the Articles of Association and the provisions of the Companies Act, the authorisation of our Shareholders is required to borrow such sum or sums of money or monies, where the money to be borrowed together with the money already borrowed by our Company will exceed the aggregate of our paid up share capital and free reserves, apart from the temporary loans obtained from our Company's bankers in the ordinary course of business. As on the date of filing this Draft Red Herring Prospectus, our borrowings have not exceeded the aggregate of our paid-up share capital and free reserves. In the event that our borrowings exceed this limit in future, we will obtain the authorisation of our Shareholders.

Corporate Governance

The Corporate Governance provisions of the Listing Regulations will be applicable to us immediately upon the listing of the Equity Shares on the Stock Exchanges. We are in compliance with the requirements of the applicable regulations, including the Listing Regulations, the Companies Act and the SEBI ICDR Regulations, in respect of corporate governance including constitution of the Board and committees thereof and formulation of policies. The corporate governance framework is based on an effective independent Board, separation of the Board's supervisory role from the executive management team and constitution of the Board committees, as required under law.

Our Board has been constituted in compliance with the Companies Act, the Listing Regulations and in accordance with best practices in corporate governance. The Board of Directors functions either as a full board or through various committees constituted to oversee specific operational areas. The executive management provides the Board of Directors detailed reports on its performance periodically.

Currently, our Board has 12 Directors comprising one Executive Director, five Non-Executive Directors (of whom one is a woman Director) and six Independent Directors.

Committees of the Board

Audit and Risk Management Committee

The members of the Audit and Risk Management Committee are:

1. Madhavan Nambiar, *Chairman*;
2. Ravi Prasad;
3. T. J. Wilson; and
4. Suresh M. Kumar

Rajagopal Sukumar and Gaurav Malik are permanent invitees to meetings of the committee.

The Audit and Risk Management Committee was constituted by a meeting of the Board of Directors held on June 25, 2014 and re-constituted by a meeting of the Board of Directors held on May 18, 2016. The scope and function of the Audit and Risk Management Committee is in accordance with Section 177 of the Companies Act, 2013 and the Listing Regulations and its terms of reference include the following:

- a) Overseeing our Company's financial reporting process and disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- b) Recommending to the Board, the appointment, re-appointment, and replacement, remuneration and terms of appointment of the statutory auditor and the fixation of audit fee;
- c) Recommending to the Board, the appointment, re-appointment, and replacement of the cost auditor and secretarial auditor, terms of reference and remuneration thereof;
- d) Review and monitor the auditor's independence and performance, and effectiveness of audit process;
- e) Approval of payments to the statutory auditors for any other services rendered by statutory auditors;

- f) Reviewing with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - i) Matters required to be included in the Director's responsibility statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Companies Act, 2013;
 - ii) Changes, if any, in accounting policies and practices and reasons for the same;
 - iii) Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv) Significant adjustments made in the financial statements arising out of audit findings;
 - v) Compliance with listing and other legal requirements relating to financial statements;
 - vi) Disclosure of any related party transactions;
 - vii) Modified opinion(s) in the draft audit report; and
 - viii) Qualifications in the draft audit report.
- g) Reviewing and examining with the management, the quarterly, half-yearly and annual financial statements and the auditors' report thereon before submission to the Board for approval;
- h) Scrutiny of inter-corporate loans and investments;
- i) Valuation of undertakings or assets of the company, wherever it is necessary;
- j) Evaluation of internal financial controls and risk management systems;
- k) Approval or any subsequent modification of transactions of our Company with related parties;
- l) Reviewing with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- m) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- n) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- o) Discussion with internal auditors any significant findings and follow up thereon;
- p) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- q) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- r) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- s) Approval of appointment of the chief financial officer (i.e., the whole-time finance Director or any other person heading the finance function or discharging the function) after assessing the qualifications, experience and background, etc. of the candidate;
- t) Reviewing the functioning of the whistle blower mechanism, in case the same is existing;
- u) Reviewing the risk identification and management process developed by management to confirm it is consistent with the Company's strategy and business plan;
- v) Reviewing the management's assessment of risk at least annually and providing an update to the Board in this regard;

- w) Inquiring with the management and the independent auditor about significant business, political, financial and control risks or exposure to such risk;
- x) Overseeing and monitoring management's documentation of the material risks that the Company faces and update as events change and risks shift;
- y) Apprising the Board at regular intervals regarding the process of putting in place a progressive risk management system, risk management policy and strategy;
- z) Taking strategic actions to mitigate risks associated with the nature of the business, and assess the steps management has implemented to manage and mitigate identifiable risk, including the use of hedging and insurance;
- aa) Developing, overseeing and monitoring management's review, at least annually, and more frequently if necessary, of the Company's policies for risk assessment and risk management (the identification, monitoring, and mitigation of risks); and
- bb) Reviewing the following with management, with the objective of obtaining reasonable assurance that financial risk is being effectively managed and controlled:
 - (i) management's tolerance for financial risks;
 - (ii) management's assessment of significant financial risks facing the Company;
 - (iii) the Company's policies, plans, processes and any proposed changes to those policies for controlling significant financial risks; and
 - (iv) to review with the Company's counsel, legal matters which could have a material impact on the Company's public disclosure, including financial statements;
- cc) Carrying out any other functions as is mentioned in the terms of reference of the Audit and Risk Management Committee.

The powers of the Audit Committee include the following:

- a) To investigate activity within its terms of reference;
- b) To seek information from any employees;
- c) To obtain outside legal or other professional advice; and
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee shall mandatorily review the following information:

- a) Reviewing the statement of deviations such as (i) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the Listing Regulations; and (ii) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the Listing Regulations;
- b) Management discussion and analysis of financial condition and result of operations;
- c) Statement of significant related party transactions (as defined by the Audit and Risk Management Committee), submitted by management;
- d) Management letters/letters of internal control weaknesses issued by the statutory auditors;
- e) Internal audit reports relating to internal control weaknesses cost audit reports and secretarial audit reports;
- f) The appointment, removal and terms of remuneration of the chief internal auditor, cost auditor, secretarial auditor and statutory auditor.

The Audit and Risk Management Committee is required to meet at least four times in a year and not more than 120 days are permitted to elapse between two meetings under the terms of the Listing Regulations.

Nomination and Remuneration Committee

The members of the Nomination and Remuneration Committee are:

1. Harsh C. Mariwala, *Chairman*;
2. Daniel James Snyder;
3. Gaurav Malik; and
4. Alisha Moopen.

Dr. Azad Moopen and Mr. Sanjay N. Arte are permanent invitees to meetings of the committee.

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

- a) Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- b) Formulating the criteria for determining reasonable and sufficient remuneration payable to the Directors and the Key Managerial Personnel;
- c) Formulating criteria for performance evaluation of independent directors, Board of Directors and Key Management Personnel and laying down the guidelines to establish functional independence of an independent director;
- d) Devising a policy on Board diversity;
- e) Devising a succession plan for the Board and the Key Management Personnel;
- f) Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommending to the Board a policy relating to the remuneration of the directors, key managerial personnel and other employees;
- g) Considering whether to extend or continue the term of appointment of the Independent Director on the basis of the report of performance evaluation of the Independent Director;
- h) Determining options and obligations of option holders under ESOP 2013 and administering ESOP 2013 and making all determinations necessary or advisable in the administration of ESOP 2013.

Stakeholders' Relationship Committee

The members of the Stakeholders' Relationship Committee are:

1. Rajagopal Sukumar, *Chairman*;
2. Anoop Moopen; and
3. T. J. Wilson.

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

Corporate Social Responsibility Committee

The members of the Corporate Social Responsibility Committee are:

1. Dr. Azad Moopen, *Chairman*;
2. Harsh C. Mariwala;
3. M. Madhavan Nambiar; and

4. Gaurav Malik.

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

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

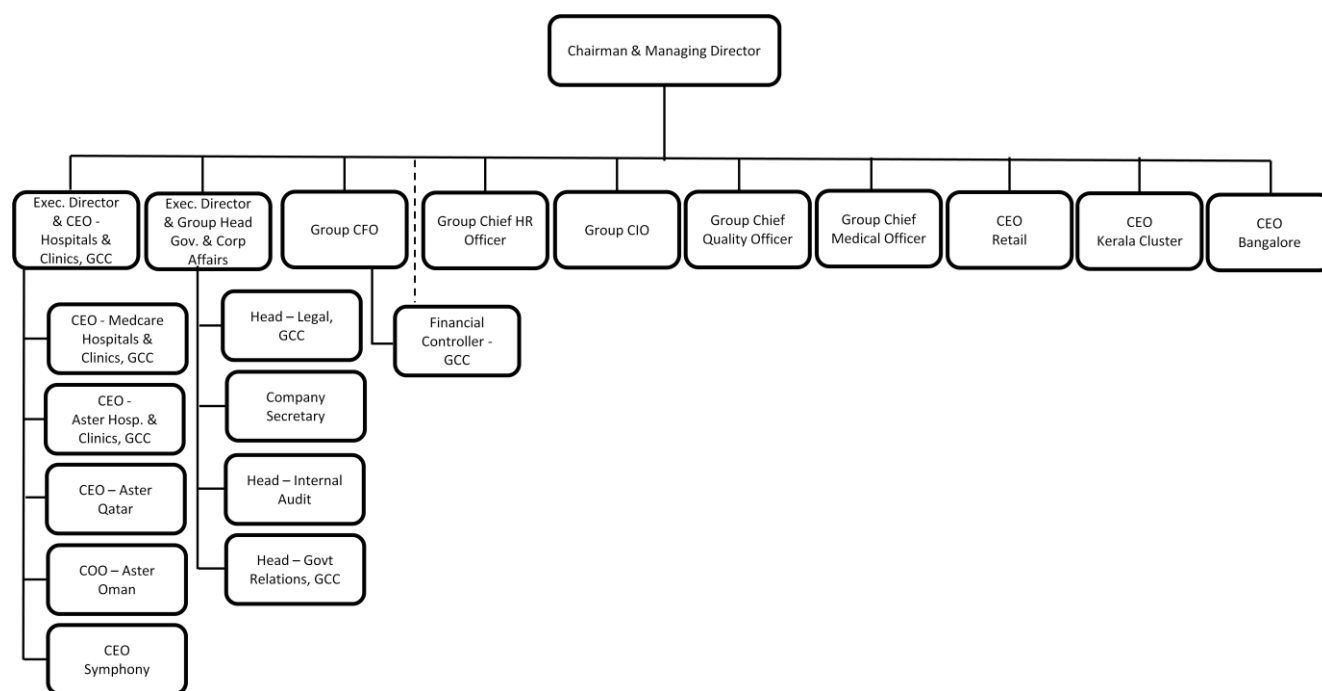
IPO Committee

The members of the IPO Committee are:

- 1. Dr. Azad Moopen, *Chairman*;
- 2. Gaurav Malik; and
- 3. Alisha Moopen.

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

Management Organisation Chart



Key Management Personnel

The details of the Key Management Personnel of our Company and our Subsidiaries are as follows:

Dr. Azad Moopen, 63, is the Chairman and Managing Director of our Company. For further details in relation to Dr. Azad Moopen, see “*Our Management – Brief Biographies of Directors*” on page 221.

Alisha Moopen, 34, is a Non-Executive Director of our Company and also the Executive Director and Chief Executive Officer – Hospitals & Clinics, GCC. For further details in relation to Alisha Moopen, see “*Our Management – Brief Biographies of Directors*” on page 221.

T. J. Wilson, 55, is a Non-Executive Director of our Company and the Executive Director and Group Head – Governance and Corporate Affairs, GCC. For further details in relation to T. J. Wilson, see “*Our Management – Brief Biographies of Directors*” on page 221.

Sreenath Reddy, 42, is the group chief financial officer. He was appointed to this post on November 15, 2012. He is a member of the Institute of Chartered Accountants of India, and holds a bachelor’s degree in Commerce and a bachelor’s degree in Law, both from the Bangalore University, Bangalore, India. He is experienced in the field of accounts and finance. Prior to joining our Company he was working as the chief financial officer of Narayana Hrudalaya Limited. During Fiscal 2016, he was paid a gross compensation of ₹11,972,862.

Ala Atari, 49, is the chief executive officer of our hospitals operated under the ‘Medcare’ brand. He joined our group on November 25, 2006. He holds a bachelor’s degree in Science (Health Administration) from Warren National University, USA. He has also completed a technologist course in Nuclear Medicine from the Nuclear Medicine Institute, University of Findlay, USA, and a certificate programme in Business Administration from Tulane University, USA. He is responsible for the administration of our Medcare hospitals. During Fiscal 2016 he was paid a gross compensation of ₹26,558,833.

Dr. Harish Pillai, 48, is the chief executive officer - Aster Medcity, Kochi and cluster head – Kerala. He was appointed to as the chief executive officer - Aster Medcity, Kochi with effect from May 27, 2013 and was appointed as cluster head – Kerala on September 20, 2015 with effect from August 1, 2015. He holds a bachelor’s degree in Medicine and Surgery from the University of Mangalore, India, a masters’ degree in Hospital Management from Osmania University, Hyderabad, India and a masters’ degree in Business Administration in International Hospital and Healthcare Management from the Frankfurt School of Finance and Management, Frankfurt, Germany. He is experienced in the healthcare sector. He is responsible for the operations and business of Aster Medcity, Kochi. Prior to joining Aster Medcity, Kochi, he worked as the chief executive officer of As Salam International Hospital, Cairo, Egypt. He has also worked with Apollo Hospitals Enterprises Limited in the past. During Fiscal 2016, he was paid a gross compensation of ₹16,849,704.

Jobilal M. Vavachan, 45, is the assistant vice president and chief executive officer of our Aster Pharmacies. He joined the group on July 14, 2005. He holds a bachelor’s degree in Pharmacy from Bangalore University, Bangalore, India. He is experienced in the field of pharmacy retailing. He is responsible for the administration of our Aster Pharmacies. During

Fiscal 2016, he was paid a gross compensation of ₹17,563,178.

Ratnesh, 43, is the chief human resource officer of our group. He was appointed to this post on April 21, 2015. He holds a bachelor's degree in Arts from the University of Delhi. Prior to joining DM Healthcare LLC, he has worked at Fortis Healthcare International Pte Limited, Infosys Limited and Moser Baer India Limited. During Fiscal 2016, he was paid a gross compensation of ₹10,583,619.

Dr. A. Malathi, 62, is the chief quality officer of our group. She was appointed to this post on February 16, 2015. She holds a bachelor's degree in Medicine and Surgery from Bangalore University and a master's degree in Human Physiology from Bombay University. She has also completed a training programme in hospital administration from the Tata Institute of Social Sciences. She is experienced in the field of healthcare. Prior to joining Dr. Moopen's Healthcare Management Services LLC, she has worked at Fortis Hospitals Limited, Manipal Health Enterprises Private Limited and Lokmanya Tilak Municipal Medical College. During Fiscal 2016, she was paid a gross compensation of ₹6,295,112.

Mukta Arora, 51 is the chief information officer of the group. She joined our group on January 19, 2016. She holds a post graduate diploma in Business Management from the Birla Institute of Management Technology. Prior to joining Dr. Moopen's Healthcare Management Services LLC, she worked as the vice-president at HCL Technologies Limited and Nucleus Software Exports Limited. She has also worked at Perot Systems TSI (India) Limited, Computer Science Corporation Limited and El Moisheer Hospital, KSA. During Fiscal 2016, she was paid a gross compensation of ₹1,234,088.

Kartik Thakrar, 41, is the financial controller of our operations in the GCC States. He was promoted as finance controller on December 20, 2012. He has completed the intermediate examination conducted by the Institute of Chartered Accountants of India. He is experienced in the field of healthcare services. He is responsible for strategic decisions including project feasibility, business acquisitions, capital investments, internal process and systems review, development of new business models and investor relations. During Fiscal 2016, he was paid a gross compensation of ₹14,583,298.

K. K. Varma, 75, is the group chief medical officer. He was appointed to this post with effect from November 1, 2015. He has been with the group since September 3, 2001. He holds a master's degree in Surgery from the University of Kerala, Faculty of Medicine. He is also a fellow of the Royal Australasian College of Surgeons. He is experienced in the field of healthcare. During Fiscal 2016, he was paid a gross compensation of ₹2,374,177.

Karthik Rajagopal, 46 is the chief executive officer – Aster Hospitals and Clinics. He was appointed to this post with effect from February 17, 2016. He holds a bachelor's degree in Commerce from Bharathidasan University, a master's degree in Management from Asian Institute of Management, Manila and has completed the Executive General Management Programme from the Indian Institute of Management, Bangalore. He is experienced in the field of healthcare. He is responsible for the overall operations of Aster Hospitals and Clinics in GCC. Prior to joining DM Healthcare LLC, he worked as the regional director at Fortis Healthcare Limited and Lanka Hospitals. He has also worked at Fortis Hospitals Limited, Wockhardt Hospitals Limited, Apollo Hospitals and Manipal Healthcare Private Limited in the past. During Fiscal 2016, he was paid a gross compensation of ₹1,504,334.

Rajesh A., 30, is the Company Secretary of our Company. He was appointed to this post with effect from April 29, 2013. He has been admitted as a fellow of the Institute of Company Secretaries of India. He holds a bachelor's degree in Commerce from Mahatma Gandhi University, Kerala, India. Prior to joining our Company he was working as a company secretary with Muthoot Finance Limited. During Fiscal 2016, he was paid a gross compensation of ₹1,848,000.

Except for Alisha Moopen who is the daughter of Dr. Azad Moopen, none of the Key Management Personnel are related to each other.

All the Key Management Personnel are permanent employees of our Company or our Subsidiaries.

Shareholding of Key Management Personnel

(i) Set out below are details of the Equity Shares held by the Key Management Personnel in our Company:

Sl. No.	Name	No. of Equity Shares	Pre-Offer (%)	Post-Offer (%)
1.	T.J. Wilson*	2,633,343	0.65	[●]
2.	Kartik Thakrar**	145,244	0.04	[●]

* T. J. Wilson has been granted 248,091 outstanding options under ESOP 2013. Of these, 162,445 options have vested as of the date of this Draft Red Herring Prospectus. Of these vested options, 107,820 options were exercised and converted into Equity Shares as on the date of this Draft Red Herring Prospectus

** Kartik Thakrar has been granted 211,896 options under ESOP 2013. Of these options, 145,244 options have vested and been exercised by Kartik Thakrar

- (ii) The following Key Management Personnel have been granted options under the DM Healthcare Employees Stock Option Plan 2013 (“ESOP 2013”):

Sl. No.	Name	No. of options granted as of March 31, 2016	No of options vested as of March 31, 2016 [#]
1.	Sreenath Reddy	200,818	72,794
2.	Ala Atari	235,473	154,551
3.	Jobilal B. Vavachan	245,919	160,937
4.	Kartik Thakrar*	211,896	145,244
5.	Dr. Harish Pillai	223,261	60,666
6.	T.J. Wilson**	248,091	162,445

[#] The vesting of our incentive options and milestone options are linked to performances as evaluated at the end of each financial year. Accordingly, these details will be updated prior to filing the Red Herring Prospectus with the RoC after our Company declares its financial results for Financial Year ended March 31, 2016

* Kartik Thakrar has been granted 211,896 options under ESOP 2013. Of these options, 145,244 options have vested and been exercised by Kartik Thakrar

** T. J. Wilson has been granted 248,091 outstanding options under ESOP 2013. Of these, 162,445 options have vested as of the date of this Draft Red Herring Prospectus. Of these vested options, 107,820 options were exercised and converted into Equity Shares as on the date of this Draft Red Herring Prospectus

Bonus or Profit Sharing Plans

None of the Key Management Personnel is party to any bonus or profit sharing plan of our Company other than the performance linked incentives given to Key Management Personnel.

Interests of Key Management Personnel

The Key Management Personnel do not have any interest in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of business. The Key Management Personnel may also be deemed to be interested to the extent of any dividend payable to them and other distributions in respect of such Equity Shares, if any.

None of the Key Management Personnel have been paid any consideration of any nature from our Company or Subsidiary on whose rolls they are employed, other than their remuneration.

Further, there is no arrangement or understanding with the major shareholders, customers, suppliers or others, pursuant to which any Key Management Personnel was selected as member of senior management.

Changes in the Key Management Personnel

The changes in the Key Management Personnel in the last three years are as follows:

Name	Designation	Date of change	Reason for change
Dr. Azad Moopen	Managing Director	December 1, 2014	Appointment
A. Malathi	Group Chief Quality Officer	February 16, 2015	Appointment
Ratnesh	Group Chief Human Resources Officer	April 21, 2015	Appointment
Dr. Harish Pillai	Cluster Head – Kerala	With effect from August 1, 2015	Additional designation
K.K. Varma	Group Chief Medical Officer	November 1, 2015	Re-designation
T.J. Wilson	Group Head – Governance and Corporate Affairs, GCC	November 1, 2015	Re-designation
Alisha Moopen	Chief Executive Officer – Hospitals & Clinics, GCC	November 1, 2015	Re-designation
Mukta Arora	Group Chief Information Officer	January 19, 2016	Appointment
Karthik Rajagopal	Chief Executive Officer, Aster Hospitals and Clinics, GCC	February 17, 2016	Appointment
Rajiv Sehgal	Group Chief Information Officer	February 29, 2016	Resignation

Payment or Benefit to officers of our Company

Except for options granted pursuant to ESOP 2013, no non-salary amount or benefit has been paid or given or is intended to be paid or given to any of our Company’s employees including the Key Management Personnel and our Directors within the two preceding years.

Employees Stock Options

For details of our employee stock options, see “Capital Structure” on page 82.

OUR PROMOTERS AND PROMOTER GROUP

Dr. Azad Moopen and UIPL are the Promoters of our Company. While Dr. Azad Moopen does not directly hold any Equity Shares in our Company, our corporate Promoter, UIPL currently holds 207,555,042 Equity Shares, equivalent to 51.47% of the pre-Offer issued, subscribed and paid-up Equity Share capital of our Company. The number of Equity Shares held by UIPL will be revised prior to filing the Red Herring Prospectus with the RoC on completion of the transfer of the second tranche of Equity Shares from UIPL to Olympus and Indium pursuant to the terms of the SPA. For further details, see “*Capital Structure*” and “*History and Certain Corporate Matters*” on pages 82 and 176.



Dr. Azad Moopen

Dr. Azad Moopen, aged 63 years, is the Chairman and Managing Director of our Company. He is an NRI. For further details, see “*Our Management*” on page 217. For details in relation to other ventures of our Promoter, see “*Our Group Entities*” on page 239.

As on the date of this Draft Red Herring Prospectus, Dr. Azad Moopen does not hold a valid driver’s license or voter’s identification card.

Our Company confirms that the permanent account number, bank account number and passport number of Dr. Azad Moopen shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Union Investments Private Limited (“UIPL”)

Corporate Information

UIPL has been incorporated under the Companies Act, 2001 of the Republic of Mauritius on January 24, 2008 as a private limited company. The registered office of UIPL is situated at C/o CIM Corporate Services Limited, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius.

UIPL is authorized to *inter alia* engage in the business of investing directly or through other entities in securities of entities owning and operating medical clinics, hospitals, pharmacies, healthcare centers and providing related consultancy services in Gulf countries, India and other parts of the world.

UIPL is promoted by Dr. Azad Moopen.

Board of directors

The board of directors of UIPL are as under:

Sl. No.	Name	Designation
1.	Dr. Azad Moopen	Permanent director
2.	Naseera Azad	Permanent director
3.	Sahjahan Ally Nauthoo	Resident director
4.	Neernayansingh Madhour	Resident director

For details in relation to the shareholding of the directors of UIPL in our Company, see “*Capital Structure*” on page 82.

Changes in the management and control

There has been no change in the management and control of UIPL in the three years preceding the date of this Draft Red Herring Prospectus.

Shareholding pattern

The equity shareholding pattern of UIPL is as follows:

Sl. No.	Name of the Shareholder	Number of equity shares of USD 1 each	Shareholding percentage (%)
1.	Dr. Azad Moopen	4,000,000	40
2.	Naseera Azad	1,500,000	15
3.	Zeba Moopen	1,500,000	15
4.	Alisha Moopen	1,500,000	15
5.	Ziham Moopen	1,500,000	15
	Total	10,000,000	100

Dr. Azad Moopen holds 100% of the issued and paid up preference share capital in UIPL.

Our Company confirms that the permanent account number, bank account number and registration details of UIPL shall be submitted to the Stock Exchanges at the time of filing of this Draft Red Herring Prospectus.

Interests of Promoters in promotion of our Company

Our Promoters are interested in our Company to the extent that they have promoted our Company and to the extent of UIPL's shareholding and the dividend payable, if any in respect of the Equity Shares held by them. For details regarding the shareholding of our Promoters in our Company, see "*Capital Structure*" and "*Our Management*" on pages 82 and 217, respectively.

Interests of Promoters in property of our Company

Except for properties that Dr. Azad Moopen holds on behalf of Aster FZC, our Promoters have no interest in any property acquired or proposed to be acquired by our Company within the two years from the date of this Draft Red Herring Prospectus, or in any transaction by our Company for acquisition of land, construction of building or supply of machinery. Aster FZC has acquired two properties in the UAE. As Aster FZC is not permitted to hold these properties directly, two properties have been registered under the name of Dr. Azad Moopen to hold on behalf of Aster FZC without consideration. For risks in relation to this arrangement, see *Risk Factors - A majority of the lands on which our hospital buildings, clinics and retail pharmacies are operating are not owned by us, which could affect our operations. If the owner of premises does not renew the lease agreement, our business operations may suffer disruptions. We also own certain properties in the UAE under agreements which may not be enforceable* on page 31.

Business Interests

Our Promoters are interested in our Company to the extent of UIPL's shareholding in our Company. For details, see "*History and Certain Corporate Matters*" on pages 176. Dr. Azad Moopen does not have any business interest in our Company or its Subsidiaries, joint ventures or Associates except to the extent of the shares held by him and the benefits accruing therefrom.

Dr. Azad Moopen, is also interested in WIPL and DMERF, our Group Entities which are involved in the same line of business as our Company. We shall adopt necessary procedures and practices as permitted by law to address any conflict situations, as and when they may arise. For further details, see "*Our Group Entities*" and "*Related Party Transactions*" on pages 239 and 242, respectively.

None of our Promoters are interested as a member of a firm or company and no sum has been paid or agreed to be paid to any of our Promoters or to such firm or company in cash or shares or otherwise by any person for services rendered by such Promoter(s) or by such firm or Company in connection with the promotion or formation of our Company except as disclosed in this Draft Red Herring Prospectus.

Related Party Transactions

For details of related party transactions entered into by our Company with our Promoters, Subsidiaries and Group Entities during the last financial year, the nature of transactions and the cumulative value of transactions, see "*Related Party Transactions*" on page 242.

Interest of Promoters in Sales and Purchases

Other than as disclosed in "*Related Party Transactions*" on page 242, there are no sales/purchases between our Company and our Promoter Group, Group Entities, our Subsidiaries and our Associate Companies when such sales or purchases exceed in value the aggregate of 10% of the total sales or purchases of our Company or any business interest between our Company, our Promoter Group, our Subsidiaries, Group Entities and the Associate Companies as on the date of the last financial statements.

Payment of benefits to our Promoters or our Promoter Group

Except as stated in "*Related Party Transactions*", "*Our Management*" and "*Our Promoters and Promoter Group*" on pages 242, 217 and 235 respectively, there has been no payment of benefits to our Promoters or Promoter Group during the two years preceding the filing of this Draft Red Herring Prospectus nor is there any intention to pay or give any benefit to our Promoters or Promoter Group.

Except for the medical services and operations and management agreements entered into with DMERF, our Group Entity, our Company has not entered into any contract, agreements or arrangements during the preceding two years from the date of

this Draft Red Herring Prospectus or proposes to enter into any such contract in which our Promoters are directly or indirectly interested and no payments have been made to them in respect of the contracts, agreements or arrangements which are proposed to be made with. For details in relation to these agreements, see “*History and Certain Corporate Matters*” on page 176.

Further, Dr. Azad Moopen is the Chairman and Managing Director of our Company and may be deemed to be interested to the extent of any remuneration or reimbursement of expenses payable to him by our Company for attending meetings of our Board or a Committee thereof or to the extent of any remuneration payable to him by our Subsidiaries. For further details, see “*Our Management*” on page 217.

Litigation involving our Promoters

For details of legal and regulatory proceedings involving our Promoters, see “*Outstanding Litigation and Material Developments – Litigation involving our Promoter*” on page 435.

Confirmations

Our Promoters, relatives of our Promoters and members of our Promoter Group have not been declared as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI and there are no violations of securities laws committed by our Promoters in the past and no proceedings for violation of securities laws are pending against them.

Our Promoters and members of our Promoter Group have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

There is no litigation or legal action pending or taken by any ministry, department of the Government or statutory authority during the last five years preceding the date of this Draft Red Herring Prospectus against our Promoters, except as disclosed under “*Outstanding Litigation and Material Developments*” on page 428.

Our Promoters are not and have never been a promoter, director or person in control of any other company which is prohibited from accessing or operating in capital markets under any order or direction passed by SEBI or any other regulatory or governmental authority or which is a wilful defaulter as categorised by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.

Our Promoters are not interested in any other entity which holds any intellectual property rights that are used by our Company.

Our Promoters have not taken any unsecured loans which may be recalled by the lenders at any time. Our Promoters are not related to any of the sundry debtors of our Company.

Sick Company

No winding up proceedings have been initiated against UIPL.

UIPL has not become defunct in the five years preceding the date of this Draft Red Herring Prospectus.

Companies with which our Promoters have disassociated in the last three years

Sl. No.	Name of the Company	Year	Reason for Disassociation
1.	Harmony International Projects Private Limited	2014-2015	Divestment of stake
2.	Al Quoze Pharmacy	2014-2015	Converted to a branch of Aster Pharmacies Group LLC
3.	Medipoint Hospitals Private Limited	2015-2016	Divestment of stake
4.	Al Raffah Medical Centre LLC	2015-2016	Disinvestment
5.	Dar Al Shifa Medical Centre LLC	2014-2015	Disinvestment
6.	Al Raffah Medical Centre LLC	2014-2015	Disinvestment
7.	Dr. Moopen’s Medical Clinic LLC	2014-2015	Disinvestment
8.	Modern Dar Al Shifa Pharmacy LLC	2014-2015	Disinvestment
9.	Dr. Moopen’s Poly Clinic	2015-2016	Converted to a branch of DM Healthcare LLC
10.	Iqra Pharmacy LLC	2015-2016	Converted to a branch of Aster Pharmacies Group LLC

Change in the management and control of our Company

Our Promoters are the original promoters of our Company and there has not been any change in the management or control of our Company.

Our Promoter Group

A. Natural persons who are part of the Promoter Group

Name of Promoter	Name of relative	Relationship
Dr. Azad Moopen	Naseera Azad	Wife
	Alisha Moopen	Daughter
	Ziham Moopen	Daughter
	Zeba Moopen	Daughter
	Ashraf Moopen	Brother
	Zulaika Mandayapurath	Sister
	Ali Kutty	Father-in-law
	K. P. Kunhi Pathu	Mother-in-law
	K. P. Ahamed Kutty	Brother-in-law
	U. Basheer	Brother-in-law
	K. P. Ramla Hamza	Sister-in-law
	K. P. Rasiya Moidu	Sister-in-law
	K. P. Nafeesa Khalid	Sister-in-law
	K.b P. Khadija Kutty	Sister-in-law

B. Entities forming part of the Promoter Group

- (i) Wayanad Infrastructure Private Limited
- (ii) Credence High School LLC
- (iii) Kauai Restaurant Ltd BVI
- (iv) Kauai Restaurants LLC
- (v) Meppadi Plantations Private Limited
- (vi) Plantinum Point Plantations Private Limited
- (vii) Bikram Hot Yoga
- (viii) Toddler Town British Nursery
- (ix) Zeden Properties LLP
- (x) Learning Chain Education Management LLP
- (xi) Endeavu Infra Developers LLP
- (xii) Cantown Infra Developers LLP
- (xiii) Moopens Aztech Contracting LLP
- (xiv) Malabar Trade And Convention Centre Private Limited

OUR GROUP ENTITIES

The definition of ‘group companies’ was amended pursuant to the SEBI (Issue of Capital and Disclosure Requirements) (Fourth Amendment) Regulations, 2015, to include companies covered under applicable accounting standards and such other companies as are considered material by the Board. Pursuant to a Board resolution dated June 13, 2016, our Board formulated a policy with respect to companies which it considered material to be identified as group companies, pursuant to which the entities listed in this section are identified as Group Companies of our Company.

Further, pursuant to the same Board resolution, our Board resolved that Olympus and IVF Trustee Company Private Limited which are listed as ‘related parties’ of our Company as per Accounting Standard (AS) 18, applied on a consolidated basis are financial investors in our Company and are not ‘group companies’ as prescribed under the ICDR Regulations.

Unless otherwise specified, all information in this section is as of the date of this Draft Red Herring Prospectus.

The details of our Group Entities are provided below:

A. Details of the five largest Group Entities (based on turnover)

1. DM Education and Research Foundation

Information

DM Education and Research Foundation, a charitable trust was set up pursuant to the trust deed dated August 2, 2010. The purpose of the trust is to promote and impart knowledge in the fields of medical, para medical, engineering, technical, management, vocational and other allied studies including higher education and research without any profit motive.

Interest of our Promoters

Dr. Azad Moopen is the settlor of the trust and the managing trustee for life on the board of the trust.

Financial Information

The following information has been derived from the audited financial statements of DM Education and Research Foundation for the last three Financial Years:

Particulars	For the Financial Year		
	2015	2014	2013
Corpus Fund	0.10	0.10	0.10
Revenue from operations and other income	324.01	204.88	17.67
Surplus/deficit transferred to corpus	(510.56)	(427.15)	(16.88)

(in ₹ million)

2. Wayanad Infrastructure Private Limited (“WIPL”)

Corporate Information

WIPL was incorporated on September 2, 2011 under the Companies Act, 1956 as a private limited company. It has its registered office at Naseera Nagar, Meppadi Post Office, Meppadi, Kerala – 673 577. WIPL is engaged in the business of establishing and developing buildings, roads, equipments, sports facilities/amenities, training centres and selling the above or making it available on rent to third parties.

Interest of our Promoters

Dr. Azad Moopen holds 700,000 equity shares constituting 17.50% of the issued and paid up equity share capital of WIPL. Dr. Azad Moopen is also a director on the board of directors of WIPL.

Financial Information

The following information has been derived from the audited financial statements of WIPL for the last three Financial Years:

(in ₹ million, except per share data)

Particulars	For the Financial Year		
	2015	2014	2013
Equity capital	40.00	40.00	40.00
Revenue from operations and other income	73.90	17.87	0.70
Profit/Loss after tax	(5.01)	(5.85)	(0.14)
Reserves (excluding revaluation reserves) and Surplus	(7.38)	(5.99)	(0.14)
Earnings per share	(0.74)	(1.46)	(0.03)
Diluted earning per share	(0.25)	(1.46)	(0.03)
Net Asset Value per share	8.15	8.50	9.97

3. **DM Foundation**

Information

DM Foundation, a charitable trust was set up pursuant to the deed of declaration of trust deed dated January 3, 2011. The object of the trust is to provide and promote healthcare support and medical relief services to the downtrodden section of society without a profit motive.

Interest of our Promoters

Dr. Azad Moopen is the settlor of the trust and the chairman of the board of trustees for life.

Financial Information

The following information has been derived from the audited financial statements of DM Foundation for the last three Financial Years:

(in ₹ million)

Particulars	For the Financial Year		
	2015	2014	2013
Corpus Fund	(4.94)	(5.18)	(4.44)
Revenue from operations and other income	0.02	0.04	0.009
Surplus/deficit transferred to corpus	(1.02)	(7.42)	(3.49)

B. Nature and Extent of Interest of Group Entities

1. ***In the promotion of our Company***

None of our Group Entities have any interest in the promotion or other interests in our Company.

2. ***In the properties acquired or proposed to be acquired by our Company in the past two years before filing the Draft Red Herring Prospectus with SEBI***

None of our Group Entities is interested in the properties acquired or proposed to be acquired by our Company in the two years preceding the filing of the Draft Red Herring Prospectus.

3. ***In transactions for acquisition of land, construction of building and supply of machinery***

None of our Group Entities is interested in any transactions for the acquisition of land, construction of building or supply of machinery.

C. Common Pursuits among the Group Entities with our Company

With the exception of DMERF which owns the DM Wayanad Institute of Medical Science, a hospital and medical college which is similar/synergistic to the business of our Company and WIPL which owns one of the buildings in which DM Wayanad Institute of Medical Science is located, there are no common pursuits between any of our Group Entities and our Company.

D. Related Business Transactions within the Group Entities and significance on the financial performance of our Company

For more information, see “*Related Party Transactions*” on page 242.

E. Significant Sale/Purchase between Group Entities and our Company

None of our Group Entities is involved in any sales or purchase with our Company where such sales or purchases exceed in value in the aggregate of 10% of the total sales or purchases of our Company.

F. Business Interest of Group Entities

Except for DMERF with whom our Company has entered into medical services and operating and management agreements and DM Foundation which receives donations from our Company for CSR activities, none of our Group Entities have any business interest in our Company. For further details in relation to these agreements, see “*History and Certain Corporate Matters*” on page 176.

G. Defunct Group Entities

None of our Group Entities remain defunct and no application has been made to the registrar of companies for striking off the name of any of our Group Entities during the five years preceding the date of filing of this Draft Red Herring Prospectus with SEBI. None of our Group Entities fall under the definition of sick companies under SICA and none of them is under winding up. Further none of our Group Entities has a negative network.

H. Loss making Group Entities

WIPL has made a loss in the immediately preceding year. Further, DM Foundation and DMERF have both recorded deficits in the immediately preceding year.

I. Litigation

For details relating to the legal proceedings involving the Group Entities, see “*Outstanding Litigations and Material Developments*” on page 428.

J. Confirmations

None of the securities of our securities of our Group Entities are listed on any stock exchange and none of our Group Entities have made any public or rights issue of securities in the preceeding three years.

None of the Group Entities have been debarred from accessing the capital market for any reasons by SEBI or any other authorities.

None of the Group Entities have been identified as wilful defaulters by any bank or financial institution or consortium thereof in accordance with the guidelines for wilful defaulters issued by the RBI.

Except for WIPL, none of the Group Entites has availed of unsecured loans which may be recalled by the lenders at any time.

RELATED PARTY TRANSACTIONS

For details of the related party disclosures, as per the requirements under Accounting Standard 18 '*Related Party Disclosures*' issued by the Institute of Chartered Accountants in India and as reported in the restated financial statements, see "*Financial Statements*" on page 244.

DIVIDEND POLICY

The declaration and payment of dividends will be recommended by the Board of Directors and approved by the Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. The dividend, if any, will depend on a number of factors, including but not limited to the future expansion plans and capital requirements, profit earned during the Financial Year, liquidity and applicable taxes including dividend distribution tax payable by our Company. In addition, our ability to pay dividends may be impacted by a number of factors, including restrictive covenants under loan or financing arrangements our Company is currently availing of or may enter into to finance our fund requirements for our business activities. For further details, see “*Financial Indebtedness*” on page 426. Our Company has not declared any dividends during the last five Fiscal years other than the interim dividend of 10% and 20% declared by the Board pursuant to its resolutions dated March 26, 2014 and September 11, 2013 respectively. The Company has no formal dividend policy. The dividends declared by our Company during the last five Fiscal years have been presented below:

	Year ended March 31				
	2012	2013	2014	2015	2016
Face Value of Equity Share (per share)	10	10	10	10	10
Dividend on Equity Shares (₹)	-	-	624,218,595	-	-
Final Dividend on each Equity Share (₹)	-	-	-	-	-
Dividend Tax (₹)	-	-	-	-	-
Dividend Rate for Equity Shares (%)	-	-	30	-	-

The amounts paid as dividends in the past are not necessarily indicative of our dividend policy or dividend amounts, if any, in the future. Please see “*Risk Factors - We may not pay cash dividends on our Shares. Consequently, you may not receive any return on investment unless you sell your Shares for a price greater than that which you paid for it*” and “*Risk Factors - Our lenders have substantial rights to determine how we conduct our business which could put us at a competitive disadvantage*” on pages 44 and 38 respectively.

SECTION V: FINANCIAL INFORMATION

FINANCIAL STATEMENTS

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EXAMINATION REPORT ON RESTATED STANDALONE FINANCIAL INFORMATION

The Board of Directors
Aster DM Healthcare Limited
IX / 475 L, Aster Medcity, Kuttisahib Road
Near Kothad Bridge, South Chittoor P O
Cheranalloor, Kochi 682 027
Kerala, India

Dear Sirs,

- 1) We have examined the attached restated standalone financial information of Aster DM Healthcare Limited (the “Company”) comprising the standalone summary statement of assets and liabilities as at 31 December 2015, 31 March 2015, 2014, 2013, 2012 and 2011, as restated, the standalone summary statement of profit and loss, as restated and the standalone statement of cash flows, as restated, for the nine months period ended 31 December 2015, and the years ended 31 March 2015, 2014, 2013, 2012 and 2011, together with the annexures and notes thereto and other financial information explained in paragraph 5(e) below, for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer of equity shares of Rs. 10 each (“IPO”). The restated standalone financial information, which has been approved by the Board of Directors of the Company, has been prepared by the Company in accordance with the requirements of sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of The Companies Act 2013 (the “Act”) read with Rule 4 of The Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable and the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time, issued by the Securities and Exchange Board of India on August 26, 2009 (‘SEBI Regulations’), in pursuance of the Securities and Exchange Board of India Act, 1992. We have examined such restated standalone financial information taking into consideration:
 - a. the terms of our engagement agreed with you vide our engagement letter dated 21 August 2015 along with related addendum dated 31 May 2016, requesting us to carry out work on such restated standalone financial information proposed to be included in the offer document of the Company in connection with the Company’s proposed IPO; and
 - b. the Guidance note on “Reports in Company’s Prospectus (Revised)” issued by the Institute of Chartered Accountants of India (‘ICAI’), to the extent applicable (‘Guidance Note’).
- 2) The Company proposes to make an IPO by offer for sale of the equity shares of the Company of Rs. 10 each at such price, arrived at through a book building process (referred to as the “Issue”).
- 3) The above mentioned restated standalone financial information has been extracted by the Management from the audited financial statements as at and for the nine months period ended 31 December 2015 and for each of the years ended 31 March 2015, 2014, 2013, 2012 and 2011, prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors and books of account underlying those financial statements and other records of the Company to the extent considered necessary.

- 4) The audit of the Company's standalone financial statements for the for the nine months period ended 31 December 2015 and for each of the years ended 31 March 2015, 2014, 2013, 2012 and 2011 was conducted by us, B S R and Associates.
- 5) In accordance with the requirements of sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of the Act, read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Guidance Note and in terms of our engagement agreed with you, we further report that:
- (a) We have examined the attached summary standalone statement of assets and liabilities, as restated, of the Company as at 31 December 2015, 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011, as set out in Annexure I to the restated standalone financial information. These are presented after making adjustments and regroupings as in our opinion, were appropriate and more fully described in the notes appearing in Annexure IV to the restated standalone financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the audited standalone financial statements of the Company for the relevant period and financial years;
- (b) We have examined the attached summary standalone statement of profit and loss, as restated, and the summary standalone statement of cash flows, as restated, of the Company for the nine months period ended 31 December 2015 and for the financial years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as set out in Annexure II and III respectively to the restated standalone financial information. These are presented after making adjustments and regroupings as in our opinion, were appropriate and more fully described in the notes appearing in Annexure IV to the restated standalone financial information. As a result of these adjustments, the amounts reported in the above-mentioned statements are not necessarily the same as those appearing in the audited standalone financial statements of the Company for the relevant period and financial years.
- (c) Based on the above, we are of the opinion that the restated standalone financial information, prepared by the Management of the Company and approved by its Board of Directors, has been made after incorporating the following:
- i. As explained in Annexure IV (2) to the restated standalone financial information, the impact of changes in accounting policies have been adjusted with retrospective effect in the respective financial years to which they relate, to reflect the same accounting treatment as per the accounting policies adopted by the Company as at and for the nine months ended 31 December 2015;
- ii. As explained in Annexure IV (2) to the restated standalone financial information, material amounts relating to previous years and prior period items have been adjusted in the standalone financial information in the respective financial years to which they relate;
- iii. There are no extraordinary items, which need to be disclosed separately in the restated standalone financial information in the respective financial years; and

- iv. There are no qualifications in the Auditor's Report which require any adjustments in the restated standalone financial information. However, those qualifications in the Auditor's Report and other remarks/comments in the Companies (Auditor's Report) Order, 2003 as amended/ Companies (Auditor's Report) Order, 2015, as the case may be, issued by the Central Government in terms of sub-section (4A) of section 227 of the Companies Act, 1956 / sub-section (11) of section 143 of the Act, as the case may be, which do not require any corrective adjustments in the restated standalone financial information have been disclosed in Note D of Annexure IV to the restated standalone financial information;
- (d) We have also examined the following other restated standalone financial information set out in Annexures prepared by the management and approved by the Board of Directors relating to the Company for the nine months period ended 31 December 2015 and for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011:
- i. Significant accounting policies, impact of adjustments to standalone financial statements and notes to accounts, as restated, for the nine months period ended 31 December 2015 and for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as appearing in Annexure IV to the restated standalone financial information;
 - ii. Statement of long-term and short-term borrowings, as restated, as at 31 December 2015, 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 and statement of details of terms and conditions of the long-term and short-term borrowings outstanding as at 31 December 2015, as appearing in Annexures V and V (A) to the restated standalone financial information;
 - iii. Statement of current and non-current investments, as restated, as at 31 December 2015, 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as appearing in Annexure VI to the restated standalone financial information;
 - iv. Statement of trade receivables, as restated, as at 31 December 2015, 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as appearing in Annexure VII to the restated standalone financial information;
 - v. Statement of long-term and short-term loans and advances, as restated, as at 31 December 2015, 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as appearing in Annexure VIII to the restated standalone financial information;
 - vi. Statement of other income, as restated, for the nine months period ended 31 December 2015 and for the financial years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as appearing in Annexure IX to the restated standalone financial information;
 - vii. Statement of dividends paid, as restated, for the nine months period ended 31 December 2015 and for the financial years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as appearing in Annexure X to the restated standalone financial information;
 - viii. Capitalisation statement, as restated, as appearing in Annexure XI to the restated standalone financial information;

- ix. Statement of accounting ratios, as restated, for the nine months period ended 31 December 2015 and for the financial years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as appearing in Annexure XII to the restated standalone financial information;
 - x. Statement of related parties and related party transactions, as restated, for the nine months period ended 31 December 2015 and for the financial years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as per Accounting Standard 18 on Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as appearing in Annexure XIII to the restated standalone financial information; and
 - xi. Statement of tax shelter for the nine months period ended 31 December 2015 and for the financial years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as appearing in Annexure XIV to the restated standalone financial information.
- 6) In our opinion, the above restated standalone financial information of the Company read with significant accounting policies appearing in Annexure IV to this restated standalone financial information, after making adjustments and regroupings as considered appropriate and as set out in Annexure IV to this restated standalone financial information, has been prepared in accordance with sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of the Act, read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, the SEBI Regulations, the Guidance Note issued in this regard by ICAI, as amended from time to time, and in terms of our engagement agreed with you.
- 7) This report should not in any way be construed as a reissuance or redating of any of the previous Auditors' Reports issued by us, nor should this report be construed as a new opinion on any of the restated standalone financial statements referred to herein.
- 8) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 9) Our report is intended solely for the use of management and for inclusion in the Offer Document in connection with the proposed issue of equity shares of the Company and is not to be used, referred to or distributed for any other purpose without our prior written consent.

for B S R and Associates

Chartered Accountants

ICAI firm registration number: 128901W

Supreet Sachdev

Partner

Membership No. 205385

Mumbai

13 June 2016

Annexure-I

Summary standalone statement of assets and liabilities, as restated

(Amounts in INR million)

Particulars	Annexure and note reference	As at 31 March					As at 31 December 2015
		2011	2012	2013	2014	2015	
Equity and liabilities							
Shareholders' funds							
Share capital	IV.5	1.06	1.25	1,248.44	3,745.31	3,978.64	4,626.33
Reserves and surplus	IV.6	833.01	4,651.96	3,425.47	1,033.39	2,569.15	19,282.75
Share application money pending allotment		69.08	-	-	-	-	-
Non-current liabilities							
Long-term borrowings	V	2.85	1.18	160.36	2,283.65	2,248.83	3,002.54
Other long-term liabilities	IV.7	-	-	4.03	16.32	965.09	262.29
Long-term provisions	IV.8	0.54	0.67	0.80	1.87	12.69	16.97
Current liabilities							
Short-term borrowings	V	150.00	-	60.00	373.73	21.41	121.80
Trade payables	IV.7	7.28	8.17	-	2.22	70.84	92.09
Other current liabilities	IV.7	1,289.18	332.01	87.07	221.82	718.65	1,056.47
Short-term provisions	IV.8	-	-	0.24	0.38	0.09	3.99
Total		2,353.00	4,995.24	4,986.41	7,678.69	10,585.39	28,465.23
Assets							
Non-current assets							
Fixed assets							
Tangible fixed assets	IV.9	324.02	356.74	356.57	365.48	4,086.12	4,745.96
Intangible fixed assets	IV.9	0.26	0.19	0.03	0.17	42.93	50.02
Capital work-in-progress		76.52	593.74	1,226.73	2,865.16	1,000.70	708.83
Non-current investments	VI	1,472.38	1,806.09	2,266.62	2,662.82	3,149.62	20,606.39
Long-term loans and advances	VIII	421.03	899.13	726.17	922.91	966.23	1,263.50
Other non-current assets	IV.11	-	0.05	0.05	7.78	89.41	14.14
Current assets							
Current investments	VI	-	-	-	-	25.11	101.06
Inventories	IV.11	-	-	-	3.52	74.22	122.38
Trade receivables	VII	8.99	11.02	9.09	18.09	59.65	107.01
Cash and bank balances	IV.11	35.78	1,243.50	282.93	529.81	810.21	286.44
Short-term loans and advances	VIII	14.01	78.96	117.19	119.98	230.01	333.46
Other current assets	IV.11	0.01	5.82	1.03	182.97	51.18	126.04
Total		2,353.00	4,995.24	4,986.41	7,678.69	10,585.39	28,465.23

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

Annexure-II

Summary standalone statement of profit and loss, as restated

(Amounts in INR million)

Particulars	Annexure and note reference	For the year ended 31 March					For the nine months from 1 April 2015 to 31 December 2015
		2011	2012	2013	2014	2015	
Income							
Revenue from operations	IV.12	10.69	2.90	9.09	8.86	530.15	1,290.54
Other income	IX	7.26	31.93	90.57	864.74	392.72	78.72
Total revenue		17.95	34.83	99.66	873.60	922.87	1,369.26
Expenditure							
Purchase of stock in trade		-	-	-	3.52	228.68	427.73
Changes in inventories	IV.13	-	-	-	(3.52)	(70.70)	(48.16)
Employee benefits expense	IV.13	13.50	16.80	27.09	32.01	233.43	362.66
Finance costs	IV.13	3.98	1.41	2.83	26.56	198.01	241.14
Depreciation and amortisation	IV.9	1.65	1.85	7.02	5.86	229.22	350.70
Other expenses	IV.13	31.04	81.24	44.22	88.78	730.49	893.10
Total		50.17	101.30	81.16	153.21	1,549.13	2,227.17
Net profit / (loss) before tax, as restated		(32.22)	(66.47)	18.50	720.39	(626.26)	(857.91)
Less: provision for tax	IV.13						
Current tax / minimum alternate tax		-	-	-	16.36	8.43	-
Deferred tax charge		0.09	-	-	-	-	-
Net profit/ (loss) after tax, as restated		(32.31)	(66.47)	18.50	704.03	(634.69)	(857.91)

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

2. The reconciliation between the audited surplus in the statement of profit and loss and restated surplus in the summary standalone statement of profit and loss, as restated is given in note no. 2 of Annexure IV.

Aster DM Healthcare Limited
Annexure III
Summary standalone statement of cash flows, as restated
(Amounts in INR million)

Particulars	For the year ended 31 March					For the nine months from 1 April 2015 to 31 December 2015
	2011	2012	2013	2014	2015	
Cash flow from operating activities						
Net profit/ (loss) before tax	(32.22)	(66.47)	18.50	720.39	(626.26)	(857.91)
Adjustments:						
Finance costs	3.98	1.41	2.83	26.56	198.01	241.14
Depreciation and amortisation	1.65	1.85	7.02	5.86	229.22	350.70
Interest income	(2.20)	(24.43)	(60.88)	(37.39)	(124.10)	(18.33)
(Profit)/loss on sale of non current investments (net)	-	-	(6.99)	-	-	-
Provision for doubtful debts	-	-	-	-	1.08	8.72
Provision for doubtful advances	-	-	-	-	134.82	-
Premium for forward contracts	-	-	-	-	6.31	4.58
(Profit)/loss on sale of fixed assets	-	0.01	-	(0.52)	6.72	-
Provision for diminution in value of investment	-	-	-	-	-	62.09
Expenses on employee stock option scheme	-	-	2.20	0.51	7.11	24.49
Unrealised foreign exchange loss, net	-	(0.15)	-	0.49	2.50	3.90
Dividend income from mutual funds	-	-	-	-	(4.90)	(2.33)
Dividend income from current non-trade investments	(4.99)	(7.48)	(22.44)	(819.36)	(261.39)	(50.77)
Operating cash flow before working capital changes	(33.78)	(95.26)	(59.76)	(103.46)	(430.88)	(233.72)
Adjustments for changes in working capital						
Increase in inventories	-	-	-	(3.52)	(70.70)	(48.16)
(Increase)/ decrease in trade receivables	(8.49)	(1.97)	1.93	(9.00)	(42.63)	(56.08)
(Increase)/decrease in loans and advances	(121.00)	(1,385.49)	926.75	(325.80)	(430.59)	184.81
Increase/(decrease) in liabilities	21.01	114.00	(107.75)	35.67	284.66	185.53
Cash generated from/ (used in) operations	(142.26)	(1,368.72)	761.17	(406.11)	(690.14)	32.38
Income taxes (paid)/ refund received	0.03	3.26	(6.64)	(17.94)	(22.82)	(12.51)
Net cash generated from/(used in) operating activities (A)	(142.23)	(1,365.46)	754.53	(424.05)	(712.96)	19.87
Cash flow from investing activities						
Investments in subsidiaries and associates	(251.87)	(715.72)	(484.45)	(396.19)	(486.80)	(16,614.10)
Investments in liquid mutual fund units	-	-	-	-	(650.00)	(460.00)
Proceeds from sale of liquid mutual fund units	-	-	-	-	629.79	436.32
Proceeds from sale of investments	-	-	412.91	-	-	-
Advance given for investment in subsidiaries	-	-	-	-	(79.80)	-
Interest received	2.19	18.62	65.87	35.76	90.56	47.47
Dividend income	4.99	7.48	22.44	638.85	441.89	50.77
Dividend paid	-	-	-	(624.22)	-	(15.61)
Purchase of fixed assets	(95.65)	(480.28)	(749.82)	(1,642.92)	(1,097.60)	(1,041.12)
Proceeds from sale of fixed assets	-	0.03	-	1.21	0.27	-
Net cash used in investing activities (B)	(340.34)	(1,169.87)	(733.05)	(1,987.51)	(1,151.69)	(17,596.27)
Cash flow from financing activities						
Proceeds from issue of share capital -equity and preference	76.59	4,302.35	-	-	2,361.33	17,199.33
Share application money refunded	-	(1,251.86)	(85.82)	-	-	-
Redemption of preference shares	-	(400.00)	-	-	-	-
Interest paid including borrowing cost capitalised	(2.51)	(2.88)	(2.34)	(145.57)	(340.76)	(263.18)
Secured loans availed, net	148.78	(151.45)	217.80	2,436.50	112.55	357.10
Net cash generated from financing activities (C)	222.86	2,496.16	129.64	2,290.93	2,133.12	17,293.25
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(259.71)	(39.17)	151.12	(120.63)	268.47	(283.15)
Cash and cash equivalents transferred on composite scheme of arrangement (refer note 20 of Annexure IV)	-	-	-	-	-	0.06
Cash and cash equivalents at the beginning of the year	287.31	27.60	(11.57)	139.55	18.92	287.39
Cash and cash equivalents at the end of the year	27.60	(11.57)	139.55	18.92	287.39	4.30

Cash and cash equivalents at the end of the year is net of book overdrafts amounting to

- 12.10 - - 1.51 18.46

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

Annexure IV - Notes to the restated standalone financial information

1. Significant accounting policies

1.1 Company overview

Aster DM Healthcare Limited (“the Company”) was incorporated on 18 January 2008 and the Company was converted into a public limited company with effect from 1 January 2015. The Company is primarily engaged in the business of rendering healthcare and allied services. The registered office of the Company is located in Kochi, India. The Company is a subsidiary of Union Investments Private Limited, Mauritius which is also the ultimate holding company.

The restated standalone financial information relate to the Company and have been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India (“SEBI”) in connection with the proposed Initial Public Offering ('IPO') of equity shares of the Company (referred to as the "Issue"). The restated standalone financial information consist of the summary statement of assets and liabilities, as restated of the Company as at 31 March 2011, 2012, 2013, 2014, 2015 and 31 December 2015, the related summary statement of profit and loss, as restated for the years ended 31 March 2011, 2012, 2013, 2014, 2015 and for the nine months ended 31 December 2015 and the notes thereto and the related summary statement of cash flows, as restated for each of the years ended 31 March 2011, 2012, 2013, 2014, 2015 and for the nine months ended 31 December 2015 (hereinafter collectively referred to as “the restated standalone financial information”).

The restated standalone financial information have been prepared to comply in all material respects with the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013 ('the Act'); and the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 (“the SEBI Regulations”) notified by SEBI on August 26, 2009, as amended from time to time. The Act and the SEBI Regulations require the information in respect of the assets and liabilities and profits and losses of the Company for each of the five years immediately preceding the issue of the Prospectus.

These restated standalone financial information were approved by the Board of Directors of the Company in their meeting held on 13 June 2016.

1.2 Basis of preparation

The restated standalone financial information of the Company have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act 2013 [which has superseded Section 211(3C) of the Companies Act, 1956 w.e.f 12 September 2013], other pronouncements of the Institute of Chartered Accountants of India ('ICAI'), the provisions of the Companies Act, 2013 to the extent notified and applicable.

The interim standalone financial information as at and for the nine months period ended 31 December 2015 have been prepared in accordance with Generally Accepted Accounting Principles in India (“GAAP”) under the historical cost convention and on the accrual basis of accounting. These interim standalone financial information comply with the recognition, measurement and disclosure provisions of Accounting Standard 25 (AS 25), Interim Financial Reporting and other Accounting Standards prescribed under Section 133 of the Companies Act 2013 (“the Act”) read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India ('ICAI'), the provisions of the Companies Act, 2013 to the extent notified and applicable.

The accounting policies have been consistently applied by the Company. The restated standalone financial information are presented in INR millions unless otherwise stated.

Annexure IV - Notes to the restated standalone financial information

1. Significant accounting policies (continued)

1.2 Basis of preparation (continued)

These restated standalone financial information have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI Regulations:

- (a) Adjustments for audit qualification requiring corrective adjustment in the financial statements, if any;
- (b) Adjustments for the material amounts in respective years / periods to which they relate, if any;
- (c) Adjustments for previous years identified and adjusted in arriving at the profits of the years to which they relate irrespective of the year in which the event triggering the profit or loss occurred, if any;
- (d) Adjustment to the profits or losses of the earlier years and of the year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years, if any;
- (e) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company nine months ended 31 December 2015 and the requirements of the SEBI Regulations, if any;
- (f) The resultant impact of tax due to the aforesaid adjustments, if any.

All assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria as set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained their operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

Significant accounting policies – The accounting policies set out below have been applied consistently to the periods presented in the restated standalone financial statements.

1.3 Use of estimates

The preparation of the restated standalone financial statements in conformity with the generally accepted accounting principles in India requires management to make estimates and assumptions that affect the reported amount of income and expenses of the period, assets and liabilities and disclosures relating to contingent liabilities as of the date of the restated standalone financial statements. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in future periods.

1.4 Tangible and intangible fixed assets

Fixed assets are carried at the cost of acquisition or construction less accumulated depreciation. The cost of fixed assets includes purchase price, freight, duties, taxes and other incidental expenses related to the acquisition of those fixed assets. In respect of major projects involving construction, related directly attributable costs form part of the value of assets capitalised. Borrowing cost directly attributable to the acquisition / construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use is capitalized. Intangible assets are recorded at its acquisition cost.

Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under long-term loans and advances. The cost of fixed assets not ready for its intended use at each balance sheet date are disclosed as capital work-in-progress.

Annexure IV - Notes to the restated standalone financial information

1. Significant accounting policies (continued)

1.4 Tangible and intangible fixed assets (continued)

Acquired intangible assets are measured initially at cost. After initial recognition, an intangible asset is carried at its cost less any accumulated amortization and any accumulated impairment loss. Subsequent expenditure is capitalized only when it increases the future economic benefits from the specific asset to which it relates.

Intangible assets are amortised in the statement of profit and loss over their estimated useful lives, from the date they are available for use based on the expected pattern of consumption of economic benefits of the asset.

1.5 Depreciation and amortization

Depreciation on tangible fixed assets is 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. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is lower.

Depreciation and amortisation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

The management estimates the useful lives for the fixed assets as under:

Class of assets	Years
Building	60
Plant and machinery *	5
Medical equipments *	10
Motor vehicles *	5
Computer equipments	3
Servers and Networks	6
Furniture and fittings *	5
Software	3
Trade marks	4

** For the above mentioned class of assets, the Company believes that the useful lives as given above best represent the useful lives of these assets based on internal assessment and supported by technical advice, where necessary, which is different from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013.*

Annexure IV - Notes to the restated standalone financial information

1. Significant accounting policies (continued)

1.6 Impairment of assets

The Company assesses at each balance sheet date whether there is any indication that an asset forming part of its cash generating units may be impaired. If any such indications exist, the Company estimates the recoverable amount of the asset or the group of assets comprising, a cash generating unit. For an asset or a group of assets that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the book value that would have been determined if no impairment loss has been recognized.

1.7 Investments

Long-term investments are carried at cost less provision for any diminution, other than temporary, in the value of such investments determined on a specific identification basis.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

The cost of investment includes acquisition charges such as brokerage, fees and duties.

The acquisition cost of investments acquired, or partly acquired by the issue of shares or other securities, is the fair value of the securities issued.

Profit or loss on sale of investments, if any is determined separately for each investment.

1.8 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. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related services are rendered by the employees.

Post-employment benefits

Defined contribution plans

Contributions payable to the recognized provident fund, which is a defined contribution scheme, is made monthly at predetermined rates to the appropriate authorities and charged to the restated standalone statement of profit and loss on an accrual basis. There are no other obligations other than the contribution payable to the respective fund.

Defined benefit plans

Gratuity, 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.

Annexure IV - Notes to the restated standalone financial information

1. Significant accounting policies (continued)

1.8 Employee benefits (continued)

Compensated absences

The employees can carry-forward a portion of the unutilised accrued compensated absences and utilise it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Company records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Employee Stock Option Plan (ESOP) Cost

The Company accounts for equity settled stock options as per the accounting treatment prescribed by the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India using the fair value method.

1.9 Revenue recognition

The Company derives its revenue primarily from rendering medical and healthcare services. Income from medical and healthcare services comprises of income from hospital services and sale of pharma products.

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

Revenue from sale of pharma products within hospital premises is recognised on sale of medicines and similar products to the buyer. The amount of revenue recognised is net of sales returns and exclusive of sales tax and trade discounts.

‘Unbilled revenue’ represents value of medical and healthcare services rendered in excess of amounts billed to the patients as at the balance sheet date.

Revenue from rendering of consultancy services is recognised as per the terms of the agreements with the customer.

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

Dividend income is recognised in the restated standalone statement of profit and loss when a right to receive payment is established.

Rental income is accrued on a time basis by reference to the agreements entered.

1.10 Inventory

Inventories are valued at the lower of cost and net realizable value. Cost of inventories comprises purchase price, cost of conversion and other cost incurred in bringing the inventories to their present location and condition. The Company uses the weighted average method to determine the cost of inventory consisting of medicines and medical consumables. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

Annexure IV - Notes to the restated standalone financial information

1. Significant accounting policies (continued)

1.11 Foreign currency transactions

Foreign exchange transactions are recorded at the rate of exchange prevailing on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the restated standalone statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date and the resultant exchange differences are recognised in the restated standalone statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

The financial statements of the Company's foreign branches, being non-integral foreign operations in terms of paragraph 21 of AS –11, are translated into Indian rupees as follows:

- income and expense items are translated at the exchange rates as on the dates of the transactions;
- the assets and liabilities, both monetary and non-monetary, are translated at the closing rate; and
- all the resulting exchange differences are accumulated in a foreign currency translation reserve until the disposal of the net investment.

1.12 Forward contracts

Premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as income or as expense for the period. The Company does not use the foreign exchange forward contracts for trading or speculation purposes.

In relation to the forward contracts entered into to hedge the foreign currency risk of the underlying outstanding at the balance sheet date, the exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the statement of profit and loss in the reporting period in which the exchange rates change.

1.13 Provisions, contingent liabilities and contingent assets

The Company recognises a provision when there is a present obligation as a result of a past (or obligating) event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligations.

Annexure IV - Notes to the restated standalone financial information

1. Significant accounting policies (continued)

1.14 Earnings per share

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

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

1.15 Income taxes

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the Company in India. Minimum Alternate Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the restated standalone statement of profit and loss. The credit available under the Income-tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the Company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each balance sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

Deferred tax charge or credit is recognised for the future tax consequences attributable to timing difference that result between the profit offered for income taxes and the profit as per the financial statements. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognised only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realised.

The Company offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

1.16 Leases

Lease where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognised as an expense in the restated standalone statement of profit and loss on a straight line basis over the lease term.

1.17 Cash-flow statement

Cash flows are reported using the indirect method, whereby 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 Company are segregated.

Annexure IV - Notes to the restated standalone financial information

1. Significant accounting policies (continued)

1.18 Cash and cash equivalents

Cash and cash equivalents comprise cash and cash on deposit with banks. The Company considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

2. Impact of material adjustments

(Amounts in INR million)

Particulars	For the year ended 31 March					For the nine months from 1 April 2015 to 31 December 2015
	2011	2012	2013	2014	2015	
Net profit/ (loss) after tax as per audited statement of profit and loss	(37.45)	(67.55)	22.74	704.03	(634.69)	(857.91)
Adjustments on account of: (refer Note 4 A)						
a) Preliminary expenses written-off	0.13	-	-	-	-	-
b) Provision for tax of earlier years	0.06	-	-	-	-	-
c) Prior period expenses	2.44	-	-	-	-	-
d) Depreciation and amortisation	2.51	1.08	(4.24)	-	-	-
Total impact of the adjustments	5.14	1.08	(4.24)	-	-	-
Tax impact on adjustments	-	-	-	-	-	-
Total adjustments	5.14	1.08	(4.24)	-	-	-
Net profit / (loss) after tax, as restated	(32.31)	(66.47)	18.50	704.03	(634.69)	(857.91)

Note :

1. To be read together with significant accounting policies and notes to the restated standalone financial information as appearing in Annexure IV.

3. Reconciliation between the audited deficit in statement of profit and loss and restated deficit in statement of profit and loss as at 1 April 2010

Particulars	Amounts in INR million
Deficit in statement of profit and loss as at 1 April 2010 as per audited financial statements	(41.94)
Adjustments on account of: (refer Note 4 A)	
Preliminary expenses written-off	(0.13)
Provision for tax of earlier years	(0.06)
Prior period expenses	(2.44)
Depreciation and amortisation	0.65
Deficit in statement of profit and loss as at 1 April 2010, as restated	(43.92)

*Figures in brackets represent decrease in surplus in statement of profit and loss.

4. Notes on adjustments to the restated summary statements and other disclosures

A) Material adjustments

(a) **Preliminary expenses written-off** : During the year ended 31 March 2011, the Company had written off preliminary expenses related to earlier years. For the purpose of the standalone restated financial information, preliminary expenses written-off for the year have been credited back in the statement of profit and loss and opening reserves have been restated accordingly.

(b) **Provision for tax of earlier years**: During the year ended 31 March 2011, the Company provided for income tax pertaining to periods before 2010-11 . For the purpose of the standalone restated financial information, these amounts have been adjusted to the statement of profit and loss for the year ended 31 March 2011 and opening reserves have been restated accordingly.

(c) **Prior period expenses**: During the year ended 31 March 2011, the Company debited the statement of profit and loss with Rs 2.44 million as prior period expenses relating to employee cost, preliminary expenses and other expenses pertaining to year ended 31 March 2010. For the purpose of the standalone restated financial information, these have been credited to the statement of profit and loss for the year ended 31 March 2011 and opening reserves have been restated accordingly.

(d) Depreciation

During the year ended 31 March 2013, the Company decided to change its accounting policy for providing depreciation on fixed assets from written down value method to the straight line method to better represent the financial position. For the purposes of standalone restated financial information, this impact has been credited to respective years statement of profit and loss as presented above.

B) Tax impact on adjustments

The above prior period items and other material adjustments pertaining to previous years did not have any tax impact on the restated results for the respective years owing to the brought forward losses of the Company .

C) Application of Revised Schedule VI

During the year ended 31 March 2012, the revised Schedule VI to the Companies Act, 1956, became applicable to the Company for preparation and presentation of financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. Accordingly the reclassifications have been made in the financial statements for the year ended 31 March 2011 to comply with requirements of the revised Schedule VI. Since it does not have any impact on the recognition and measurement of the figures, these have not been included as part of differences above.

Aster DM Healthcare Limited

Annexure IV - Notes to the restated standalone financial information (continued)

4. Notes on adjustments to the restated summary statements and other disclosures (continued)

D) Non-adjusting items

Certain qualifications in the Annexure to Auditor's report (Companies (Auditors' Report) Order, 2003 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956 of the financial statements for the years ended 31 March 2013, 2012 and 2011 which do not require any quantitative adjustment in the standalone restated financial information are as follows :

a) For the year ended 31 March 2011

- With regard to certain loans to parties covered in the register maintained under section 301 of the Companies Act, 1956, the terms and conditions on which interest free loans have been granted to other parties were prima facie prejudicial to the interest of the Company.
- The internal audit system is not commensurate with the size and nature of its business.
- There have been delays in depositing amounts deducted in respect of income tax with appropriate authorities with delays ranging from 2 to 151 days. Undisputed dues of professional tax aggregating to Rs. 0.01 million were in arrears as of 31 March, 2011 for a period exceeding 6 months.
- The Company has defaulted in payment of interest on loans due to a bank. Interest on the loans amounting to Rs. 1.47 million was due for payment on 31 March 2011 and subsequently had been paid by the Company on 30 April 2011.

b) For the year ended 31 March 2012

- With regard to certain loans to parties covered in the register maintained under section 301 of the Companies Act, 1956, the terms and conditions on which interest free loans have been granted to other parties were prima facie prejudicial to the interest of the Company.
- There have been delays in depositing amounts deducted in respect of sales tax and provident fund with appropriate authorities with the delays ranging from 25 to 270 days.

c) For the year ended 31 March 2013

- Undisputed statutory dues of service tax have not been regularly deposited with the appropriate authorities with the delays ranging from 1 to 96 days.

E) Regrouping

Figures have been regrouped / recasted for the consistency of presentation.

Annexure IV - Notes to the restated standalone financial information (continued)

5. Share capital, as restated

(Amounts in INR million except per share data)

Particulars	As at 31 March					As at
	2011	2012	2013	2014	2015	31 December 2015
Equity share capital						
Authorized share capital						
Ordinary equity shares of Rs.10 each	-	8.00	1,298.00	3,800.00	3,900.00	5,000.00
Class A equity shares of Rs.10 each	4.00	-	-	-	-	-
Class B equity shares of Rs.10 each	4.00	-	-	-	-	-
	8.00	8.00	1,298.00	3,800.00	3,900.00	5,000.00
Issued, subscribed and fully paid-up (A)	0.66	1.25	1,248.44	3,745.31	3,840.10	3,986.24
Reconciliation of number of equity shares (number of shares in millions) :						
Number of shares at the beginning of the year/ period	0.07	0.07	0.13	126.39	379.16	388.64
Add: Shares issued during the year/ period						
In cash	-	0.06	1.54	-	9.48	2.44
Other than cash	-	-	124.72	252.77	-	11.97
	0.07	0.13	126.39	379.16	388.64	403.05
Less: Shares issued to the trust under the employee stock option plan (DM Healthcare Employees Stock Option Plan 2013) [refer note 18 of Annexure IV]	-	-	(1.55)	(4.63)	(4.63)	(4.43)
Number of shares at the closing of the year/ period	0.07	0.13	124.84	374.53	384.01	398.62
Preference shares of Rs 10 each						
Authorized share capital	2.00	2.00	2.00	2.00	152.00	662.00
Issued, subscribed and fully paid-up (B)	0.40	-	-	-	138.54	640.09
Reconciliation of number of redeemable preference shares (number of shares in millions):						
Number of shares at the beginning of the year/ period	0.04	0.04	-	-	-	-
Add: issued during the year / period	-	-	-	-	-	-
Less: redemption of preference shares	-	(0.04)	-	-	-	-
Number of shares at the closing of the year/ period	0.04	-	-	-	-	-
Reconciliation of number of Series A compulsorily convertible preference shares (number of shares in millions) :						
Number of shares at the beginning of the year/ period	-	-	-	-	-	13.85
Add: issued during the year / period	-	-	-	-	13.85	-
Less: redemption of preference shares	-	-	-	-	-	-
Number of shares at the closing of the year/ period	-	-	-	-	13.85	13.85
Reconciliation of number of RAR compulsorily convertible preference shares (number of shares in millions) :						
Number of shares at the beginning of the year/ period	-	-	-	-	-	-
Add: issued during the year / period	-	-	-	-	-	50.16
Less: redemption of preference shares	-	-	-	-	-	-
Number of shares at the closing of the year/ period	-	-	-	-	-	50.16
Total share capital (A+B)	1.06	1.25	1,248.44	3,745.31	3,978.64	4,626.33

Notes

a) Rights, preferences and restrictions attached to equity shares as at 31 December 2015

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 assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Annexure IV - Notes to the restated standalone financial information (continued)

5. Share capital, as restated (continued)

b) Rights, preferences and restrictions attached to series A compulsory convertible preference shares as at 31 December 2015

i) 0.00001% series A, compulsory convertible preference shares outstanding "CCPS" of Rs. 10 each issued were during the year ended 31 March 2015.

Upon expiry of the 9th anniversary of the completion date, the series A CCPS shall be compulsorily converted into 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 in respect of the period which the preference dividend is paid.

Rights to receive preference dividend shall be cumulative, and the right to receive the preference dividend shall accrue to the holders of the series A CCPS whether the preference dividend is declared or not in any year.

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

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

Each holder of a series A CCPS shall be entitled to convert the series A CCPS into 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 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.

c) Rights, preferences and restrictions attached to RAR compulsorily convertible preference shares (RAR CCPS) as at 31 December 2015

i) 0.00001% RAR, compulsory convertible preference shares outstanding "RAR CCPS" of Rs. 10 each issued were during the period ended 31 December 2015.

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

Rights to receive preference dividend shall be cumulative, and 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, ie. 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.

d) Employee stock options

Terms attached to stock options granted to employees are described in note 18 of Annexure IV

Aster DM Healthcare Limited

Annexure IV - Notes to the restated standalone financial information (continued)

5. Share capital, as restated (continued)

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

(Amounts in INR million)

Name of shareholder	As at 31 March										As at 31 December 2015	
	2011		2012		2013		2014		2015			
	No of shares (in millions)	Amount	No of shares (in millions)	Amount	No of shares (in millions)	Amount	No of shares (in millions)	Amount	No of shares (in millions)	Amount	No of shares (in millions)	Amount
Equity shares of Rs. 10 each fully paid up held by Union Investments Private Limited, Mauritius, holding and ultimate holding company	0.06	0.55	0.08	0.77	77.54	775.39	213.26	2,132.55	207.56	2,075.55	207.56	2,075.55

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

Name of shareholder	As at 31 March										As at 31 December 2015	
	2011		2012		2013		2014		2015			
	No of shares (in millions)	% of holding	No of shares (in millions)	% of holding	No of shares (in millions)	% of holding	No of shares (in millions)	% of holding	No of shares (in millions)	% of holding	No of shares (in millions)	% of holding
Equity shares of Rs. 10 each fully paid up held by Union Investments Private Limited, Mauritius	0.06	83.87%	0.08	62.10%	77.54	62.10%	213.26	56.94%	207.56	54.05%	207.56	52.07%
Olympus Capital Asia Investments Limited, Mauritius	-	-	0.03	25.47%	31.79	25.47%	95.38	25.47%	105.58	27.49%	105.58	26.49%
IVF Trustee Company Private Limited, India	0.01	16.13%	0.02	12.43%	15.51	12.43%	46.54	12.43%	46.54	12.12%	46.54	11.67%
Series A Compulsorily Convertible Preference shares of Rs. 10 each, fully paid up held by												
Olympus Capital Asia Investments Limited, Mauritius	-	-	-	-	-	-	-	-	9.31	67.20%	9.31	67.20%
Indium IV (Mauritius) Holdings Limited, India	-	-	-	-	-	-	-	-	4.54	32.80%	4.54	32.80%
RAR Compulsorily Convertible Preference shares of Rs. 10 each, fully paid up held by												
Rimco (Mauritius) Limited, Mauritius	-	-	-	-	-	-	-	-	-	-	50.16	100.00%
Redeemable Preference shares of Rs. 10 each, fully paid up held by												
IVF Trustee Company Private Limited, India	0.04	100.00%	-	-	-	-	-	-	-	-	-	-

g) Details of bonus share issued for consideration other than for cash for past 5 years

During the financial year 2013-14, 252.77 million equity shares and during the financial year 2012-13, 124.72 million equity shares of Rs. 10 each, fully paid-up, have been allotted as bonus shares by capitalisation of securities premium.

h) Details of equity shares issued for consideration other than for cash for past 5 years

- During the nine months ended 31 December 2015, 4.91 million equity shares have been allotted as consideration for swap of shares with the shareholders of Malabar Institute of Medical Science Limited.
- During the nine months ended 31 December 2015, 7.03 million equity shares have been allotted as per the scheme of amalgamation with Indogulf Hospitals India Private Limited (Refer note 20 of Annexure IV).
- During the nine months ended 31 December 2015, 0.03 million equity shares has been allotted as per the DM Healthcare Employees Stock Option Plan 2013 to the employees.

i) Details of buyback for consideration other than for cash for past 5 years

The Company has not bought back any class of equity shares nor has there been any issue for consideration other than for cash, except bonus issue as mentioned above, during the period of five years immediately preceding the balance sheet date.

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

Aster DM Healthcare Limited
Annexure IV - Notes to the restated standalone financial information (continued)
6. Reserves and surplus, as restated
(Amounts in INR million)

Particulars	As at 31 March					As at 31 December 2015
	2011	2012	2013	2014	2015	
General reserve (A)						
Opening balance	-	-	-	-	70.40	70.40
Add: additions during the year/ period	-	-	-	70.40	-	-
Total (A)	-	-	-	70.40	70.40	70.40
Shares premium account (B)						
Opening balance	909.26	909.26	4,794.66	3,763.46	1,297.45	3,425.45
Add: additions during the year/ period	-	3,885.40	215.99	30.86	2,166.46	17,279.99
Less : amount utilised for issue of bonus shares	-	-	(1,247.19)	(2,496.87)	-	-
Add : Balance in securities premium account of Indogulf Hospitals Private Limited, as on the appointed date, acquired pursuant to amalgamation (refer note 20 of Annexure IV)	-	-	-	-	-	551.74
Less: share issue expenses	-	-	-	-	(38.46)	-
	909.26	4,794.66	3,763.46	1,297.45	3,425.45	21,257.18
Less: shares issued to the trust under the employee stock option plan (DM Healthcare Employees Stock Option Plan 2013) [refer note 18 of Annexure IV]	-	-	(215.99)	(246.85)	(246.85)	(236.17)
Total (B)	909.26	4,794.66	3,547.47	1,050.60	3,178.60	21,021.01
Deferred stock compensation cost (C)						
Opening balance	-	-	-	2.20	27.18	69.63
Add: additions during the year/ period	-	-	2.20	24.98	42.45	87.04
Less: Exercise of stock options during the year/ period	-	-	-	-	-	(15.96)
Total (C)	-	-	2.20	27.18	69.63	140.71
Foreign currency translation reserve (D)						
Opening balance	(0.03)	(0.02)	-	-	-	-
Add: additions during the year/ period	0.01	0.02	-	-	-	-
Total (D)	(0.02)	-	-	-	-	-
Deficit : statement of profit and loss (E)						
Opening balance	(43.92)	(76.23)	(142.70)	(124.20)	(114.79)	(749.48)
Add : Balance in statement of profit and loss of Indogulf Hospitals Private Limited, as on the appointed date, acquired pursuant to amalgamation (refer note 20 of Annexure IV)	-	-	-	-	-	(1.79)
Add: Excess of liabilities over assets adjusted pursuant to the scheme of amalgamation with Indogulf Hospitals Private Limited (refer note 20 of Annexure IV)	-	-	-	-	-	(324.59)
Add: net profit/(loss) for the year/ period	(32.31)	(66.47)	18.50	704.03	(634.69)	(857.91)
Amount available for appropriation	(76.23)	(142.70)	(124.20)	579.83	(749.48)	(1,933.77)
Less: transfer to general reserve	-	-	-	(70.40)	-	-
Less: interim dividend paid	-	-	-	(624.22)	-	(15.60)
Total (E)	(76.23)	(142.70)	(124.20)	(114.79)	(749.48)	(1,949.37)
Total (A+B+C+D+E)	833.01	4,651.96	3,425.47	1,033.39	2,569.15	19,282.75

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

7. Current and non-current liabilities, as restated

(Amounts in INR million)

Particulars	As at 31 March					As at
	2011	2012	2013	2014	2015	31 December 2015
Non-current liabilities						
Other long-term liabilities						
Dues to creditors for capital goods	-	-	4.03	16.32	728.41	-
Lease equilisation reserve	-	-	-	-	153.35	262.29
Amount payable to bank under forward contract	-	-	-	-	83.33	-
Total (A)	-	-	4.03	16.32	965.09	262.29
Current liabilities						
Trade payables						
Dues to micro and small enterprises	-	-	-	-	-	-
Dues to others	7.28	8.17	-	2.22	70.84	92.09
Total (B)	7.28	8.17	-	2.22	70.84	92.09
Other current liabilities						
Current maturities of long-term borrowings	1.99	2.21	0.83	0.31	500.00	3.00
Book overdraft	-	12.10	-	-	1.51	18.46
Amount payable to bank under forward contract	-	-	-	-	-	87.91
Share application money due for refund	1,251.86	85.82	-	-	-	-
Interest accrued and due on borrowings	1.47	-	-	-	-	-
Interest accrued but not due on borrowings	-	-	0.49	0.85	1.07	1.32
Advance received from customers	0.65	0.73	-	-	16.51	33.47
Dues to creditors for capital goods	19.22	104.31	58.13	160.36	101.13	773.38
Accrued salaries and benefits	0.01	0.01	0.82	-	7.73	15.09
Dues to creditors for expenses and accrued expenses	4.05	3.74	2.21	35.34	53.69	62.82
Dues to holding company	-	104.67	10.37	10.37	10.37	10.37
Dues to subsidiaries and step down subsidiaries	-	12.66	4.34	8.11	14.73	31.69
Due to other related parties	6.54	-	-	-	-	-
Statutory dues payables	3.39	5.76	9.88	6.48	11.91	18.96
Total (C)	1,289.18	332.01	87.07	221.82	718.65	1,056.47
TOTAL (A+B+C)	1,296.46	340.18	91.10	240.36	1,754.58	1,410.85

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.
2. 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	-	-	-	-	-	-
The interest due on the principal remaining outstanding as at the end of the year	-	-	-	-	-	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the appointed day during the year	-	-	-	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Act	-	-	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-	-	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise, for the purpose of disallowance as a deductible expenditure under the Act	-	-	-	-	-	-

Particulars	As at 31 March					As at 31 December 2015
	2011	2012	2013	2014	2015	
Long-term provisions						
Provision for employee benefits :-						
- Leave encashment	-	-	0.44	0.94	4.03	10.90
- Gratuity	0.54	0.67	0.36	0.93	8.66	6.07
Total	0.54	0.67	0.80	1.87	12.69	16.97
Short-term provisions						
Provision for employee benefits :-						
- Leave encashment	-	-	0.15	0.25	0.09	3.82
- Gratuity	-	-	0.09	0.13	-	0.17
Total	-	-	0.24	0.38	0.09	3.99
TOTAL	0.54	0.67	1.04	2.25	12.78	20.96

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

Aster DM Healthcare Limited

Annexure IV - Notes to the restated standalone financial information (continued)

9. Tangible and intangible fixed assets, as restated

a. For the year ended 31 March 2011

(Amounts in INR million)

Asset description	Gross block				Accumulated depreciation/ amortisation				Net block	
	As at 1 April 2010	Additions	Deletions	As at 31 March 2011	As at 1 April 2010	Charge for the year	Deletions	As at 31 March 2011	As at 31 March 2011	As at 31 March 2010
Tangible fixed assets										
Freehold land	284.83	26.30	-	311.13	-	-	-	-	311.13	284.83
Plant and machinery	0.25	1.92	-	2.17	0.02	0.16	-	0.18	1.99	0.23
Furniture and fittings	0.24	1.38	-	1.62	0.05	0.41	-	0.46	1.16	0.19
Motor vehicles	9.31	1.10	-	10.41	0.66	0.96	-	1.62	8.79	8.65
Computer equipments	0.56	0.61	-	1.17	0.15	0.07	-	0.22	0.95	0.41
	295.19	31.31	-	326.50	0.88	1.60	-	2.48	324.02	294.31
Intangible fixed assets										
Trade marks	0.05	0.27	-	0.32	0.01	0.05	-	0.06	0.26	0.04
	0.05	0.27	-	0.32	0.01	0.05	-	0.06	0.26	0.04
Total	295.24	31.58	-	326.82	0.89	1.65	-	2.54	324.28	294.35

Note: Capital work-in-progress includes borrowing cost capitalised during the year Rs. 3.19 million (previous year : Nil) in accordance with Accounting Standard 16 - Borrowing cost

b. For the year ended 31 March 2012

(Amounts in INR million)

Asset description	Gross block				Accumulated depreciation/ amortisation				Net block	
	As at 1 April 2011	Additions	Deletions	As at 31 March 2012	As at 1 April 2011	Charge for the year	Deletions	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011
Tangible fixed assets										
Freehold land	311.13	23.82	-	334.95	-	-	-	-	334.95	311.13
Plant and machinery	2.17	0.63	0.05	2.75	0.18	0.16	0.01	0.33	2.42	1.99
Medical equipments	-	8.74	-	8.74	-	0.08	-	0.08	8.66	-
Furniture and fittings	1.62	0.18	0.07	1.73	0.46	0.24	0.07	0.63	1.10	1.16
Motor vehicles	10.41	0.69	-	11.10	1.62	1.00	-	2.62	8.48	8.79
Computer equipments	1.17	0.48	-	1.65	0.22	0.30	-	0.52	1.13	0.95
	326.50	34.54	0.12	360.92	2.48	1.78	0.08	4.18	356.74	324.02
Intangible fixed assets										
Trademarks	0.32	-	-	0.32	0.06	0.07	-	0.13	0.19	0.26
	0.32	-	-	0.32	0.06	0.07	-	0.13	0.19	0.26
Total	326.82	34.54	0.12	361.24	2.54	1.85	0.08	4.31	356.93	324.28

Note: Capital work-in-progress includes borrowing cost capitalised during the year Rs. 15.42 million in accordance with Accounting Standard 16 - Borrowing cost

Aster DM Healthcare Limited

Annexure IV - Notes to the restated standalone financial information (continued)

9. Tangible and intangible fixed assets, as restated

c. For the year ended 31 March 2013

(Amounts in INR million)

Asset description	Gross block				Accumulated depreciation/ amortisation				Net block	
	As at 1 April 2012	Additions	Deletions	As at 31 March 2013	As at 1 April 2012	Charge for the year	Deletions	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
Tangible fixed assets										
Freehold land	334.95	4.88	-	339.83	-	-	-	-	339.83	334.95
Plant and machinery	2.75	0.36	-	3.11	0.33	0.87	-	1.20	1.91	2.42
Medical equipments	8.74	-	-	8.74	0.08	0.88	-	0.96	7.78	8.66
Furniture and fittings	1.73	1.06	-	2.79	0.63	0.51	-	1.14	1.65	1.10
Motor vehicles	11.10	0.06	-	11.16	2.62	3.88	-	6.50	4.66	8.48
Computer equipments	1.65	0.33	-	1.98	0.52	0.72	-	1.24	0.74	1.13
	360.92	6.69	-	367.61	4.18	6.86	-	11.04	356.57	356.74
Intangible fixed assets										
Trademarks	0.32	-	-	0.32	0.13	0.16	-	0.29	0.03	0.19
	0.32	-	-	0.32	0.13	0.16	-	0.29	0.03	0.19
Total	361.24	6.69	-	367.93	4.31	7.02	-	11.33	356.60	356.93

Note: Capital work-in-progress includes borrowing cost capitalised during the year Rs. 17.94 million in accordance with Accounting Standard 16 - Borrowing cost

d. For the year ended 31 March 2014

(Amounts in INR million)

Asset description	Gross block				Accumulated depreciation/ amortisation				Net block	
	As at 1 April 2013	Additions	Deletions	As at 31 March 2014	As at 1 April 2013	Charge for the year	Deletions	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013
Tangible fixed assets										
Freehold land	339.83	5.18	-	345.01	-	-	-	-	345.01	339.83
Plant and machinery	3.11	3.11	0.30	5.92	1.20	1.03	0.10	2.13	3.79	1.91
Medical equipments	8.74	0.32	-	9.06	0.96	0.87	-	1.83	7.23	7.78
Furniture and fittings	2.79	0.58	1.12	2.25	1.14	0.54	0.63	1.05	1.20	1.65
Motor vehicles	11.16	-	-	11.16	6.50	2.59	-	9.09	2.07	4.66
Computer equipments	1.98	6.22	-	8.20	1.24	0.78	-	2.02	6.18	0.74
	367.61	15.41	1.42	381.60	11.04	5.81	0.73	16.12	365.48	356.57
Intangible fixed assets										
Trade marks	0.32	0.19	-	0.51	0.29	0.05	-	0.34	0.17	0.03
	0.32	0.19	-	0.51	0.29	0.05	-	0.34	0.17	0.03
Total	367.93	15.60	1.42	382.11	11.33	5.86	0.73	16.46	365.65	356.60

Note: Capital work-in-progress includes borrowing cost capitalised during the year Rs. 119.37 million in accordance with Accounting Standard 16 - Borrowing cost

Aster DM Healthcare Limited

Annexure IV - Notes to the restated standalone financial information (continued)

9. Tangible and intangible fixed assets, as restated

e. For the year ended 31 March 2015

(Amounts in INR million)

Asset description	Gross block				Accumulated depreciation/ amortisation				Net block	
	As at 1 April 2014	Additions	Deletions	As at 31 March 2015	As at 1 April 2014	Charge for the year	Deletions	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
Tangible fixed assets										
Freehold land	345.01	6.32	-	351.33	-	-	-	-	351.33	345.01
Buildings	-	1,290.70	-	1,290.70	-	10.65	-	10.65	1,280.05	-
Plant and machinery	5.92	323.97	-	329.89	2.13	38.43	-	40.56	289.33	3.79
Electrical equipments	-	243.61	-	243.61	-	37.07	-	37.07	206.54	-
Medical equipments	9.06	1,664.89	8.74	1,665.21	1.83	86.10	1.80	86.13	1,579.08	7.23
Furniture and fittings	2.25	329.90	-	332.15	1.05	34.79	-	35.84	296.31	1.20
Servers and networks	-	67.72	-	67.72	-	7.54	-	7.54	60.18	-
Motor vehicles	11.16	3.40	-	14.56	9.09	1.58	-	10.67	3.89	2.07
Computer equipments	8.20	20.58	0.06	28.72	2.02	7.30	0.01	9.31	19.41	6.18
	381.60	3,951.09	8.80	4,323.89	16.12	223.46	1.81	237.77	4,086.12	365.48
Intangible fixed assets										
Trade marks	0.51	0.03	-	0.54	0.34	0.04	-	0.38	0.16	0.17
Software	-	48.49	-	48.49	-	5.72	-	5.72	42.77	-
	0.51	48.52	-	49.03	0.34	5.76	-	6.10	42.93	0.17
Total	382.11	3,999.61	8.80	4,372.92	16.46	229.22	1.81	243.87	4,129.05	365.65

Note: Fixed assets and capital work-in-progress includes borrowing cost capitalised during the year Rs. 142.96 million in accordance with Accounting Standard 16 - Borrowing cost

f. For the period ended 31 December 2015

(Amounts in INR million)

Asset description	Gross block				Accumulated depreciation/ amortisation				Net block	
	As at 1 April 2015	Additions	Deletions	As at 31 December 2015	As at 1 April 2015	Charge for the period	Deletions	As at 31 December 2015	As at 31 December 2015	As at 31 March 2015
Tangible fixed assets										
Freehold land	351.33	3.94	-	355.27	-	-	-	-	355.27	351.33
Buildings	1,290.70	389.17	-	1,679.87	10.65	19.33	-	29.98	1,649.89	1,280.05
Plant and machinery	329.89	120.22	-	450.11	40.56	61.31	-	101.87	348.24	289.33
Electrical equipments	243.61	21.50	-	265.11	37.07	38.76	-	75.83	189.28	206.54
Medical equipments	1,665.21	337.54	-	2,002.75	86.13	139.62	-	225.75	1,777.00	1,579.08
Furniture and fittings	332.15	68.93	-	401.08	35.84	56.41	-	92.25	308.83	296.31
Servers and networks	67.72	10.33	-	78.05	7.54	9.38	-	16.92	61.13	60.18
Motor vehicles	14.56	22.80	-	37.36	10.67	2.43	-	13.10	24.26	3.89
Computer equipments	28.72	21.79	-	50.51	9.31	9.14	-	18.45	32.06	19.41
	4,323.89	996.22	-	5,320.11	237.77	336.38	-	574.15	4,745.96	4,086.12
Intangible fixed assets										
Trade marks	0.54	0.44	-	0.98	0.38	0.12	-	0.50	0.48	0.16
Software	48.49	20.97	-	69.46	5.72	14.20	-	19.92	49.54	42.77
	49.03	21.41	-	70.44	6.10	14.32	-	20.42	50.02	42.93
Total	4,372.92	1,017.63	-	5,390.55	243.87	350.70	-	594.57	4,795.98	4,129.05

Note: Fixed assets and capital work-in-progress includes borrowing cost capitalised during the year Rs. 22.29 million in accordance with Accounting Standard 16 - Borrowing cost

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

Annexure IV - Notes to the restated standalone financial information (continued)

10. Deferred tax assets and liabilities, as restated

(Amounts in INR million)

Particulars	As at 31 March					As at
	2011	2012	2013	2014	2015	31 December 2015
<i>Deferred tax liabilities</i>						
Arising from timing differences in respect of:						
Tangible and intangible fixed assets	-	-	-	-	1,157.88	1,323.25
<i>Deferred tax assets</i>						
Arising from timing differences in respect of:						
Employee benefits	0.17	0.22	0.26	0.77	3.95	6.48
Tangible and intangible fixed assets	0.69	0.69	0.51	2.17	-	-
Provision for doubtful debts	-	-	-	-	0.33	3.03
Deductions under section 35 AD of the Income tax Act, 1961	-	-	-	-	1,153.60	1,313.75
Others	0.03	-	-	0.01	-	-
Net deferred tax liability (net) restricted upto deferred tax assets	-	-	-	-	-	-

In accordance with AS 22 – “Accounting for taxes on income” prescribed by the Companies (Accounting Standards) Rules, 2006, deferred tax assets on deduction under Section 35AD of the Income tax Act have been recognised on the basis of prudence, only to the extent of above mentioned net deferred tax liability.

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

Aster DM Healthcare Limited

Annexure IV - Notes to the restated standalone financial information (continued)

11. Other non-current assets, inventories, cash and bank balances and other current assets, as restated

(Amounts in INR million)

Particulars	As at 31 March					As at
	2011	2012	2013	2014	2015	31 December 2015
Other non-current assets (<i>Unsecured, considered good</i>)						
Balance with banks for margin money	-	-	-	7.78	12.39	14.14
Balance with banks in deposit accounts	-	0.05	0.05	-	-	-
Forward contract receivable	-	-	-	-	77.02	-
Total	-	0.05	0.05	7.78	89.41	14.14
Inventories						
Stock in trade including pharmacy medicines and consumables	-	-	-	3.52	74.22	122.38
Total	-	-	-	3.52	74.22	122.38
Cash and bank balances						
<i>Cash and cash equivalents</i>						
Cash on hand	0.31	0.16	0.19	0.64	2.62	6.26
Balance with banks						
- in current accounts	27.29	0.37	1.32	11.28	11.59	16.47
- in deposit accounts	-	-	138.04	7.00	274.69	0.03
	27.60	0.53	139.55	18.92	288.90	22.76
<i>Other bank balances</i>						
On deposit accounts (with original maturity of more than 3 months but less than 12 months)	8.18	1,242.97	46.70	20.37	300.00	-
Balance with banks for margin money	-	-	96.68	490.52	221.31	263.68
Total	35.78	1,243.50	282.93	529.81	810.21	286.44
Other current assets (<i>Unsecured, considered good</i>)						
Interest accrued on fixed deposits	0.01	5.82	0.83	2.46	36.01	6.86
Dividend on non current investments	-	-	-	180.51	-	-
Unbilled revenue	-	-	-	-	15.17	35.89
Forward contract receivable	-	-	-	-	-	83.29
Other receivables	-	-	0.20	-	-	-
Total	0.01	5.82	1.03	182.97	51.18	126.04

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

Aster DM Healthcare Limited

Annexure IV - Notes to the restated standalone financial information (continued)

12. Revenue from operations, as restated

(Amounts in INR million)

Particulars	For the year ended					For the nine months from 1 April 2015 to 31 December 2015
	2011	2012	2013	2014	2015	
Income from hospital and medical services	-	-	-	-	483.09	1,188.75
Sale of medicines	-	-	-	-	23.60	59.71
Income from consultancy services	10.69	2.90	7.89	8.16	11.28	10.48
Other operating income	-	-	-	-	12.18	31.60
Lease rental on machinery	-	-	1.20	0.70	-	-
Total	10.69	2.90	9.09	8.86	530.15	1,290.54

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

13. Other expenses, as restated

(Amounts in INR million)

Particulars	For the year ended					For the nine months from 1 April 2015 to 31 December 2015
	2011	2012	2013	2014	2015	
Changes in inventories						
Opening stock	-	-	-	-	3.52	74.22
Less : Closing stock	-	-	-	3.52	74.22	122.38
	-	-	-	(3.52)	(70.70)	(48.16)
Employee benefits expense						
Salaries and allowances	12.86	16.55	24.49	27.23	203.79	300.03
Contribution to provident and other funds	0.54	0.17	0.30	0.40	13.39	22.32
Employee stock compensation expenses	-	-	2.20	0.51	7.11	24.49
Staff welfare	0.10	0.08	0.10	3.87	9.14	15.82
Total	13.50	16.80	27.09	32.01	233.43	362.66
Finance costs						
Interest	2.24	1.41	1.74	23.61	195.16	233.87
Other borrowing costs	1.74	-	1.09	2.95	2.85	7.27
Total	3.98	1.41	2.83	26.56	198.01	241.14
Other expenses						
Rent	2.34	2.85	2.36	1.38	6.13	4.02
Hospital operation and management fees	-	-	-	-	24.99	33.66
Remuneration to doctors	-	-	-	3.82	231.28	328.78
Power and fuel	0.22	0.31	0.33	0.41	46.91	73.54
Food and beverage	-	-	-	0.78	16.30	26.42
Water charges	-	-	-	-	5.20	10.54
Housekeeping and security	-	-	-	0.77	28.76	77.49
Insurance	0.34	0.49	1.32	1.22	1.23	3.30
Outsourced services	7.31	-	-	-	-	-
Repairs and maintenance- others	0.59	0.54	2.92	2.35	20.48	30.63
Rates and taxes	0.33	0.53	7.55	16.59	5.34	6.82
Travelling and conveyance	5.37	7.22	6.94	6.84	22.37	16.72
Legal, professional and consultancy	11.80	64.02	8.48	20.80	25.39	26.05
Advertisement and business promotion	0.66	2.29	8.29	20.61	95.08	106.12
Communication	0.43	0.55	0.56	0.62	4.42	5.50
Lab investigation outsourcing	-	-	-	-	7.88	12.01
Office expenses	1.18	1.19	1.37	2.99	24.21	23.43
Staff recruitment	-	-	2.91	6.56	2.39	4.57
Loss on sale of assets	-	0.01	-	-	6.72	-
Premium on forward contract	-	-	-	-	6.31	4.58
Net loss on account of foreign exchange fluctuations	-	0.71	1.02	0.49	2.50	3.91
Provision for doubtful debts/advances	-	-	-	-	135.90	8.72
Provision for diminution in value of investment	-	-	-	-	-	62.09
Miscellaneous expenses	0.47	0.53	0.17	2.55	10.70	24.20
Total	31.04	81.24	44.22	88.78	730.49	893.10
Provision for tax						
Current tax / minimum alternate tax	-	-	-	24.79	-	-
Less : MAT credit (entitlement)/ utilisation	-	-	-	(8.43)	8.43	-
Deferred tax charge	0.09	-	-	-	-	-
Total	0.09	-	-	16.36	8.43	-

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

14. Contingent liabilities and commitments, as restated

(Amounts in INR million)

Particulars	As at 31 March					As at 31 December 2015
	2011	2012	2013	2014	2015	
a) Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	144.17	489.29	992.70	490.96	349.19	827.55
b) Bank guarantees outstanding	-	-	20.68	165.44	210.47	226.74
c) Irrevocable letters of credit issued by the bankers to creditors for capital goods	-	-	59.15	894.58	-	-
d) Corporate guarantees to certain banks against credit facilities given to subsidiaries	-	-	308.45	48.37	50.00	460.00
e) Export commitments under EPCG scheme*	-	-	-	665.45	768.14	832.59

* 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.

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

15. Gratuity, as restated

The Company has a defined benefit gratuity plan. The following tables set out the status of the gratuity plan as required under Accounting Standard-15.

(Amounts in INR million)

Particulars	As at 31 March					As at 31 December 2015
	2011	2012	2013	2014	2015	
Obligations at beginning of the year / period	-	0.54	0.67	0.45	1.06	8.66
Current service cost	0.54	0.19	0.30	0.74	6.13	2.73
Interest cost on defined benefit obligation	-	0.05	0.07	0.07	0.33	0.51
Net actuarial (gain) for the year / period	-	(0.11)	(0.59)	(0.20)	1.14	(5.66)
Obligations at end of the year / period	0.54	0.67	0.45	1.06	8.66	6.24
Reconciliation of present value of the obligation and the fair value of the plan assets:						
Closing obligations	0.54	0.67	0.45	1.06	8.66	6.24
Closing fair value of plan assets	-	-	-	-	-	-
Liability recognized in the balance sheet	0.54	0.67	0.45	1.06	8.66	6.24
Gratuity cost for the year / period						
Current service cost	0.54	0.19	0.30	0.74	6.13	2.73
Interest cost on defined benefit obligation	-	0.05	0.07	0.07	0.33	0.51
Expected return on plan assets	-	-	-	-	-	-
Net actuarial (gain) for the year / period	-	(0.11)	(0.59)	(0.20)	1.14	(5.66)
Net gratuity cost	0.54	0.13	(0.22)	0.61	7.60	(2.42)
Assumptions						
Discount rate	-	8.50%	7.95%	9.00%	7.90%	7.70%
Salary increase	-	5.00%	5.00%	5.00%	5.00%	6.00%
Attrition rate	-	Modified q(x) values under Indian Assured Lives Mortality (1994-1996) Ultimate - Table			20.00%	35.00%
						Below 35 years : 35% p.a. 35 yrs & above : 3% p.a.
Retirement age	58 years	58 years	58 years	58 years	58 years	58 years

Details of experience adjustments - gratuity

Particulars	As at 31 March					As at 31 December 2015
	2011	2012	2013	2014	2015	
Defined benefit obligation	0.54	0.67	0.45	1.06	8.66	6.24
Plan assets	-	-	-	-	-	-
Surplus/(Deficit)	(0.54)	(0.67)	(0.45)	(1.06)	(8.66)	(6.24)
Experience adjustment on plan liabilities	-	0.11	0.59	0.20	1.14	8.28
Experience adjustment on plan assets	-	-	-	-	-	-

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

Aster DM Healthcare Limited
Annexure IV - Notes to the restated standalone financial information (continued)
16. Segment reporting, as restated

The Company structured its business broadly into two verticals – hospitals and others. The Company considers business segment as the primary segment and geographical segment based on the location of customers as the secondary segment. The accounting principles consistently used in the preparation of the financial statements are also consistently applied to record income and expenditure in individual segments.

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

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

A. Primary segment information

The primary segments of the Company are its business segments which are as follows:

- i) **Hospitals** - comprises of hospitals and in-house pharmacies at the hospitals
- ii) **Others** - comprising consultancy division which is into providing healthcare consultancy.

(Amounts in INR million)

Particulars	For the year ended/ as at 31 March					As at / nine months from 1 April 2015 to 31 December 2015
	2011	2012	2013	2014	2015	
A. Primary segment information						
Segment revenue						
Hospitals	-	-	-	-	518.87	1,280.06
Others	10.69	2.90	9.09	8.86	11.28	10.48
Total	10.69	2.90	9.09	8.86	530.15	1,290.54
Segment result						
Hospitals	-	-	-	-	(605.29)	(546.56)
Others	1.73	1.05	2.07	(2.59)	(36.63)	(52.14)
Total	1.73	1.05	2.07	(2.59)	(641.92)	(598.70)
Other income, excluding finance income	5.06	8.21	29.71	827.35	268.62	60.39
Finance income	2.20	23.72	60.86	37.39	124.10	18.33
Finance cost	(3.98)	(1.41)	(2.83)	(26.56)	(198.01)	(241.14)
Unallocated expenses	(37.23)	(98.04)	(71.31)	(115.20)	(179.05)	(96.79)
Profit/(loss) before tax	(32.22)	(66.47)	18.50	720.39	(626.26)	(857.91)
Provision for tax						
Current taxes	-	-	-	24.79	-	-
Mat credit (entitlement)/ utilisation	-	-	-	(8.43)	8.43	-
Deferred tax charge	0.09	-	-	-	-	-
Profit/(loss) after tax	(32.31)	(66.47)	18.50	704.03	(634.69)	(857.91)
Depreciation and amortization						
Hospitals	-	-	-	-	224.64	347.98
Others	1.65	1.85	7.02	5.86	4.58	2.72
Unallocated	-	-	-	-	-	-
Total	1.65	1.85	7.02	5.86	229.22	350.70
Segment assets						
Hospitals	390.54	945.19	1,651.05	3,560.69	5,881.26	6,674.19
Others	8.99	11.02	9.09	18.09	6.86	9.68
Unallocated	1,953.47	4,039.03	3,326.27	4,099.91	4,697.27	21,781.36
Total	2,353.00	4,995.24	4,986.41	7,678.69	10,585.39	28,465.23
B. Segment liabilities						
Hospitals	19.22	104.31	58.13	2,096.70	3,477.05	4,485.11
Others	7.28	8.17	-	-	-	-
Unallocated	1,423.35	229.55	254.37	803.29	560.55	71.04
Total	1,449.85	342.03	312.50	2,899.99	4,037.60	4,556.15
B. Secondary segment information						
Segment revenue						
India	2.22	2.90	9.09	8.86	530.15	1,290.54
Others	8.47	-	-	-	-	-
Total	10.69	2.90	9.09	8.86	530.15	1,290.54
Segment assets						
India	2,344.57	4,985.77	4,986.29	7,678.56	10,584.94	28,464.58
Others	8.43	9.47	0.12	0.13	0.45	0.65
Total	2,353.00	4,995.24	4,986.41	7,678.69	10,585.39	28,465.23

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

Annexure IV - Notes to the restated standalone financial information (continued)**17. Operating lease commitments**

The Company is obligated under cancellable operating leases for office and residential premises which are renewable at the option of both the lessor and lessee. The Company is also obliged under non-cancellable operating lease for hospital operational and management fees (revenue share). Total expense under cancellable and non- cancellable operating leases are as below:

(Amounts in INR million)

Particulars	For the year ended 31 March					For the nine months from 1 April 2015 to 31 December 2015
	2011	2012	2013	2014	2015	
Under cancellable operating lease	2.34	2.85	2.36	1.38	6.13	4.02
Under non-cancellable operating lease	-	-	-	-	24.99	33.66
Future minimum amount payable under non-cancellable operating leases are as follows						
Less than one year	-	-	-	-	30.00	34.50
Between one and five years	-	-	-	-	167.08	179.61
More than five years	-	-	-	-	3,987.16	3,947.63

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

Annexure IV - Notes to the restated standalone financial information (continued)

18 Employee stock option plan

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 the 2013 Plan, the Company has granted 1,480,266 (adjusted for bonus issue) options on 2 March 2013, 607,817 options on 1 April 2014 and 403,019 options on 1 April 2015 to eligible employees. 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 three different categories of options on 2 March 2013, 1 April 2014 and 1 April 2015 on different terms viz; incentive options, milestone options and loyalty options.

The Guidance Note on "Accounting for Employee Share Based Payments" issued by the ICAI establishes financial and reporting principles for employees share based payment plans. The Guidance Note applies to employee share based payment plans, the grant date in respect of which falls on or after 1 April 2005.

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	Fair value (Rs.)	Exercise price (Rs.)	Vesting conditions	Exercise period
Incentive option	2 March 2013	40.90	50	At the end of 1 year based on performance	5 years from the date of grant
Incentive option	1 April 2014	77.07	50		
Incentive option	1 April 2015	216.86	50		
Milestone option	2 March 2013	48.68	50	25% at the end of each financial year over a period of 4 years based on KPIs	
Milestone option	1 April 2014	78.50	50		
Milestone option	1 April 2015	219.21	50		
Loyalty option	2 March 2013	161.42	10	100% vesting at the end of 1 year from date of grant	
Loyalty option	1 April 2014	124.19	10		
Loyalty option	1 April 2015	251.09	10		

Summary of the status of options granted under 2013 Plan to employees as at 31 December 2015 and 31 March 2015 is presented below:

Particulars	31 December 2015	31 March 2015
Options granted and outstanding at the beginning of the year / period *	1,853,772	1,460,266
Granted during the year / period	403,019	607,817
Lapsed / forfeited during the year / period	22,463	197,430
Exercised during the year / period	200,219	-
Expired during the year / period	15,893	16,881
Options outstanding at the end of the year / period	2,018,216	1,853,772
Options exercisable at the end of the year / period	1,175,273	1,391,385
Weighted average exercise price	50.53	51.82

* Adjusted for bonus issue

Employee stock option expense pertaining to Aster DM Healthcare FZC employees have been recharged. Refer Annexure XIII

The options outstanding as at 31 December 2015 had a weighted average remaining contractual life of 2.62 years.

Assumptions used to estimate the fair value of the option using Black- Scholes Option Pricing valuation model:

Option Type	Incentive option			Milestone option			Loyalty option		
Date of grant	1 April 2015	1 April 2014	2 March 2013	1 April 2015	1 April 2014	2 March 2013	1 April 2015	1 April 2014	2 March 2013
Risk- free interest rate	7.79%	8.89%	7.95%	7.79%	8.89%	7.95%	7.79%	8.89%	7.95%
Expected life	2 years	2 years	1.96 years	2.75 years	2.80 years	2.80 years	2 years	2 years	2 years
Expected volatility	0.001%	0.001%	Nil	0.001%	0.001%	Nil	0.001%	0.001%	Nil
Expected dividend yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Fair market value of underlying share	Rs.259.65	Rs.132.56	Rs. 170	Rs.259.65	Rs. 132.56	Rs. 170	Rs.259.65	Rs. 132.56	Rs. 170

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

19 Non adjusting events after balance sheet date

Sale of Investments in Medipoint Hospitals Private Limited

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 ceases to become subsidiary of the Company.

20 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 with shareholding of 65.44% as on 31 March 2015.

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

As per the scheme, the new equity shares to be issued to the members of the Transferor Company shall be in multiples of 1 and any fractional shares shall be rounded-off to the next higher multiple of 1. 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 said Scheme, the above mentioned amalgamation has been accounted under the Pooling of Interests Method as follows :

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

As part of the scheme approved by the Hon'ble High Court, 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 transactions 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. Hence, these transactions do not form part of the disclosures relating to the "Related Party Transactions" mandated by Accounting Standard 18.

- 21** The Company has entered into joint development agreement on 1 April 2014, with its subsidiary, DM Medcity Hospitals (India) Private Limited ('DM Medcity'), for construction and development of its Medcity hospital project (Phase I and Phase II). Under the agreement the Company is required to make certain payments / deposits to the subsidiary based on which the Company has been given the right to enter into and construct part of the Phase I of the project on lands owned by DM Medcity. The agreement also states that DM Medcity is required to make certain payments / deposits to the Company based on which DM Medcity has been given the right to enter into and construct part of the Phase II of the project on lands owned by the Company. The agreement envisages that Phase I of the project will be owned by the Company and Phase II of the project will be owned by DM Medcity.

Aster DM Healthcare Limited

Annexure V

Statement of long-term and short-term borrowings, as restated

(Amounts in INR million)

Particulars	As at 31 March					As at 31 December 2015
	2011	2012	2013	2014	2015	
Long-term borrowings						
<i>Secured</i>						
- Term loans from banks	-	-	160.00	1,883.62	2,248.83	3,002.54
- Vehicle loans from banks	2.85	1.18	0.36	0.03	-	-
- Other loans from banks	-	-	-	400.00	-	-
- from promoters, group companies of promoters and other related parties	-	-	-	-	-	-
	2.85	1.18	160.36	2,283.65	2,248.83	3,002.54
Short-term borrowings						
<i>Secured</i>						
- Overdraft from banks	-	-	-	373.73	21.41	21.97
- Short term loan from banks	150.00	-	60.00	-	-	99.83
- from promoters, group companies of promoters and other related parties	-	-	-	-	-	-
	150.00	-	60.00	373.73	21.41	121.80
Current maturities of long term borrowings						
- Term loans from banks	-	-	-	-	500.00	3.00
- Vehicle loans from banks	1.99	2.21	0.83	0.31	-	-

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.
2. List of persons/entities classified as 'Promoters/ group companies/ related parties' has been determined by the management and relied upon by the auditors. The auditors have not performed any procedure to determine whether the list is accurate and complete.

Aster DM Healthcare Limited

Annexure - V(A)

Details of long-term and short-term borrowings as restated outstanding as at 31 December 2015

(Amounts in INR million)

Sl. No.	Name of the lender	Nature of borrowing	Amount sanctioned (INR millions)	Amount outstanding (INR millions)	Rate of Interest	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
1	State Bank of Travancore	Term loan	3,000 (including letter of credit facility having a sub-limit of 1,500) State Bank of Travancore has downsold a portion of loan to State Bank of Bikaner and Jaipur and Punjab National Bank for disbursement.	2,253.02	Base rate + 1.75 % per annum,	16-Jan-13	32 Quarterly installments commencing from quarter ending June 2017	1% of the prepaid amount. Such prepayment can be waived by issuance of a 60 days prior notice intimating the prepayment. Company has the right to prepay without premium in case of any adverse deviation of spread on the interest reset date by providing a 60 days notice. No Prepayment charges if prepayment is from internal accruals / Equity Infusion	In the event of default in payment of interest, principal or any other sum due, an additional interest rate of 2% per annum shall be charged.	Secured by way of : a) A first charge by way of hypothecation of all present and future movable fixed assets relating to the project at Cheranellur village, Kochi, including plant and machinery, furniture, fixtures, vehicles and other movable assets. b) Charge by way of equitable mortgage in favour of SBT over landed properties of Company extending to 547.40 ares situated in Cheranellur Village, Ernakulam district, comprising 344.05 ares as primary and 203.35 ares as collateral security. c) Charge by way of equitable mortgage in fav of SBT over landed properties of DM Medcity Hospitals India Private Limited, subsidiary, extending to 531.02 ares situated in Cheranellur Village, Ernakulam district, comprising 356.52 ares as primary and 174.50 ares as collateral security. d) A first charge on all the moneys in Company's bank accounts including, without limitation, the trust and retention account, escrow account, the debt service reserve account and any other account maintained or to be created by the Company under any project or contract. e) A first charge by way of assignment of contractor guarantees, liquidated damages, letter of credits, guarantees or performance bonds may be provided by any counter party under any project agreement or contract in favour of the Company and insurance policies etc. f) Corporate guarantee by DM Medcity Hospitals India Private Limited, subsidiary, in favor of SBT. g) A first charge on all current assets of the Company in case of cash credit loan.
2		Cash Credit Loan	100.00	99.83	Base rate + 1.35 % per annum,	7-Jul-15	12 Months from the date of sanction	Nil	Penal interest of 2% for irregularity in the account	
3		Term Loan	200.00	200.00	Base rate + 1.35 % per annum,	7-Jul-15	16 Quarterly installments commencing from quarter ending June 2016	1% of the prepaid amount	Nil	
4		Term Loan	350.00	272.52	Base rate + 1.75 % per annum,	7-Jul-15	32 Quarterly installments commencing from quarter ending June 2017	1% of the prepaid amount	Nil	

Aster DM Healthcare Limited

Annexure - V(A)

Details of long-term and short-term borrowings as restated outstanding as at 31 December 2015

(Amounts in INR million)

Sl. No.	Name of the lender	Nature of borrowing	Amount sanctioned (INR millions)	Amount outstanding (INR millions)	Rate of Interest	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
5	HDFC Bank Limited	Term loan	1,800 (including letter of credit facility having a sub-limit of 1,500)	280.00	Base rate + 1.40% per annum,	21-Sep-15	36 Quarterly installments commencing from quarter ending September 2019	1% of the prepaid amount. No prepayment penalty would be payable to the Lender(s) if the prepayment is effected: a) At the instance of Lender(s) b) From internal accruals / equity infusion or c) On the interest reset dates. If the borrower gives a notice to prepay within 15 days of such spreads reset date. Borrower may prepay the Lender(s) within 30 days from the date of prepayment notice.	In the event of default in payment of interest, principal or any other sum due, an additional interest rate of 1% per annum shall be charged.	Secured by way of : a) A first and exclusive charge, in a form satisfactory to the Lender(s), on the immovable properties of Ambady Infrastructure Private Limited, a subsidiary, admeasuring approx. 11.68 acres at Kochi. b) A first and exclusive charge by way of hypothecation, in a form satisfactory to the Lender(s), of all the borrower's movable including movable equipment, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets present at Aster CMI, Bangalore, funded through this facility and equity brought in for supporting the Facility. c) A 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, pertaining to Aster CMI, Bangalore; 1) A subserviet charge on immovable and movable fixed assets, current assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and wjatever arising, present and future, intangibles, goodwill, uncalled capital, present and future, pertaining to Aster medcity, Kochi 2) An exclusive first charge on DSRA 3) Irrevocable, Unconditional corporate Guarantee from Ambady Infrastructure Pvt Ltd
6	HDFC Bank Limited	Overdraft against fixed deposit	100.00	21.97	FD rate + 1% per annum subject to revision by the Bank.	25-Mar-14	Tenor of 12 months subject to periodic review, repayable on demand	Nil	Nil	Secured by way of : a) Charge by way of fixed deposit as continuing security. b) Demand promissory note provided as continuing security.
3,127.34										

Aster DM Healthcare Limited
Annexure VI
Statement of current and non-current investments, as restated
(Amounts in INR million except share data)

Particulars	As at 31 March					As at 31 December 2015
	2011	2012	2013	2014	2015	
Non-current investments						
<i>Non trade, Unquoted - at cost</i>						
Investment in subsidiaries						
DM Eyecare (Delhi) Private Limited, India						
Amount of investment	0.10	0.10	0.10	0.10	0.10	0.10
Number of equity shares of Rs.10 each	9,999	9,999	9,999	9,999	9,999	9,999
DM Med City Hospitals India Private Limited, India						
Amount of investment	0.10	0.10	0.10	0.10	0.10	0.10
Number of equity shares of Rs.10 each	9,999	9,999	9,999	9,999	9,999	9,999
Prerana Hospital Limited, India						
Amount of investment	210.30	211.86	211.93	211.93	211.93	231.93
Number of equity shares of Rs.10 each	2,605,700	2,623,700	2,626,100	2,626,100	2,626,100	2,626,100
Prerana Hospital Limited, India						
Amount of investment	-	-	-	-	119.43	119.43
Number of compulsorily convertible preference shares of Rs.10 each	-	-	-	-	1,531,167	1,531,167
Ambady Infrastructure Private Limited, India						
Amount of investment	191.67	191.67	191.67	191.67	191.67	191.67
Number of equity shares of Rs.100 each	1,501,000	1,501,000	1,501,000	1,501,000	1,501,000	1,501,000
Affinity Holdings Private Limited, Mauritius						
Amount of investment	0.05	0.05	0.05	0.05	0.05	0.05
Number of equity shares of USD 1 each	1,000	1,000	1,000	1,000	1,000	1,000
Affinity Holdings Private Limited, Mauritius						
Amount of investment	899.95	899.95	1,281.95	1,281.95	1,281.95	1,281.95
Number of preference shares of USD 1 each	21,370,318	21,370,318	28,910,318	28,910,318	28,910,318	28,910,318
Affinity Holdings Private Limited, Mauritius						
Amount of investment	-	-	-	-	-	16,591.66
Number of non-cumulative redeemable preference shares of USD 1 each	-	-	-	-	-	250,000,000
Indogulf Hospitals Private Limited, India (Refer Annexure IV.20)						
Amount of investment	-	-	484.38	680.44	705.82	-
Number of equity shares of Rs.10 each	-	-	24,224,164	29,125,570	29,547,445	-
Malabar Institute Of Medical Sciences Limited, India						
Amount of investment	-	-	-	200.14	249.87	1,912.84
Number of equity shares of Rs.10 each	-	-	-	4,994,000	5,629,000	61,669,359
Sri Sainatha Multi-Speciality Hospital Private Limited, India						
Amount of investment	-	-	-	-	0.10	0.10
Number of Class A equity shares of Rs.10 each	-	-	-	-	1,000	1,000
Sri Sainatha Multi-Speciality Hospital Private Limited, India						
Amount of investment	-	-	-	-	20.68	20.68
Number of Class B equity shares of Rs.10 each	-	-	-	-	200,000	200,000
Sri Sainatha Multi-Speciality Hospital Private Limited, India						
Amount of investment	-	-	-	-	255.83	255.83
Number of compulsorily convertible preference shares of Rs.10 each	-	-	-	-	2,452,129	2,452,129
Medipoint Hospitals Private Limited, India						
Amount of investment	-	96.39	96.39	96.39	96.39	-
Number of equity shares of Rs.10 each	-	1,186,531	1,186,531	1,186,531	1,186,531	-
Medipoint Hospitals Private Limited, India						
Amount of investment	-	-	-	-	3.35	-
Number of Class B equity shares (shares without voting rights but with dividend rights) of Rs.10 each	-	-	-	-	115,385	-
Medipoint Hospitals Private Limited, India						
Amount of investment	-	-	-	-	12.30	-
Number of Class C equity shares (shares without voting rights and dividend rights) of Rs.10 each	-	-	-	-	424,173	-
	1,302.17	1,400.12	2,266.57	2,662.77	3,149.57	20,606.34

Aster DM Healthcare Limited
Annexure VI

Statement of current and non-current investments, as restated

(Amounts in INR million except share data)

Particulars	As at 31 March					As at 31 December 2015
	2011	2012	2013	2014	2015	
Investment in associates						
Malabar Institute Of Medical Sciences Limited, India						
Amount of investment	170.21	405.92	-	-	-	-
Number of equity shares of Rs.10 each	9,972,500	22,439,164	-	-	-	-
EMED Human Resources (India) Private Limited, India						
Amount of investment	-	0.05	0.05	0.05	0.05	0.05
Number of equity shares of Rs.10 each	-	5,000	5,000	5,000	5,000	5,000
	170.21	405.97	0.05	0.05	0.05	0.05
Total	1,472.38	1,806.09	2,266.62	2,662.82	3,149.62	20,606.39
Current investments						
<i>Non trade, Quoted - at lower of cost and market value</i>						
Investment in liquid mutual fund units	-	-	-	-	25.11	51.12
Current portion of long term investments (Refer Annexure IV.19)						
Medipoint Hospitals Private Limited, India						
Amount of investment	-	-	-	-	-	96.39
Number of equity shares of Rs.10 each	-	-	-	-	-	1,186,531
Medipoint Hospitals Private Limited, India						
Amount of investment	-	-	-	-	-	3.35
Number of Class B equity shares (shares without voting rights but with dividend rights) of Rs.10 each	-	-	-	-	-	115,385
Medipoint Hospitals Private Limited, India						
Amount of investment	-	-	-	-	-	12.30
Number of Class C equity shares (shares without voting rights and dividend rights) of Rs.10 each	-	-	-	-	-	424,173
<i>Less: Provision for diminution in value of investment</i>	-	-	-	-	-	(62.10)
Total	-	-	-	-	25.11	101.06
Aggregate book value of unquoted investments (both current and non-current)	1,472.38	1,806.09	2,266.62	2,662.82	3,149.62	20,656.33
Market value of quoted investments	-	-	-	-	25.14	51.12

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

Aster DM Healthcare Limited
Annexure VII
Statement of trade receivables, as restated
(Amounts in INR million except share data)

Particulars	As at 31 March					As at
	2011	2012	2013	2014	2015	31 December 2015
Debts outstanding for a period exceeding six months from the date they became due for payment						
- from promoters, group companies of promoters and other related parties						
Unsecured, considered good	-	-	2.65	13.67	5.36	2.51
Unsecured, considered doubtful	-	-	-	-	-	7.55
Provision for doubtful debts	-	-	-	-	-	(7.55)
- Others						
Unsecured, considered good	8.43	9.47	-	-	-	-
Total (A)	8.43	9.47	2.65	13.67	5.36	2.51
Other debts						
- from promoters, group companies of promoters and other related parties						
Unsecured, considered good	0.56	1.55	6.44	4.42	1.50	7.17
Unsecured, considered doubtful	-	-	-	-	-	1.17
Provision for doubtful debts	-	-	-	-	-	(1.17)
- Others						
Unsecured, considered good	-	-	-	-	52.79	97.33
Unsecured, considered doubtful	-	-	-	-	1.08	1.08
Provision for doubtful debts	-	-	-	-	(1.08)	(1.08)
Total (B)	0.56	1.55	6.44	4.42	54.29	104.50
TOTAL (A+B)	8.99	11.02	9.09	18.09	59.65	107.01

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

Aster DM Healthcare Limited

Annexure VIII

Statement of long-term and short-term loans and advances, as restated

(Amounts in INR million except share data)

Particulars	As at 31 March					As at
	2011	2012	2013	2014	2015	31 December 2015
Long-term loans and advances						
<i>(Unsecured, considered good)</i>						
Rent and other deposits	0.79	0.79	200.81	202.57	608.94	614.67
Share application money pending allotment	-	382.00	-	-	-	-
Advance taxes and taxes deducted at source	7.23	3.97	10.61	3.76	26.58	39.09
MAT credit entitlement	-	-	-	8.43	-	-
Advances for capital goods	2.88	16.49	84.48	307.26	65.51	347.03
Advances to related parties	410.13	495.88	430.27	400.89	265.20	262.71
<i>(Unsecured, considered doubtful)</i>						
Advances to related parties	-	-	-	-	134.82	134.82
Less: provision for doubtful advance	-	-	-	-	(134.82)	(134.82)
Total	421.03	899.13	726.17	922.91	966.23	1,263.50
Short-term loans and advances <i>(Unsecured, considered good)</i>						
Prepaid expenses	0.24	1.12	1.59	1.49	7.22	11.00
Rent and other deposits	0.06	-	-	-	-	-
Advances for supply of goods and rendering of services	-	-	0.12	2.67	38.25	32.16
Balance with statutory / government authorities	1.21	1.80	2.60	2.91	3.15	2.19
Advances to related parties	12.21	75.12	111.85	111.87	83.87	153.96
Advance for investment	-	-	-	-	79.80	79.80
Others loans and advances	0.29	0.92	1.03	1.04	17.72	54.35
Total	14.01	78.96	117.19	119.98	230.01	333.46
- from promoters, group companies of promoters and other related parties	422.34	571.00	742.12	712.75	683.89	751.49

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

Aster DM Healthcare Limited

Annexure IX

Statement of other income, as restated

(Amounts in INR million except share data)

Particulars	For the year ended 31 March					For the nine months from 1 April 2015 to 31 December 2015	Related/ Not related to business activity
	2011	2012	2013	2014	2015		
Recurring							
Interest income on bank deposits	2.20	23.72	60.86	27.05	112.01	17.42	Not related
Interest income others	-	-	-	10.34	11.97	0.91	Related
Dividend income - non trade investments	4.99	7.48	22.44	819.36	261.39	50.77	Related
Non-recurring							
Profit on sale of fixed assets, net	-	-	-	0.52	-	-	Related
Profit on sale of investments, net	-	-	6.99	-	-	-	Related
Interest income - income tax refund	0.05	0.71	0.02	-	0.12	-	Related
Foreign exchange gain (net)	0.02	-	-	-	-	-	Related
Dividend income from mutual fund	-	-	-	-	4.90	2.33	Not related
Miscellaneous income	-	0.02	0.26	7.47	2.33	7.29	Not related
Total	7.26	31.93	90.57	864.74	392.72	78.72	
As a % of net profit before tax	(22.5%)	(48.0%)	490%	120%	(62.7%)	(9.2%)	

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

Aster DM Healthcare Limited

Annexure X

Statement of dividend paid, as restated

(Amounts in INR million)

Particulars	For the year ended 31 March					For the nine months from 1 April 2015 to 31 December 2015
	2011	2012	2013	2014	2015	
Number of fully paid equity shares (in millions)	0.07	0.13	124.84	374.53	384.01	398.62
Equity share capital	0.66	1.25	1,248.44	3,745.31	3,840.10	3,986.24
Face value (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
Rate of dividend % *	-	-	-	30.00%	-	-
Amount of dividend	-	-	-	624.22	-	-

* Dividend has been declared on pro-rata basis/pre and post bonus issue

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

Aster DM Healthcare Limited

Annexure - XI

Capitalisation statement, as restated

(Amounts in INR million)

Particulars	Pre-issue as at 31 December 2015	Post issue (Refer note 2)
Borrowings		
Short-term borrowings	121.80	
Long-term borrowings including current maturity (A)	3,005.54	
Total borrowings	3,127.34	
Shareholders funds		
Share capital	4,626.33	
Reserves and surplus	19,282.75	
Total shareholders funds (B)	23,909.08	
Long-term borrowings / shareholders funds (A/B)	0.13	

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.
2. Post issue details have not been provided as the issue price of the equity share is not known at the date of the report.
3. Subsequent to 31 December 2015, the Company has made the following changes in its capital structure, the effect of which has not been considered above:
 - Pursuant to the approval of the Board of directors at its meeting held on 25 April 2016, the Company has issued 168,750 equity shares of Rs 10 each, at a premium of Rs 310 per share.

Aster DM Healthcare Limited
Annexure XII
Statement of accounting ratios, as restated
(Amounts in INR million)

Particulars	For the year ended 31 March					For the nine months from 1 April 2015 to 31 December 2015
	2011	2012	2013	2014	2015	
Net worth as at the year/ period end (A)	834.07	4,653.21	4,673.91	4,778.70	6,547.79	23,909.08
Net profit / (loss) after tax, as restated available for equity shareholders (B)	(32.31)	(66.47)	18.50	704.03	(634.69)	(857.91)
Weighted average number of equity shares outstanding during the year / period						
For basic earnings per share (C)	374,472,555	374,493,533	374,531,157	374,531,157	383,101,198	394,338,801
For diluted earnings per share (D)	374,472,555	374,493,533	375,991,423	375,991,423	393,472,273	429,752,150
Earnings / (loss) per share Rs. 10 each (refer note 3)						
Basic (Rs) (E = B/C)	(0.09)	(0.18)	0.05	1.88	(1.66)	(2.18)
Diluted (Rs) (F = B/D)	(0.09)	(0.18)	0.05	1.87	(1.66)	(2.18)
Return on net worth (%) (G = B/A)	(3.87%)	(1.43%)	0.40 %	14.73 %	(9.69%)	(3.59%)
Weighted average number of shares outstanding during the year/ period (H)	374,472,555	374,493,533	374,531,157	374,531,157	383,101,198	394,338,801
Net assets value per share of Rs 10 each (I = A/H)	2.23	12.43	12.48	12.76	17.09	60.63
Face value (Rs)	10	10	10	10	10	10

Notes:

1. The above ratios are calculated as under:

a) Basic earnings per share = Net profit attributable to equity shareholders / weighted average number of shares outstanding during the year/ period

b) Diluted earnings per share = Net profit attributable to equity shareholders / weighted average number of diluted potential shares outstanding during the year/ period. The conversion of compulsory convertible preference shares and employee stock option plan into equity if made would have the effect of reducing the loss per share and would therefore be antidilutive. Hence such conversion has not been considered for the purpose of calculating diluted earnings per share.

c) Return on net worth (%) = Net profit attributable to equity shareholders / net worth as at the end of year/ period.

d) Net asset value (Rs) = Net worth / number of equity shares as at the end of year/ period.

2. The figures disclosed above are based on the restated standalone financial information of Aster DM Healthcare Limited.

3. Earning per shares (EPS) calculation is in accordance with Accounting Standard 20 "Earnings per share" prescribed by the Companies (Accounting Standards) Rules, 2006.

4. As per AS 20, in case of bonus shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. The Company issued 124,719,000 bonus shares during the year ended 31 March 2013 and issued 249,687,438 bonus shares during the year ended 31 March 2014 by way of capitalization of securities premium account. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

5. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.

Aster DM Healthcare Limited

Annexure XIII

Statement of related parties and related party transactions, as restated

A. Related Party relationships

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

I) Enterprises where control exist

a) Holding Company and ultimate holding company

Year ended 31 March 2011	Year ended 31 March 2012	Year ended 31 March 2013	Year ended 31 March 2014	Year ended 31 March 2015	For the nine months from 1 April 2015 to 31 December 2015
Union Investments Private Limited, Mauritius	Union Investments Private Limited, Mauritius	Union Investments Private Limited, Mauritius	Union Investments Private Limited, Mauritius	Union Investments Private Limited, Mauritius	Union Investments Private Limited, Mauritius

b) Subsidiaries and step down subsidiaries

Year ended 31 March 2011	Year ended 31 March 2012	Year ended 31 March 2013	Year ended 31 March 2014	Year ended 31 March 2015	For the nine months from 1 April 2015 to 31 December 2015
Prerana Hospital Limited, India	Prerana Hospital Limited, India	Prerana Hospital Limited, India	Prerana Hospital Limited, India	Prerana Hospital Limited, India	Prerana Hospital Limited, India
Affinity Holding Private Limited, Mauritius (w.e.f 14 November 2010)	Affinity Holding Private Limited, Mauritius	Affinity Holding Private Limited, Mauritius	Affinity Holding Private Limited, Mauritius	Affinity Holding Private Limited, Mauritius	Affinity Holding Private Limited, Mauritius
DM Eye Care (Delhi) Private Limited, India (w.e.f. 24 March 2011)	DM Eye Care (Delhi) Private Limited, India	DM Eye Care (Delhi) Private Limited, India	DM Eye Care (Delhi) Private Limited, India	DM Eye Care (Delhi) Private Limited, India	DM Eye Care (Delhi) Private Limited, India
DM Med City Hospitals India Private Limited, India (w.e.f. 24 March 2011)	DM Med City Hospitals India Private Limited, India	DM Med City Hospitals India Private Limited, India	DM Med City Hospitals India Private Limited, India	DM Med City Hospitals India Private Limited, India	DM Med City Hospitals India Private Limited, India
Ambady Infrastructure Private Limited, India (w.e.f. 10 October 2010)	Ambady Infrastructure Private Limited, India	Ambady Infrastructure Private Limited, India	Ambady Infrastructure Private Limited, India	Ambady Infrastructure Private Limited, India	Ambady Infrastructure Private Limited, India
-	Medipoint Hospitals Private Limited, India (w.e.f. 26 March 2012)	Medipoint Hospitals Private Limited, India	Medipoint Hospitals Private Limited, India	Medipoint Hospitals Private Limited, India	Medipoint Hospitals Private Limited, India
-	-	Indogulf Hospitals Private Limited, India (w.e.f. 30 March 2013)	Indogulf Hospitals Private Limited, India	Indogulf Hospitals Private Limited, India	Indogulf Hospitals Private Limited, India - Refer Annexure IV.20
-	-	Malabar Institute of Medical Sciences Limited, India (w.e.f. 30 March 2013)	Malabar Institute of Medical Sciences Limited, India	Malabar Institute of Medical Sciences Limited, India	Malabar Institute of Medical Sciences Limited, India
-	-	-	-	Sri Sainatha Multispecialty Hospital Private Limited, India (w.e.f. 11 August 2014)	Sri Sainatha Multispecialty Hospital Private Limited, India
-	Dr Moopen's Holdings FZC, UAE (w.e.f. 8 April 2011)	Dr Moopen's Holdings FZC, UAE	Aster DM Healthcare FZC, UAE (formerly known as Dr. Moopen's Holdings FZC)	Aster DM Healthcare FZC, UAE	Aster DM Healthcare FZC, UAE
-	Dr Moopens Healthcare Management Services LLC, UAE (w.e.f. 8 April 2011)	Dr Moopens Healthcare Management Services LLC, UAE	Dr Moopens Healthcare Management Services LLC, UAE	Dr Moopens Healthcare Management Services LLC, UAE	Dr Moopens Healthcare Management Services LLC, UAE

Aster DM Healthcare Limited
Annexure XIII (continued)

b) Subsidiaries and step down subsidiaries (continued)

Year ended 31 March 2011	Year ended 31 March 2012	Year ended 31 March 2013	Year ended 31 March 2014	Year ended 31 March 2015	For the nine months from 1 April 2015 to 31 December 2015
-	Al Ehsan Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Al Ehsan Pharmacy LLC, UAE	Al Ehsan Pharmacy LLC, UAE	Al Ehsan Pharmacy LLC, UAE	Al Ehsan Pharmacy LLC, UAE*
-	-	-	Aster Drug Stores LLC, UAE	Alfa Drug Stores LLC (formerly known as Aster Drug Stores LLC, UAE)	Alfa Drug Stores LLC, UAE
-	-	Al Faisal Pharmacy LLC, UAE	Al Faisal Pharmacy LLC, UAE	Al Faisal Pharmacy LLC, UAE	Al Faisal Pharmacy LLC, UAE*
-	Alfa Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Alfa Pharmacy LLC, UAE	Alfa Pharmacy LLC, UAE	Alfa Pharmacy LLC, UAE	Alfa Pharmacy LLC, UAE*
-	Al Haramain Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Al Haramain Pharmacy LLC, UAE**	-	-	-
-	Al Juma Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Al Juma Pharmacy LLC, UAE	Al Juma Pharmacy LLC, UAE	Al Juma Pharmacy LLC, UAE	Al Juma Pharmacy LLC, UAE*
-	Al Musalla Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Al Musalla Pharmacy LLC, UAE	Al Musalla Pharmacy LLC, UAE	Al Musalla Pharmacy LLC, UAE	Al Musalla Pharmacy LLC, UAE*
-	-	-	-	-	Al Rafa Holdings Limited, UAE
-	Al Rafa Hospital for Maternity and Surgery LLC, UAE (w.e.f. 8 April 2011)	Al Rafa Hospital for Maternity and Surgery LLC, UAE	Al Rafa Hospital for Maternity and Surgery LLC, UAE	Al Rafa Hospital for Maternity and Surgery LLC, UAE	Aster Milann Fertility & Women Care Centre LLC, UAE (formerly known as Al Rafa Hospital for Maternity and Surgery LLC, UAE)
-	-	-	-	-	Al Rafa Investments Limited, UAE
-	Al Rafa Medical Centre LLC, UAE (w.e.f. 8 April 2011)	Al Rafa Medical Centre LLC, UAE	Al Rafa Medical Centre LLC, UAE	Al Rafa Medical Centre LLC, UAE	Al Rafa Medical Centre LLC, UAE
-	Al Raha Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Al Raha Pharmacy LLC, UAE	Al Raha Pharmacy LLC, UAE	Al Raha Pharmacy LLC, UAE	Al Raha Pharmacy LLC, UAE*
-	-	-	-	Al Shafar Pharmacy LLC (AUH), UAE	Al Shafar Pharmacy LLC (AUH), UAE
-	Al Shifa Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Al Shifa Pharmacy LLC, UAE	Al Shifa Pharmacy LLC, UAE	Al Shifa Pharmacy LLC, UAE	Al Shifa Pharmacy LLC, UAE*
-	Al Warqa Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Al Warqa Pharmacy LLC, UAE	Al Warqa Pharmacy LLC, UAE	Al Warqa Pharmacy LLC, UAE	Al Warqa Pharmacy LLC, UAE*
-	Asma Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Asma Pharmacy LLC, UAE	Asma Pharmacy LLC, UAE	Asma Pharmacy LLC, UAE	Asma Pharmacy LLC, UAE
-	-	Aster Al Shafar Pharmacies Group LLC, UAE	Aster Al Shafar Pharmacies Group LLC, UAE	Aster Al Shafar Pharmacies Group LLC, UAE	Aster Al Shafar Pharmacies Group LLC, UAE
-	-	Aster Al Shafar Pharmacy LLC (Lamcy), UAE	Aster Al Shafar Pharmacy LLC (Lamcy), UAE	Aster Al Shafar Pharmacy LLC (Lamcy), UAE	Aster Al Shafar Pharmacy LLC (Lamcy), UAE*
-	-	Aster DIP Pharmacy LLC, UAE	Aster DIP Pharmacy LLC, UAE	Aster DIP Pharmacy LLC, UAE	Aster DIP Pharmacy LLC, UAE*
-	Aster Grand Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Aster Grand Pharmacy LLC, UAE	Aster Grand Pharmacy LLC, UAE	Aster Grand Pharmacy LLC, UAE	Aster Grand Pharmacy LLC, UAE*
-	-	-	-	-	Aster Grace Nursing & Physiotherapy LLC, UAE

Aster DM Healthcare Limited
Annexure XIII (continued)

b) Subsidiaries and step down subsidiaries (continued)

Year ended 31 March 2011	Year ended 31 March 2012	Year ended 31 March 2013	Year ended 31 March 2014	Year ended 31 March 2015	For the nine months from 1 April 2015 to 31 December 2015
-	Aster JBR Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Aster JBR Pharmacy LLC, UAE	Aster JBR Pharmacy LLC, UAE	Aster JBR Pharmacy LLC, UAE	Aster JBR Pharmacy LLC, UAE*
-	Aster Jebel Ali Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Aster Jebel Ali Pharmacy LLC, UAE	Aster Jebel Ali Pharmacy LLC, UAE	Aster Jebel Ali Pharmacy LLC, UAE	Aster Jebel Ali Pharmacy LLC, UAE*
-	-	-	-	-	Aster Medical Centre Khalidiya LLC, UAE
-	-	-	-	-	Aster Opticals LLC, UAE
-	-	-	Aster Pharmacies Group LLC, UAE	Aster Pharmacies Group LLC, UAE	Aster Pharmacies Group LLC, UAE
-	Farmacia Home Health Care**	-	-	Aster Pharmacy LLC, AUH, UAE (Formerly known as Farmacia Home Healthcare)****	Aster Pharmacy LLC, AUH, UAE
-	Aster Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Aster Pharmacy LLC, UAE	Aster Pharmacy LLC, UAE	Aster Pharmacy LLC, UAE	Aster Pharmacy LLC, UAE *
-	Avenue Pharmacy LLC,UAE (w.e.f. 8 April 2011)	Avenue Pharmacy LLC,UAE	Avenue Pharmacy LLC,UAE	Avenue Pharmacy LLC,UAE	Avenue Pharmacy LLC,UAE*
-	Dar Al Shifa Medical Centre LLC, UAE (w.e.f. 8 April 2011)	Dar Al Shifa Medical Centre LLC, UAE	Dar Al Shifa Medical Centre LLC, UAE	Dar Al Shifa Medical Centre LLC, UAE	Dar Al Shifa Medical Centre LLC, UAE
-	DM Group FZ LLC, UAE (w.e.f. 8 April 2011)	DM Group FZ LLC, UAE	DM Group FZ LLC, UAE	DM Group FZ LLC, UAE	DM Group FZ LLC, UAE***
-	DM Pharmacies LLC, UAE (w.e.f. 8 April 2011)	DM Pharmacies LLC, UAE	DM Pharmacies LLC, UAE	DM Pharmacies LLC, UAE	DM Pharmacies LLC, UAE
-	DM Healthcare LLC, UAE (w.e.f. 8 April 2011)	DM Healthcare LLC, UAE	DM Healthcare LLC, UAE	DM Healthcare LLC, UAE	DM Healthcare LLC, UAE
-	Dr. Moopens Medical Poly Clinic LLC, UAE (w.e.f. 8 April 2011)	Dr. Moopens Medical Poly Clinic LLC, UAE	Dr. Moopens Medical Poly Clinic LLC, UAE	Dr. Moopens Medical Poly Clinic LLC, UAE	Dr. Moopens Medical Clinic LLC, UAE (formerly known as Dr. Moopens Medical Poly Clinic LLC, UAE)
-	Eurohealth Systems FZ LLC, UAE (w.e.f. 8 April 2011)	Eurohealth Systems FZ LLC, UAE	Eurohealth Systems FZ LLC, UAE	Eurohealth Systems FZ LLC, UAE	Eurohealth Systems FZ LLC, UAE
-	Golden Sands Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Golden Sands Pharmacy LLC, UAE	Golden Sands Pharmacy LLC, UAE	Golden Sands Pharmacy LLC, UAE	Golden Sands Pharmacy LLC, UAE*
-	Ibn Al Azwar Pharmacy LLC. UAE (w.e.f. 8 April 2011)	Ibn Al Azwar Pharmacy LLC. UAE	Ibn Al Azwar Pharmacy LLC. UAE	Ibn Al Azwar Pharmacy LLC. UAE	Ibn Al Azwar Pharmacy LLC. UAE*
-	Ibn Alhaitham Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Ibn Alhaitham Pharmacy LLC, UAE	Ibn Alhaitham Pharmacy LLC, UAE	Ibn Alhaitham Pharmacy LLC, UAE	Ibn Alhaitham Pharmacy LLC, UAE ***
-	Iqra Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Iqra Pharmacy LLC, UAE	Iqra Pharmacy LLC, UAE	Iqra Pharmacy LLC, UAE	Iqra Pharmacy LLC, UAE*
-	Marina Pearl Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Marina Pearl Pharmacy LLC, UAE	Marina Pearl Pharmacy LLC, UAE	Marina Pearl Pharmacy LLC, UAE	Marina Pearl Pharmacy LLC, UAE ***
-	Maryam Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Maryam Pharmacy LLC, UAE	Maryam Pharmacy LLC, UAE	Maryam Pharmacy LLC, UAE	Maryam Pharmacy LLC, UAE***
-	Medcare Hospital LLC, UAE (w.e.f. 8 April 2011)	Medcare Hospital LLC, UAE	Medcare Hospital LLC, UAE	Medcare Hospital LLC, UAE	Medcare Hospital LLC, UAE
-	Medicine Shoppe Micro Pharmacy LLC, UAE	Medicine Shoppe Micro Pharmacy LLC, UAE	Medicine Shoppe Micro Pharmacy LLC, UAE	Medicine Shoppe Micro Pharmacy LLC, UAE	Medicine Shoppe Micro Pharmacy LLC, UAE*

Aster DM Healthcare Limited
Annexure XIII (continued)

b) Subsidiaries and step down subsidiaries (continued)

Year ended 31 March 2011	Year ended 31 March 2012	Year ended 31 March 2013	Year ended 31 March 2014	Year ended 31 March 2015	For the nine months from 1 April 2015 to 31 December 2015
-	Med Save Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Med Save Pharmacy LLC, UAE	Med Save Pharmacy LLC, UAE	Med Save Pharmacy LLC, UAE	Med Save Pharmacy LLC, UAE*
-	Medshop Garden Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Medshop Garden Pharmacy LLC, UAE	Medshop Garden Pharmacy LLC, UAE	Medshop Garden Pharmacy LLC, UAE	Medshop Garden Pharmacy LLC, UAE
-	Med Shop Drugs Store LLC, UAE (w.e.f. 8 April 2011)	Med Shop Drugs Store LLC, UAE	Med Shop Drugs Store LLC, UAE	Med Shop Drugs Store LLC, UAE	Med Shop Drugs Store LLC, UAE
-	Modern Dar Al Shifa Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Modern Dar Al Shifa Pharmacy LLC, UAE	Modern Dar Al Shifa Pharmacy LLC, UAE	Modern Dar Al Shifa Pharmacy LLC, UAE	Modern Dar Al Shifa Pharmacy LLC, UAE
-	New Al Qouz Pharmacy LLC, UAE (w.e.f. 8 April 2011)	New Al Qouz Pharmacy LLC, UAE	New Al Qouz Pharmacy LLC, UAE	New Al Qouz Pharmacy LLC, UAE	New Al Qouz Pharmacy LLC, UAE*
-	-	New Aster Pharmacy JLT, UAE	New Aster Pharmacy JLT, UAE	New Aster Pharmacy DMCC, UAE (formerly known as New Aster Pharmacy JLT, UAE)	New Aster Pharmacy DMCC, UAE
-	Rashid Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Rashid Pharmacy LLC, UAE	Rashid Pharmacy LLC, UAE	Rashid Pharmacy LLC, UAE	Rashid Pharmacy LLC, UAE*
-	-	Sara Pharmacy LLC, UAE	Sara Pharmacy LLC, UAE	Sara Pharmacy LLC, UAE	Sara Pharmacy LLC, UAE*
-	Shindagha Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Shindagha Pharmacy LLC, UAE	Shindagha Pharmacy LLC, UAE	Shindagha Pharmacy LLC, UAE	Shindagha Pharmacy LLC, UAE
-	-	Symphony Healthcare Management Services LLC, UAE	Symphony Healthcare Management Services LLC, UAE	Symphony Healthcare Management Services LLC, UAE	Symphony Healthcare Management Services LLC, UAE
-	Union Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Union Pharmacy LLC, UAE	Union Pharmacy LLC, UAE	Union Pharmacy LLC, UAE	Union Pharmacy LLC, UAE
-	-	Vitamin World LLC, UAE	Vitamin World LLC, UAE	Vitamin World LLC, UAE	Vitamin World LLC, UAE***
-	Yacoub Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Yacoub Pharmacy LLC, UAE	Yacoub Pharmacy LLC, UAE	Yacoub Pharmacy LLC, UAE	Yacoub Pharmacy LLC, UAE*
-	-	Zabeel Pharmacy LLC, UAE	Zabeel Pharmacy LLC, UAE	Zabeel Pharmacy LLC, UAE	Zabeel Pharmacy LLC, UAE ***
-	Rafa Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Rafa Pharmacy LLC, UAE	Rafa Pharmacy LLC, UAE	Rafa Pharmacy LLC, UAE	Rafa Pharmacy LLC, UAE
-	Experts Pharmacy LLC, UAE (w.e.f. 8 April 2011)	Experts Pharmacy LLC, UAE**	-	-	-
-	Medicine Shoppe Pharmacy LLC (w.e.f. 8 April 2011)	Medicine Shoppe Pharmacy LLC	Medicine Shoppe Pharmacy LLC	Medicine Shoppe Pharmacy LLC	Medicine Shoppe Pharmacy LLC *
-	Sanayia Pharmacy WLL (w.e.f. 8 April 2011)	Sanayia Pharmacy WLL **	-	-	-
-	New Grand Pharmacy LLC**	-	-	-	-

Aster DM Healthcare Limited
Annexure XIII (continued)

b) Subsidiaries and step down subsidiaries (continued)

Year ended 31 March 2011	Year ended 31 March 2012	Year ended 31 March 2013	Year ended 31 March 2014	Year ended 31 March 2015	For the nine months from 1 April 2015 to 31 December 2015
-	-	-	-	Aster DM Healthcare INC, Philippines	Aster DM Healthcare INC, Philippines
-	-	-	-	Aster DM Healthcare SPC, Bahrain	Aster DM Healthcare SPC, Bahrain
-	-	-	-	Aster Kuwait General Trading Co LLC, Kuwait	Aster Kuwait General Trading Co LLC, Kuwait
-	Dr. Moopens Healthcare Management Services WLL, Qatar (w.e.f. 8 April 2011)	Dr. Moopens Healthcare Management Services WLL, Qatar	Dr. Moopens Healthcare Management Services WLL, Qatar	Dr. Moopens Healthcare Management Services WLL, Qatar	Dr. Moopens Healthcare Management Services WLL, Qatar
-	Welcare Polyclinic WLL, Qatar (w.e.f. 8 April 2011)	Welcare Polyclinic WLL, Qatar	Welcare Polyclinic WLL, Qatar	Welcare Polyclinic WLL, Qatar	Welcare Polyclinic WLL, Qatar
-	Sanad for Healthcare Co LLC, Kingdom of Saudi Arabia (w.e.f. 7 December 2011)	Sanad for Healthcare Co LLC, Kingdom of Saudi Arabia	Sanad for Healthcare Co LLC, Kingdom of Saudi Arabia	Sanad for Healthcare Co LLC, Kingdom of Saudi Arabia	Sanad for Healthcare Co LLC, Kingdom of Saudi Arabia (ceases to be a subsidiary from September 2015)
-	Sanad Al Rahma for Medical Care LLC, Kingdom of Saudi Arabia (w.e.f. 7 December 2011)	Sanad Al Rahma for Medical Care LLC, Kingdom of Saudi Arabia	Sanad Al Rahma for Medical Care LLC, Kingdom of Saudi Arabia	Sanad Al Rahma for Medical Care LLC, Kingdom of Saudi Arabia	Sanad Al Rahma for Medical Care LLC, Kingdom of Saudi Arabia
-	Dr. Moopen's Hospital Co. Ltd., Saudi Arabia (w.e.f 8 April 2011)	Dr. Moopen's Hospital Co. Ltd., Saudi Arabia	Dr. Moopen's Hospital Co. Ltd., Saudi Arabia	Dr. Moopen's Hospital Co. Ltd., Saudi Arabia	Dr. Moopen's Hospital Co. Ltd., Saudi Arabia ##
-	-	-	-	Orange Pharmacies LLC, Jordan	Orange Pharmacies LLC, Jordan
-	Al Rafa Hospital LLC, Oman (w.e.f. 8 April 2011)	Al Rafa Hospital LLC, Oman	Al Rafa Hospital LLC, Oman	Al Rafa Hospital LLC, Oman	Al Rafa Hospital LLC, Oman
-	Al Raffah Medical Centre LLC, Oman (w.e.f. 8 April 2011)	Al Raffah Medical Centre LLC, Oman	Al Raffah Medical Centre LLC, Oman	Al Raffah Medical Centre LLC, Oman	Al Raffah Medical Centre LLC, Oman

represents closure of operations of the entities

represents entities closed after the reporting date

* represents subsidiaries converted as branches subsequent to the reporting date.

** represents entities converted as a branch.

*** represents subsidiaries which are in the process of winding up

**** represents entities converted as subsidiary

Although the percentage of voting rights as a result of legal holding by the Company is not more than 50% in certain entities listed above, the Company controls the composition of the board of directors or equivalent of those entities so as to obtain economic benefits from their activities.

Aster DM Healthcare Limited
Annexure XIII (continued)

c) Associates

Year ended 31 March 2011	Year ended 31 March 2012	Year ended 31 March 2013	Year ended 31 March 2014	Year ended 31 March 2015	For the nine months from 1 April 2015 to 31 December 2015
-	Malabar Institute of Medical sciences Limited, India	-	-	-	-
-	EMED Human Resources (India) Private Limited, India	EMED Human Resources (India) Private Limited, India	EMED Human Resources (India) Private Limited, India	EMED Human Resources (India) Private Limited, India	EMED Human Resources (India) Private Limited, India
-	-	-	-	Aries holdings FZC, UAE	Aries holdings FZC, UAE
-	-	MIMS Infrastructure and Properties Private Limited, India	MIMS Infrastructure and Properties Private Limited, India	MIMS Infrastructure and Properties Private Limited, India	MIMS Infrastructure and Properties Private Limited, India

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

a) Key managerial personnel and their relatives (KMP)

Year ended 31 March 2011	Year ended 31 March 2012	Year ended 31 March 2013	Year ended 31 March 2014	Year ended 31 March 2015	For the nine months from 1 April 2015 to 31 December 2015
Dr Azad Moopen (Director)	Dr Azad Moopen (Director)	Dr Azad Moopen (Director)	Dr Azad Moopen (Director)	Dr Azad Moopen (Chairman and Managing Director with effect from 1 December 2014)	Dr Azad Moopen (Chairman and Managing Director)
Mr Wilson T Joseph (Director)	Mr Wilson T Joseph (Director)	Mr Wilson T Joseph (Director)	Mr Wilson T Joseph (Director)	-	-
-	Mr Anupam Verma (Chief Executive Officer)	Mr Anupam Verma (Chief Executive Officer)	-	-	-
-	-	-	Mr. Sreenath Reddy (Chief Financial Officer)	Mr. Sreenath Reddy (Chief Financial Officer)	Mr. Sreenath Reddy (Chief Financial Officer)
-	-	-	-	Mr. Rajesh A (Company Secretary)	Mr. Rajesh A (Company Secretary)

b) Entities having significant influence over the Company

Year ended 31 March 2011	Year ended 31 March 2012	Year ended 31 March 2013	Year ended 31 March 2014	Year ended 31 March 2015	For the nine months from 1 April 2015 to 31 December 2015
IVF Trustee Company Private Limited	IVF Trustee Company Private Limited	IVF Trustee Company Private Limited	IVF Trustee Company Private Limited	-	-
-	Olympus Capital Asia Investment Limited, Mauritius	Olympus Capital Asia Investment Limited, Mauritius	Olympus Capital Asia Investment Limited, Mauritius	Olympus Capital Asia Investment Limited, Mauritius	-
-	-	-	-	Indium IV (Mauritius) Holdings Limited	-

Aster DM Healthcare Limited
Annexure XIII (continued)

c) Entities under common control / Entities over which the Company has significant influence (Others):

Year ended 31 March 2011	Year ended 31 March 2012	Year ended 31 March 2013	Year ended 31 March 2014	Year ended 31 March 2015	For the nine months from 1 April 2015 to 31 December 2015
DM Foundation, India	DM Foundation, India	DM Foundation, India	DM Foundation, India	DM Foundation, India	DM Foundation, India
Dr Moopen's Healthcare Management Services LLC, U.A.E	-	-	-	-	-
Dr Moopen's Holdings FZC, U.A.E	-	-	-	-	-
DM Group FZ LLC,U.A.E	-	-	-	-	-
-	Wayanad Infrastructure Private Limited, India	-	-	-	-
DM Education and Reserch Foundation, India	DM Education and Reserch Foundation, India	DM Education and Reserch Foundation, India	DM Education and Reserch Foundation, India	-	-
EMED Human Resources (India) Private Limited, India	-	-	-	-	-

Aster DM Healthcare Limited

Annexure XIII (continued)

Statement of related parties and related party transactions, as restated

B. Details of transactions/outstanding balances with related parties during the year ended

(Amounts in INR million)

Particulars	Holding Company	Subsidiaries	Associates	Key Managerial Personnel	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2011							
<i>Transactions during the year</i>							
Share application money received pending allotment							
Union Investments Private Limited, Mauritius	76.59	-	-	-	-	-	76.59
Interest paid on share application money							
IVF Trustee Company Private Limited, India	-	-	-	-	1.61	-	1.61
Investments /advance against investments							
Prerana Hospital Limited, India	-	60.00	-	-	-	-	60.00
Others	-	3.00	-	-	-	-	3.00
Long term loans and advances given							
DM Eye Care (Delhi) Private Limited, India	-	34.82	-	-	-	-	34.82
DM Med City Hospitals India Private Limited, India	-	180.20	-	-	-	-	180.20
Others	-	5.77	-	-	-	-	5.77
Short term loans and advances given							
DM Education and Research Foundation, India	-	-	-	-	-	12.07	12.07
Others	-	-	-	-	-	0.14	0.14
Short term loans and advances received							
Mrs Naseera Azad	-	-	-	1.18	-	-	1.18
DM Group FZ LLC,U.A.E	-	-	-	-	-	1.23	1.23
Others	-	-	-	0.10	-	-	0.10
Income from consultancy services							
Prerana Hospital Limited, India	-	2.22	-	-	-	-	2.22
Managerial remuneration							
Salaries and allowances	-	-	-	5.90	-	-	5.90
Reimbursement of expenses							
Dr Moopen's holdings FZC, UAE	-	-	-	-	-	5.12	5.12
Dr Moopen's Healthcare Management Services LLC, UAE	-	-	-	-	-	1.18	1.18
Expenses incurred on behalf of others							
EMED Human Resources (India) Private Limited, India	-	-	-	-	-	0.47	0.47

Aster DM Healthcare Limited

Annexure XIII (continued)

Statement of related parties and related party transactions, as restated

B. Details of transactions/outstanding balances with related parties during the year ended

(Amounts in INR million)

Particulars	Holding Company	Subsidiaries	Associates	Key Managerial Personnel	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2011 (continued)							
<i>Outstanding balances as at year end</i>							
Long-term loans and advances							
DM Med City Hospitals India Private Limited, India	-	367.96	-	-	-	-	367.96
Others	-	41.71	-	-	-	0.46	42.17
Short-term loans and advances							
DM Education and Reserch Foundation, India	-	-	-	-	-	12.07	12.07
Others		-				0.14	0.14
Other payables							
DM Group FZ LLC, U.A.E	-	-	-	-	-	1.18	1.18
Dr Moopen's holdings FZC, U.A.E	-	-	-	-	-	5.19	5.19
Others	-	-	-	0.17	-	-	0.17
Share application money due for refund							
Union Investments Private Limited, Mauritius	125.00	-	-	-	-	-	125.00
IVF Trustee Company Private Limited, India	-	-	-	-	1,126.86	-	1,126.86
Share application pending allotment							
Union Investments Private Limited, Mauritius	69.08	-	-	-	-	-	69.08
Trade receivables							
Prerana Hospital Limited, India	-	0.56	-	-	-	-	0.56
For the year ended 31 March 2012							
<i>Transactions during the year</i>							
Share application money received pending allotment							
Olympus Capital Asia Investment Limited, Mauritius	-	-	-	-	3,948.00	-	3,948.00
Union Investments Private Limited, Mauritius	354.35	-	-	-	-	-	354.35
Share application money given pending allotment							
Affinity Holding Private Limited, Mauritius	-	382.00	-	-	-	-	382.00
Refund of share application money							
IVF Trustee Company Private Limited, India	-	-	-	-	1,126.86	-	1,126.86
Union Investments Private Limited, Mauritius	125.00	-	-	-	-	-	125.00

Aster DM Healthcare Limited

Annexure XIII (continued)

Statement of related parties and related party transactions, as restated

B. Details of transactions/outstanding balances with related parties during the year ended

(Amounts in INR million)

Particulars	Holding Company	Subsidiaries	Associates	Key Managerial Personnel	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2012 (continued)							
Purchase of shares in associate							
Union Investments Private Limited, Mauritius	104.67	-	-	-	-	-	104.67
Investments							
Medipoint hospitals Private Limited, India	-	96.39	-	-	-	-	96.39
Long term loans and advances given							
DM Eye Care (Delhi) Private Limited, India	-	51.86	-	-	-	-	51.86
DM Med City Hospitals India Private Limited, India	-	32.60	-	-	-	-	32.60
Others	-	0.11	-	-	-	-	0.11
Short term loans and advances given							
DM Education and Reserch Foundation, India	-	-	-	-	-	37.06	37.06
Dr Azad Moopen	-	-	-	37.80	-	-	37.80
Prerana Hospital Limited, India	-	25.00	-	-	-	-	25.00
DM Foundation, India	-	-	-	-	-	7.51	7.51
Short term loans and advances repayment received							
DM Education and Reserch Foundation, India	-	-	-	-	-	5.66	5.66
Dr Azad Moopen	-	-	-	36.15	-	-	36.15
Others	-	-	-	0.05	-	2.65	2.70
Short term loans and advances received							
DM Group FZ LLC, U.A.E	-	0.15	-	-	-	-	0.15
Income from consultancy services							
Prerana Hospital Limited, India	-	2.90	-	-	-	-	2.90
Legal and professional fees							
Olympus Capital Asia Investment Limited, Mauritius	-	-	-	-	13.89	-	13.89
Managerial remuneration							
Salaries and allowances	-	-	-	7.10	-	-	7.10
Other expenses							
Dr Moopen's holdings FZC, U.A.E	-	6.10	-	-	-	-	6.10

Aster DM Healthcare Limited

Annexure XIII (continued)

Statement of related parties and related party transactions, as restated

B. Details of transactions/outstanding balances with related parties during the year ended

(Amounts in INR million)

Particulars	Holding Company	Subsidiaries	Associates	Key Managerial Personnel	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2012 (continued)							
Reimbursement of expenses							
Dr Moopen's Healthcare Management Services LLC, U.A.E	-	0.04	-	-	-	-	0.04
Sale of fixed assets							
Wayanad Infrastructure Private Limited, India	-	-	-	-	-	0.03	0.03
Expenses incurred on behalf of subsidiaries/ associates							
EMED Human Resources (India) Private Limited, India	-	-	1.17	-	-	-	1.17
Others	-	0.05	-	-	-	0.05	0.10
Outstanding balances as at year end							
Dues to holding company							
Union Investments Private Limited, Mauritius	104.67	-	-	-	-	-	104.67
Long-term loans and advances							
DM Med City Hospitals India Private Limited, India	-	400.56	-	-	-	-	400.56
DM Eye Care (Delhi) Private Limited, India	-	87.79	-	-	-	-	87.79
Others	-	5.89	1.64	-	-	-	7.53
Short-term loans and advances							
DM Education and Reserch Foundation, India	-	-	-	-	-	43.47	43.47
Prerana Hospital Limited, India	-	25.05	-	-	-	-	25.05
Others	-	-	-	1.52	-	5.08	6.60
Other payables							
DM Group FZ LLC,U.A.E	-	1.32	-	-	-	-	1.32
Dr Moopen's holdings FZC, U.A.E	-	11.30	-	-	-	-	11.30
Others	-	0.04	-	-	-	-	0.04
Share application money due for refund							
Union Investments Private Limited, Mauritius	85.82	-	-	-	-	-	85.82
Share application pending allotment							
Affinity Holding Private Limited, Mauritius	-	382.00	-	-	-	-	382.00
Trade receivables							
Prerana Hospital Limited, India	-	1.55	-	-	-	-	1.55

Aster DM Healthcare Limited

Annexure XIII (continued)

Statement of related parties and related party transactions, as restated

B. Details of transactions/outstanding balances with related parties during the year ended

(Amounts in INR million)

Particulars	Holding Company	Subsidiaries	Associates	Key Managerial Personnel	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2013							
<i>Transactions during the year</i>							
Refund of share application money							
Union Investments Private Limited, Mauritius	85.82	-	-	-	-	-	85.82
Repayment of dues to holding company							
Union Investments Private Limited, Mauritius	94.30	-	-	-	-	-	94.30
Long term loans and advances given							
DM Eye Care (Delhi) Private Limited, India	-	20.70	-	-	-	-	20.70
Indogulf Hospitals Private Limited, India	-	100.00	-	-	-	-	100.00
Ambady Infrastructure Private Limited, India	-	0.07	-	-	-	-	0.07
Short term loans and advances given							
Indogulf Hospitals Private Limited, India	-	30.25	-	-	-	-	30.25
Prerana Hospital Limited, India	-	45.00	-	-	-	-	45.00
Others	-	-	-	0.33	-	0.87	1.20
Short term loans and advances repayment received							
DM Education and Reserch Foundation, India	-	-	-	-	-	44.32	44.32
Long term loans and advance repayment received							
DM Med City Hospitals India Private Limited, India	-	193.32	-	-	-	-	193.32
Indogulf Hospitals Private Limited, India	-	25.00	-	-	-	-	25.00
Ambady Infrastructure Private Limited, India	-	4.03	-	-	-	-	4.03
Security deposit placed							
DM Med City Hospitals India Private Limited, India	-	200.00	-	-	-	-	200.00
Short term loans and advances received							
DM Group FZ LLC,U.A.E	-	1.32	-	-	-	-	1.32
Investments /advance against investments							
Affinity Holding Private Limited, Mauritius	-	382.00	-	-	-	-	382.00
Income from consultancy services							
Medipoint hospitals Private Limited, India	-	2.03	-	-	-	-	2.03
Prerana Hospital Limited, India	-	4.53	-	-	-	-	4.53

Aster DM Healthcare Limited

Annexure XIII (continued)

Statement of related parties and related party transactions, as restated

B. Details of transactions/outstanding balances with related parties during the year ended

(Amounts in INR million)

Particulars	Holding Company	Subsidiaries	Associates	Key Managerial Personnel	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2013 (continued)							
Managerial remuneration							
Salaries and allowances	-	-	-	7.24	-	-	7.24
Lease rental on machinery							
Prerana Hospital Limited, India	-	1.20	-	-	-	-	1.20
Other expenses							
Dr Moopen's holdings FZC, U.A.E	-	1.63	-	-	-	-	1.63
Dr Moopen's Healthcare Management Services LLC, U.A.E	-	9.27	-	-	-	-	9.27
Expenses incurred on behalf of subsidiaries/ associates							
DM Eye Care (Delhi) Private Limited, India	-	29.24	-	-	-	-	29.24
EMED Human Resources (India) Private Limited, India	-	-	7.00	-	-	-	7.00
Indogulf Hospitals Private Limited, India	-	4.66	-	-	-	-	4.66
Others	-	0.29	-	-	-	-	0.29
Outstanding balances as at year end							
Dues to holding company							
Union Investments Private Limited, Mauritius	10.37	-	-	-	-	-	10.37
Long-term loans and advances							
DM Eye Care (Delhi) Private Limited, India	-	137.73	-	-	-	-	137.73
DM Med City Hospitals India Private Limited, India	-	206.97	-	-	-	-	206.97
Indogulf Hospitals Private Limited, India	-	75.00	-	-	-	-	75.00
Others	-	1.93	8.64	-	-	-	10.57
Short-term loans and advances							
Indogulf Hospitals Private Limited, India	-	34.91	-	-	-	-	34.91
Prerana Hospital Limited, India	-	70.06	-	-	-	-	70.06
Others	-	-	-	1.86	-	5.02	6.88
Other payables							
Dr Moopen's Healthcare Management Services LLC, U.A.E	-	2.04	-	-	-	-	2.04
Dr Moopen's holdings FZC, U.A.E	-	2.30	-	-	-	-	2.30
Rent and other deposits							
DM Med City Hospitals India Private Limited, India	-	200.00	-	-	-	-	200.00

Aster DM Healthcare Limited

Annexure XIII (continued)

Statement of related parties and related party transactions, as restated

B. Details of transactions/outstanding balances with related parties during the year ended

(Amounts in INR million)

Particulars	Holding Company	Subsidiaries	Associates	Key Managerial Personnel	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2013 (continued)							
Trade receivables	-	1.68	-	-	-	-	1.68
Medipoint hospitals Private Limited, India	-	7.41	-	-	-	-	7.41
Prerana Hospital Limited, India							
For the year ended 31 March 2014							
<i>Transactions during the year</i>							
Share application money refund received							
Indogulf Hospitals Private Limited, India	-	122.93	-	-	-	-	122.93
Payment for share application money							
Indogulf Hospitals Private Limited, India	-	318.99	-	-	-	-	318.99
Investments /advance against investments							
Indogulf Hospitals Private Limited, India	-	196.06	-	-	-	-	196.06
Malabar Institute Of Medical Sciences Limited, India	-	200.14	-	-	-	-	200.14
Long term loans and advances given							
DM Eye Care (Delhi) Private Limited, India	-	13.97	-	-	-	-	13.97
DM Med City Hospitals India Private Limited, India	-	13.73	-	-	-	-	13.73
Short term loans and advances given							
Prerana Hospital Limited, India	-	10.00	-	-	-	-	10.00
Dr Azad Moopen	-	-	-	0.08	-	-	0.08
Short term loans and advances repayment received							
DM Foundation, India	-	-	-	-	-	5.02	5.02
Dr Azad Moopen	-	-	-	1.93	-	-	1.93
Long term loans and advance repayment received							
Indogulf Hospitals Private Limited, India	-	107.59	-	-	-	-	107.59
Other payables repaid							
Aster DM Healthcare, FZC	-	2.30	-	-	-	-	2.30
Dr Moopen's Healthcare Management Services LLC, U.A.E	-	2.04	-	-	-	-	2.04

Aster DM Healthcare Limited

Annexure XIII (continued)

Statement of related parties and related party transactions, as restated

B. Details of transactions/outstanding balances with related parties during the year ended

(Amounts in INR million)

Particulars	Holding Company	Subsidiaries	Associates	Key Managerial Personnel	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2014 (continued)							
Income from consultancy services							
Medipoint hospitals Private Limited, India	-	2.42	-	-	-	-	2.42
Prerana Hospital Limited, India	-	5.75	-	-	-	-	5.75
Interest income on loan to related parties							
EMED Human Resources (India) Private Limited, India	-	-	1.08	-	-	-	1.08
Prerana Hospital Limited, India	-	9.01	-	-	-	-	9.01
Others	-	0.25	-	-	-	-	0.25
Managerial remuneration							
Salaries and allowances	-	-	-	8.48	-	-	8.48
Dividend received							
Affinity Holding Private Limited, Mauritius	-	795.13	-	-	-	-	795.13
Indogulf Hospitals Private Limited, India	-	24.22	-	-	-	-	24.22
Dividend paid							
Olympus Capital Asia Investment Limited, Mauritius	-	-	-	-	158.96	-	158.96
Union Investments Private Limited, Mauritius	355.43	-	-	-	-	-	355.43
Others	-	-	-	4.21	-	-	4.21
Employee stock option expense recharged							
Aster DM Healthcare, FZC	-	24.46	-	-	-	-	24.46
Guarantee commission expense							
DM Med City Hospitals India Private Limited, India	-	0.10	-	-	-	-	0.10
Ambady Infrastructure Private Limited, India	-	0.03	-	-	-	-	0.03
Lease rental income on machinery							
Prerana Hospital Limited, India	-	0.70	-	-	-	-	0.70
Lease rental for land							
DM Med City Hospitals India Private Limited, India	-	0.44	-	-	-	-	0.44
Other expenses							
Dr Moopen's Healthcare Management Services LLC, U.A.E	-	8.11	-	-	-	-	8.11
Others	-	0.76	-	-	-	-	0.76

Aster DM Healthcare Limited

Annexure XIII (continued)

Statement of related parties and related party transactions, as restated

B. Details of transactions/outstanding balances with related parties during the year ended

(Amounts in INR million)

Particulars	Holding Company	Subsidiaries	Associates	Key Managerial Personnel	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2014 (continued)							
Expenses incurred on behalf of subsidiaries/ associates							
DM Eye Care (Delhi) Private Limited, India	-	10.80	-	-	-	-	10.80
Indogulf Hospitals Private Limited, India	-	3.20	-	-	-	-	3.20
Others	-	0.23	0.75	-	-	-	0.98
Outstanding balances as at year end							
Dues to holding company							
Union Investments Private Limited, Mauritius	10.37	-	-	-	-	-	10.37
Long-term loans and advances							
DM Eye Care (Delhi) Private Limited, India	-	162.50	-	-	-	-	162.50
DM Med City Hospitals India Private Limited, India	-	220.34	-	-	-	-	220.34
Others	-	7.68	10.36	-	-	-	18.04
Short-term loans and advances							
Aster DM Healthcare, FZC	-	23.70	-	-	-	-	23.70
Prerana Hospital Limited, India	-	88.17	-	-	-	-	88.17
Other payables							
Dr Moopen's Healthcare Management Services LLC, U.A.E	-	8.11	-	-	-	-	8.11
Rent and other deposits							
DM Med City Hospitals India Private Limited, India	-	200.00	-	-	-	-	200.00
Trade receivables							
Medipoint hospitals Private Limited, India	-	4.10	-	-	-	-	4.10
Prerana Hospital Limited, India	-	13.99	-	-	-	-	13.99
Dividend receivable from subsidiary							
Affinity Holding Private Limited, Mauritius	-	180.51	-	-	-	-	180.51

Aster DM Healthcare Limited

Annexure XIII (continued)

Statement of related parties and related party transactions, as restated

B. Details of transactions/outstanding balances with related parties during the year ended

(Amounts in INR million)

Particulars	Holding Company	Subsidiaries	Associates	Key Managerial Personnel	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2015							
<i>Transactions during the year</i>							
Investments / advance against investment							
Prerana Hospital Limited, India	-	119.43	-	-	-	-	119.43
Sri Sainatha Multi Specialty Hospital Private Limited	-	356.42	-	-	-	-	356.42
Others	-	90.75	-	-	-	-	90.75
Long term loans and advances given							
Ambady Infrastructure Private Limited, India	-	60.10	-	-	-	-	60.10
Others	-	2.50	-	-	-	-	2.50
Short term loans and advances given							
Medipoint hospitals Private Limited, India	-	15.60	-	-	-	-	15.60
Short term loans and advances repayment received							
Medipoint hospitals Private Limited, India	-	15.60	-	-	-	-	15.60
Others	-	0.26	-	-	-	-	0.26
Long term loans and advance repayment received							
DM Med City Hospitals India Private Limited, India	-	56.87	-	-	-	-	56.87
Others	-	-	4.37	-	-	-	4.37
Income from consultancy services							
Medipoint hospitals Private Limited, India	-	2.72	-	-	-	-	2.72
Prerana Hospital Limited, India	-	8.55	-	-	-	-	8.55
Interest income on loan to related parties							
Prerana Hospital Limited, India	-	9.58	-	-	-	-	9.58
Others	-	1.27	1.12	-	-	-	2.39
Intangible assets transferred							
Aster DM Healthcare FZC	-	19.06	-	-	-	-	19.06
Managerial remuneration							
Salaries and allowances	-	-	-	13.08	-	-	13.08
Dividend received							
Affinity Holding Private Limited, Mauritius	-	227.27	-	-	-	-	227.27
Indogulf Hospitals Private Limited, India	-	29.13	-	-	-	-	29.13
Malabar Institute Of Medical Sciences Limited, India	-	4.99	-	-	-	-	4.99

Aster DM Healthcare Limited

Annexure XIII (continued)

Statement of related parties and related party transactions, as restated

B. Details of transactions/outstanding balances with related parties during the year ended

(Amounts in INR million)

Particulars	Holding Company	Subsidiaries	Associates	Key Managerial Personnel	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2015 (continued)							
Employee stock option expense recharged							
Aster DM Healthcare, FZC	-	35.34	-	-	-	-	35.34
Guarantee commission expense							
DM Med City Hospitals India Private Limited, India	-	1.60	-	-	-	-	1.60
Ambady Infrastructure Private Limited, India	-	1.25	-	-	-	-	1.25
Lease rental for land							
DM Med City Hospitals India Private Limited, India	-	0.44	-	-	-	-	0.44
Other expenses							
Dr Moopen's Healthcare Management Services LLC, U.A.E	-	6.63	-	-	-	-	6.63
Others	-	0.70	-	-	-	-	0.70
Expenses incurred on behalf of subsidiaries/ associates							
DM Eye Care (Delhi) Private Limited, India	-	3.53	-	-	-	-	3.53
EMED Human Resources (India) Private Limited, India	-	-	1.18	-	-	-	1.18
Others	-	1.17	-	-	-	-	1.17
Outstanding balances as at year end							
Dues to holding company							
Union Investments Private Limited, Mauritius	10.37	-	-	-	-	-	10.37
Long-term loans and advances							
Ambady Infrastructure Private Limited, India	-	61.40	-	-	-	-	61.40
DM Eye Care (Delhi) Private Limited, India	-	168.52	-	-	-	-	168.52
DM Med City Hospitals India Private Limited, India	-	161.93	-	-	-	-	161.93
Others	-	-	8.17	-	-	-	8.17
Short-term loans and advances							
Aster DM Healthcare, FZC	-	77.59	-	-	-	-	77.59
Others	-	6.28	-	-	-	-	6.28
Other payables							
Dr Moopen's Healthcare Management Services LLC, U.A.E	-	14.54	-	-	-	-	14.54

Aster DM Healthcare Limited

Annexure XIII (continued)

Statement of related parties and related party transactions, as restated

B. Details of transactions/outstanding balances with related parties during the year ended

(Amounts in INR million)

Particulars	Holding Company	Subsidiaries	Associates	Key Managerial Personnel	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2015 (continued)							
Rent and other deposits							
DM Med City Hospitals India Private Limited, India	-	200.00	-	-	-	-	200.00
Trade receivables							
Others		-					-
For the nine months from 1 April 2015 to 31 December 2015							
<i>Transactions during the year</i>							
Investments / advance against investment							
Affinity Holding Private Limited, Mauritius	-	16,591.66	-	-	-	-	16,591.66
Others	-	1,682.97	-	-	-	-	1,682.97
Long term loans and advances given							
DM Eye Care (Delhi) Private Limited, India	-	2.35	-	-	-	-	2.35
Long term loans and advance repayment received							
DM Eye Care (Delhi) Private Limited, India	-	4.12	-	-	-	-	4.12
Income from consultancy services							
Medipoint hospitals Private Limited, India	-	2.00	-	-	-	-	2.00
Prerana Hospital Limited, India	-	8.48	-	-	-	-	8.48
Interest income on loan to related parties							
EMED Human Resources (India) Private Limited, India	-	-	0.91	-	-	-	0.91
Donations given							
DM Foundation, India	-	-	-	-	-	0.31	0.31
Staff recruitment services rendered by subsidiaries / associates							
EMED Human Resources (India) Private Limited, India	-	-	2.72	-	-	-	2.72
Intangible assets transferred							
Aster DM Healthcare FZC	-	14.41	-	-	-	-	14.41
Managerial remuneration							
Salaries and allowances	-	-	-	14.58	-	-	14.58
Dividend received							
Malabar Institute Of Medical Sciences Limited, India	-	50.77	-	-	-	-	50.77
Employee stock option expense recharged							
Aster DM Healthcare, FZC	-	62.55	-	-	-	-	62.55

Aster DM Healthcare Limited

Annexure XIII (continued)

Statement of related parties and related party transactions, as restated

B. Details of transactions/outstanding balances with related parties during the year ended

(Amounts in INR million)

Particulars	Holding Company	Subsidiaries	Associates	Key Managerial Personnel	Entities having significant influence over the Company	Others	Total
For the nine months from 1 April 2015 to 31 December 2015 (continued)							
Guarantee commission expense							
DM Med City Hospitals India Private Limited, India	-	1.20	-	-	-	-	1.20
Ambady Infrastructure Private Limited, India	-	0.71	-	-	-	-	0.71
Lease rental for land							
DM Med City Hospitals India Private Limited, India	-	0.33	-	-	-	-	0.33
Expenses incurred on behalf of subsidiaries/ associates on behalf of us							
Dr Moopen's Healthcare Management Services LLC, U.A.E	-	18.35	-	-	-	-	18.35
Others	-	0.75	-	-	-	-	0.75
Expenses incurred on behalf of subsidiaries/ associates							
DM Med City Hospitals India Private Limited, India	-	1.43	-	-	-	-	1.43
EMED Human Resources (India) Private Limited, India	-	-	1.05	-	-	-	1.05
Dr Moopen's Healthcare Management Services LLC, U.A.E	-	1.20	-	-	-	-	1.20
Others	-	0.98	-	-	-	-	0.98
Outstanding balances as at year end							
Dues to holding company							
Union Investments Private Limited, Mauritius	10.37	-	-	-	-	-	10.37
Long-term loans and advances							
Ambady Infrastructure Private Limited, India	-	61.12	-	-	-	-	61.12
DM Eye Care (Delhi) Private Limited, India	-	167.18	-	-	-	-	167.18
DM Med City Hospitals India Private Limited, India	-	161.82	-	-	-	-	161.82
EMED Human Resources (India) Private Limited, India	-	-	7.41	-	-	-	7.41
Short-term loans and advances							
Aster DM Healthcare, FZC	-	153.81	-	-	-	-	153.81
Others	-	0.15	-	-	-	-	0.15
Other payables							
Dr Moopen's Healthcare Management Services LLC, U.A.E	-	31.69	-	-	-	-	31.69
Rent and other deposits							
DM Med City Hospitals India Private Limited, India	-	200.00	-	-	-	-	200.00
Trade receivables							
Medipoint hospitals Private Limited, India	-	8.72	-	-	-	-	8.72
Prerana Hospital Limited	-	9.68	-	-	-	-	9.68

Aster DM Healthcare Limited

Annexure - XIV

Statement of tax shelter, as restated

(Amounts in INR million)

Particulars		For the year ended					For the nine months from 1 April 2015 to 31 December 2015
		2011	2012	2013	2014	2015	
A	Profit/(loss) before tax, as restated	(32.22)	(66.47)	18.50	720.39	(626.26)	(857.91)
	Chargeable at normal rate	(32.22)	(66.47)	18.50	-	(626.26)	(857.91)
	Chargeable at special rate	-	-	-	795.13	227.27	-
	Chargeable at MAT rate	-	-	-	720.39	-	-
B	Tax rates (including surcharge and education cess)						
	Tax rate - Normal	30.90%	30.90%	30.90%	33.99%	33.99%	30.90%
	Tax rate under section 115 BBD	-	-	-	17.00%	17.00%	-
	Tax rate - under section 115JB	18.54%	19.06%	19.06%	20.96%	20.96%	19.06%
C	Tax expense at normal tax rate	(9.96)	(20.54)	5.72	-	(212.87)	(265.09)
D	Permanent differences						
	Dividend income	(4.99)	(7.48)	(22.44)	(24.23)	(39.02)	(50.77)
	(Profit) / loss on sale of fixed assets	-	0.01	-	(0.52)	6.72	-
	(Profit) / loss on sale of investments	-	-	(6.99)	-	-	-
	Employee stock option cost	-	-	2.20	0.51	7.11	24.49
	Expenses disallowable under section 37 of the Income tax Act, 1961	-	-	7.32	16.42	-	-
	Others	0.11	0.41	0.17	2.19	11.66	1.22
	Total permanent differences	(4.88)	(7.06)	(19.74)	(5.63)	(13.53)	(25.06)
E	Timing differences						
	Difference between book depreciation and tax depreciation	1.93	(0.10)	(0.57)	(1.07)	221.49	323.26
	Deduction under section 35 AD of the Income tax Act, 1961	-	-	-	-	(5,975.86)	(1,278.37)
	Preliminary expense	(0.04)	(0.04)	(0.04)	(0.04)	-	-
	Deduction under section 43B of the Income tax Act, 1961	0.54	1.44	(0.94)	1.22	-	-
	Total timing differences	2.43	1.30	(1.55)	0.11	(5,754.37)	(955.11)
F	Total differences (D+E)	(2.45)	(5.76)	(21.29)	(5.52)	(5,767.90)	(980.17)
G	Tax expenses / (saving) thereon at normal rates(F * B)	(0.76)	(1.78)	(6.58)	(1.88)	(1,960.51)	(302.87)
H	Total tax liability at normal tax rate (C + G)	(10.72)	(22.32)	(0.86)	(1.88)	(2,173.38)	(567.96)
	Deferred tax asset (not recognised on account of absence of virtual certainty)	-	-	-	-	-	-
I	Tax at special rate	-	-	-	135.17	38.64	-
	Less : Foreign tax credit	-	-	-	(119.27)	(30.21)	-
	Tax liability at special rate	-	-	-	15.90	8.43	-
J	Minimum alternate tax						
	Book profit	(32.22)	(66.47)	18.50	720.39	(626.26)	(857.91)
	Adjustment for unabsorbed depreciation/business loss	-	-	-	(11.07)	-	-
	Exempt dividend income	(4.99)	(7.48)	(22.44)	(24.23)	(39.02)	(50.77)
	Adjusted book profit for MAT	(37.21)	(73.95)	(3.94)	685.09	(665.28)	(908.68)
	MAT tax liability	-	-	-	143.59	-	-
	Less : Foreign tax credit	-	-	-	(119.27)	-	-
	Tax liability as per MAT	-	-	-	24.32	-	-
K	Tax liability being higher of (H or I or J)	-	-	-	24.32	8.43	-
L	MAT credit availed/(utilised)	-	-	-	8.43	(8.43)	-
M	Tax liability (K-L)	-	-	-	15.89	-	-
N	Interest under section 234B & C of the Income tax Act, 1961	-	-	-	0.46	-	-
	Provision for current tax as per books of accounts (M+N)	-	-	-	16.35	-	-

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated standalone financial information as appearing in Annexure IV.
2. The permanent/ timing differences have been computed considering the income-tax computations prepared at the time of preparation of annual financial statements for the relevant years. Issues which are pending adjudication have not been given effect while determining permanent / timing differences.

EXAMINATION REPORT ON RESTATED CONSOLIDATED FINANCIAL INFORMATION

The Board of Directors
Aster DM Healthcare Limited
IX / 475 L, Aster Medcity, Kuttisahib Road
Near Kothad Bridge, South Chittoor P O
Cheranalloor, Kochi 682 027
Kerala, India

Dear Sirs,

- 1) We, B S R and Associates, have examined the attached restated consolidated financial information of Aster DM Healthcare Limited (the 'Company'), along with its subsidiaries and associates (collectively referred to as the 'Group') as set out in clause 2.3 of Annexure IV of the restated consolidated financial information, comprising the consolidated summary statement of assets and liabilities, as restated as at 31 December 2015, 31 March 2015, 2014, 2013, 2012 and 2011, the consolidated summary statement of profit and loss, as restated and the consolidated statement of cash flows, as restated, for the nine months ended 31 December 2015 and for the years ended 31 March 2015, 2014, 2013, 2012 and 2011 together with the annexures and notes thereto and other financial information explained in paragraph 6(d) below, for the purpose of inclusion in the offer document prepared by the Company in connection with its proposed Initial Public Offer of equity shares of Rs 10 each ("IPO"). The restated consolidated financial information, which have been approved by the Board of Directors of the Company, has been prepared by the Group in accordance with the requirements of sub-clauses (i), (ii) and (iii) of clause (b) of sub-section 1 of Section 26 of Chapter III of the Companies Act, 2013 (the 'Act') read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the extent applicable and the relevant provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended from time to time issued by the Securities and Exchange Board of India on August 26, 2009 (the 'SEBI Regulations'), in pursuance of the Securities and Exchange Board of India Act, 1992. We have examined such restated consolidated financial information taking into consideration:
 - a. the terms of our engagement agreed with you vide our engagement letter dated 1 September 2015 along with related addendum dated 31 May 2016, requesting us to carry out work on such restated consolidated financial information proposed to be included in the offer document of the Company in connection with the Company's proposed IPO; and
 - b. the Guidance note on "Reports in Company's Prospectus (Revised)" issued by the Institute of Chartered Accountants of India ('ICAI'), to the extent applicable ('Guidance Note').
- 2) The Company proposes to make an IPO by offer for sale of the equity shares of the Company of Rs. 10 each at such price, arrived at through a book building process (referred to as the "Issue").
- 3) The above mentioned restated consolidated financial information has been extracted by the Management from the audited consolidated financial statements as at and for the nine months period ended 31 December 2015 and for each of the years ended 31 March 2015, 2014, 2013, 2012 and 2011, prepared in accordance with accounting principles generally accepted in India at the relevant time and which have been approved by the Board of Directors and books of account underlying those financial statements and other records of the Company to the extent considered necessary.

- 4) The audit of the Company's consolidated financial statements for the nine months period ended 31 December 2015 and for each of the years ended 31 March 2015, 2014, 2013, 2012 and 2011 was conducted by us, B S R and Associates.
- 5) The financial statements of certain subsidiaries and associates included in the Company's consolidated audited financial statements as at and for the nine months period ended 31 December 2015 and for the financial years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 were audited by other firms of Auditors as set out in Appendix I to this examination report, whose reports have been furnished to us and accordingly relied upon by us. Further, the financial statements of certain subsidiaries and associates as set out in Appendix II to this examination report are not audited by any auditors.
- 6) In accordance with the requirements of sub-clause (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of the Act, read with Rule 4 of the Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable, the SEBI Regulations, the Guidance Note and the terms of our engagement agreed with you, we further report that:
 - (a) We have examined the attached summary consolidated statement of assets and liabilities, as restated, of the Company as at 31 December 2015, 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011, as set out in Annexure I to the restated consolidated financial information. These are presented after making adjustments and regroupings as in our opinion, were appropriate and more fully described in the notes appearing in Annexure IV to the restated consolidated financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the audited consolidated financial statements of the Company for the relevant period and financial years.
 - (b) We have examined the attached summary consolidated statement of profit and loss, as restated, and the summary consolidated statement of cash flows, as restated, of the Company for the nine months period ended 31 December 2015 and for the financial years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as set out in Annexures II and III respectively to the restated consolidated financial information. These are presented after making adjustments and regroupings as in our opinion, were appropriate and more fully described in the notes appearing in Annexure IV to the restated consolidated financial information. As a result of these adjustments, the amounts reported in the above-mentioned statement are not necessarily the same as those appearing in the audited consolidated financial statements of the Company for the relevant period and financial years.
 - (c) Based on the above, we are of the opinion that the restated consolidated financial information prepared by the management of the Company and approved by the Board of Directors, have been made after incorporating the following:
 - i. As explained in Annexure IV (2) to the restated consolidated financial information, the impact of changes in accounting policies have been adjusted with retrospective effect in the respective financial years to which they relate, to reflect the same accounting treatment as per the accounting policies adopted by the Group as at and for the year ended 31 December 2015;
 - ii. As explained in Annexure IV (2) to the restated consolidated financial information, material amounts relating to previous years and prior period items have been adjusted in the consolidated financial information in the respective financial years to which they relate;
 - iii. There are no extra-ordinary items which need to be disclosed separately in the restated consolidated financial information in respective financial years; and

- iv. Contain other remarks / comments in the Auditor's report and Annexure to the Auditor's report on the financial statements of the Company and its subsidiaries as at and for the nine months period ended 31 December 2015 and for the financial years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 which do not require any corrective adjustment in the restated consolidated financial information are mentioned in Clause D: Non-adjusting items under Annexure IV. For this purpose, we have placed reliance on the audited standalone financial statements of the entities in the Group and the audit reports thereon by the respective auditors as listed in Appendix I to the examination report.
- (d) We have also examined the following other restated consolidated financial information of the Group set out in Annexures prepared by the Management and approved by the Board of Directors of the Company as at and for the nine months period ended 31 December 2015 and for the financial years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011:
- i) Significant accounting policies, impact of adjustments to the consolidated financial statements and notes to accounts, as restated, of the Group for the nine months period ended 31 December 2015 and for the years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as appearing in Annexure IV to the restated consolidated financial information;
 - ii) Consolidated statement of long-term and short-term borrowings, as restated, as at 31 December 2015, 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 and statement of principal terms and conditions of the long-term and short-term borrowings outstanding as at 31 December 2015, as appearing in Annexures V and V(A) to the restated consolidated financial information;
 - iii) Consolidated statement of current and non-current investments, as restated, as at 31 December 2015, 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as appearing in Annexure VI to the restated consolidated financial information;
 - iv) Consolidated statement of trade receivables, as restated, as at 31 December 2015, 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as appearing in Annexure VII to the restated consolidated financial information;
 - v) Consolidated statement of long-term and short-term loans and advances, as restated, as at 31 December 2015, 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011, as appearing in Annexure VIII to the restated consolidated financial information;
 - vi) Consolidated statement of other income, as restated, for the nine months period ended 31 December 2015 and for the financial years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as appearing in Annexure IX to the restated consolidated financial information;
 - vii) Consolidated statement of dividend paid, as restated, for the nine months period ended 31 December 2015 and for the financial years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011, as appearing in Annexure X to the restated consolidated financial information;
 - viii) Consolidated capitalization statement, as restated, as appearing in Annexure XI to the restated consolidated financial information;
 - ix) Consolidated statement of accounting ratios, as restated, for the nine months period ended 31 December 2015 and for the financial years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011 as appearing in Annexure XII to the restated consolidated financial information;

- x) Consolidated statement of related parties and related party transactions, as restated, for the nine months period ended 31 December 2015 and for the financial years ended 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011, as per Accounting Standard 18 on Related Party Disclosures specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as appearing in Annexure XIII to the restated consolidated financial information;
- 7) In our opinion, the above restated consolidated financial information of the Group read with significant accounting policies appearing in Annexure IV to this restated consolidated financial information, after making adjustments and regroupings as considered appropriate and as set out in Annexure IV to the restated consolidated financial information, has been prepared in accordance with sub-clauses (i), (ii) and (iii) of clause (b) of sub-section (1) of Section 26 of Chapter III of the Act, read with Rule 4 of Companies (Prospectus and Allotment of Securities) Rules, 2014, to the extent applicable the SEBI Regulations, the Guidance Note issued in this regard by ICAI, as amended from time to time, and in terms of our engagement agreed with you.
- 8) This report should not in any way be construed as a reissuance or re-dating of any of the previous audit reports issued by us or by other firm of Chartered Accountants or other Auditors as mentioned in Appendix I, nor should this report be construed as an opinion on any of the restated consolidated financial statements referred to herein.
- 9) We have no responsibility to update our report for events and circumstances occurring after the date of the report.
- 10) Our report is intended solely for use of the management for inclusion in the offer document in connection with the proposed issue of equity shares of the Company. Our report should not be used, referred to or distributed for any other purpose except with our prior consent in writing.

for B S R and Associates

Chartered Accountants

ICAI firm registration number: 128901W

Supreet Sachdev

Partner

Membership No. 205385

Mumbai

13 June 2016

Appendix I - The restated consolidated financial information have been prepared by the Company's Management from the audited financial statements of the Company along with its subsidiaries and associates as at and for the financial period/ years ended 31 December 2015, 31 March 2015, 31 March 2014, 31 March 2013, 31 March 2012 and 31 March 2011, which were audited by other firm of chartered accountants and in the case of entities incorporated outside India, other auditors duly qualified to act as auditors in those countries.

Figures in INR millions

Name of subsidiaries / associates	Country	Year/ period ended	Total gross assets included in consolidated financial information	Total revenue from operations (including other income) included in consolidated financial information	Net movement in cash and cash equivalents included in consolidated financial information	Name of the auditor
Subsidiaries						
Golden Sands Pharmacy LLC	UAE	31 March 2012	26.68	54.67	3.33	BDO Chartered Accountants & Advisors
		31 March 2013	40.03	61.26	(2.80)	
		31 March 2014	48.63	68.44	6.95	
		31 March 2015	45.40	69.31	(1.90)	
Aster Jebel Ali Pharmacy LLC	UAE	31 March 2012	42.77	17.35	2.38	BDO Chartered Accountants & Advisors
		31 March 2013	22.86	58.20	(0.12)	
		31 March 2014	33.83	86.47	1.09	
		31 March 2015	44.96	106.45	(3.25)	
Zabeel Pharmacy LLC	UAE	31 March 2013	7.60	6.95	0.22	BDO Chartered Accountants & Advisors
		31 March 2014	2.11	12.25	(0.11)	
		31 March 2015	1.82	0.04	(0.14)	
Yacoub Pharmacy LLC	UAE	31 March 2012	45.31	63.75	2.62	BDO Chartered Accountants & Advisors
		31 March 2013	39.03	65.08	(0.75)	
		31 March 2014	23.10	61.27	1.35	
		31 March 2015	41.35	56.91	(3.44)	
Welcare Polyclinic W.L.L	Qatar	31 March 2012	29.92	20.23	5.40	KPMG, Qatar
		31 March 2013	37.73	44.68	3.28	
		31 March 2014	44.40	88.00	(8.66)	
		31 March 2015	86.75	160.11	0.93	
Vitamin World LLC	UAE	31 March 2013	4.28	6.11	-	BDO Chartered Accountants & Advisors
		31 March 2014	3.58	9.04	0.02	
		31 March 2015	3.71	6.79	0.00	
Union Pharmacy LLC	UAE	31 March 2012	171.07	413.14	16.93	KPMG, UAE
		31 March 2013	95.76	383.04	8.65	
		31 March 2014	55.63	71.39	(21.97)	
		31 March 2015	50.67	42.93	(2.66)	
Symphony Healthcare Management Services	UAE	31 March 2014	115.97	107.38	1.63	BDO Chartered Accountants & Advisors
		31 March 2015	98.30	255.88	(5.35)	
Shindagha Pharmacy LLC	UAE	31 March 2012	12.70	44.44	1.90	BDO Chartered Accountants & Advisors
		31 March 2013	12.93	46.85	0.34	
		31 March 2014	14.48	46.85	(1.82)	
		31 March 2015	37.39	107.93	(13.91)	
Sara Pharmacy LLC	UAE	31 March 2013	25.98	48.02	0.19	BDO Chartered Accountants & Advisors
		31 March 2014	38.06	105.87	5.32	
		31 March 2015	46.74	105.13	(1.03)	
Sanayia Pharmacy WLL	Qatar	31 March 2012	21.88	40.67	1.00	KPMG, Qatar
		31 March 2013	22.07	54.11	(0.09)	
Rashid Pharmacy LLC	UAE	31 March 2012	39.24	55.56	9.25	BDO Chartered Accountants & Advisors
		31 March 2013	45.01	80.88	0.75	
		31 March 2014	32.37	96.40	1.90	
		31 March 2015	46.34	116.02	(12.86)	
Rafa Pharmacy LLC	UAE	31 March 2012	16.23	33.23	0.60	BDO Chartered Accountants & Advisors
		31 March 2013	19.60	38.80	0.09	
		31 March 2014	15.45	48.60	0.64	
		31 March 2015	22.66	45.64	(1.26)	
New Al Kouz Pharmacy LLC	UAE	31 March 2012	100.49	213.11	21.40	BDO Chartered Accountants & Advisors
		31 March 2013	102.62	298.51	(11.71)	
		31 March 2014	107.51	301.26	(5.78)	KPMG, UAE
		31 March 2015	123.33	338.06	(4.09)	
		31 December 2015	124.70	275.45	(0.69)	
Modern Dar Al Shifa Pharmacy LLC	UAE	31 March 2012	102.75	174.43	11.97	BDO Chartered Accountants & Advisors
		31 March 2013	121.28	223.69	3.55	
		31 March 2014	121.17	275.93	5.40	KPMG, UAE
		31 March 2015	124.68	323.78	(21.15)	

Name of subsidiaries / associates	Country	Year/ period ended	Total gross assets included in consolidated financial information	Total revenue from operations (including other income) included in consolidated financial information	Net movement in cash and cash equivalents included in consolidated financial information	Name of the auditor
Medshop Garden Pharmacy LLC	UAE	31 March 2012	46.15	105.87	7.45	BDO Chartered Accountants & Advisors
		31 March 2013	50.76	159.67	(2.69)	
		31 March 2014	73.84	210.47	1.45	KPMG, UAE
		31 March 2015	94.43	246.89	(5.10)	
		31 December 2015	124.15	212.54	0.59	
Med Shop Drugs Store LLC	UAE	31 March 2012	308.26	66.92	39.29	BDO Chartered Accountants & Advisors
		31 March 2013	468.16	122.59	56.70	
		31 March 2014	453.96	263.83	(90.50)	KPMG, UAE
		31 March 2015	604.83	299.48	15.89	
Med Save Pharmacy LLC	UAE	31 March 2012	24.56	57.98	9.10	BDO Chartered Accountants & Advisors
		31 March 2013	37.25	85.81	7.35	
		31 March 2014	47.82	120.20	12.38	
		31 March 2015	29.85	108.39	(29.59)	
Medicine Shoppe Pharmacy LLC	UAE	31 March 2012	11.71	19.12	1.79	BDO Chartered Accountants & Advisors
		31 March 2013	12.29	30.40	0.70	
		31 March 2014	1.14	2.79	(2.09)	
		31 March 2015	0.58	-	(0.82)	
Medicine Shoppe Micro Pharmacy LLC	UAE	31 March 2012	11.43	26.68	1.37	BDO Chartered Accountants & Advisors
		31 March 2013	13.63	33.23	1.46	
		31 March 2014	18.54	44.03	2.07	
		31 March 2015	15.45	53.38	(5.13)	
Medcare Hospital LLC	UAE	31 March 2012	1,779.97	3,392.29	53.16	KPMG, UAE
		31 March 2013	2,458.10	4,877.58	73.78	
		31 March 2014	3,383.95	6,358.30	237.58	
		31 March 2015	3,626.02	7,461.22	4.75	
		31 December 2015	4,211.27	6,309.77	(850.71)	
Marina Pearl Pharmacy LLC	UAE	31 March 2012	12.99	30.89	2.29	BDO Chartered Accountants & Advisors
		31 March 2013	13.35	30.24	(0.50)	
		31 March 2014	15.78	41.55	(0.72)	
		31 March 2015	5.02	23.40	(1.45)	
Maryam Pharmacy LLC	UAE	31 March 2012	38.67	56.42	3.69	BDO Chartered Accountants & Advisors
		31 March 2013	42.61	72.30	(1.04)	
		31 March 2014	39.04	83.90	1.20	
		31 March 2015	52.00	86.07	(4.01)	
Mariam New Pharmacy	UAE	31 March 2015	42.64	112.11	(3.19)	BDO Chartered Accountants & Advisors
Malabar Institute Of Medical Sciences	India	31 March 2013	2,229.95	-	21.53	Varma and Varma
		31 March 2014	2,564.30	2,545.65	215.43	
		31 March 2015	2,659.84	2,893.55	(205.37)	B S R & Associates LLP
		31 December 2015	2,981.63	2,498	9.35	
Sri Sainatha Multispeciality Hospitals Private Limited	India	31 March 2015	503.80	300	122.98	B S R & Associates LLP
		31 December 2015	526.08	411.32	(124.91)	
Aster Al Shafar Pharmacy LLC (Lamey)	UAE	31 March 2013	17.96	34.15	0.15	BDO Chartered Accountants & Advisors
		31 March 2014	23.42	68.32	2.72	
		31 March 2015	31.57	78.32	(1.52)	
New Aster Pharmacy DMC (Formerly known as New Aster Pharmacy JLT)	UAE	31 March 2013	15.55	17.52	2.06	BDO Chartered Accountants & Advisors
		31 March 2014	21.80	60.84	0.42	
		31 March 2015	26.20	90.96	(1.80)	
Iqra Pharmacy LLC	UAE	31 March 2012	48.69	115.44	7.90	BDO Chartered Accountants & Advisors
		31 March 2013	64.22	148.22	(5.83)	
		31 March 2014	69.94	202.77	0.12	KPMG, UAE
		31 March 2015	44.23	160.52	(2.12)	
Ibn Alhaitham Pharmacy LLC	UAE	31 March 2012	25.97	27.77	2.69	BDO Chartered Accountants & Advisors
		31 March 2013	26.46	37.72	(1.23)	
		31 March 2014	18.87	38.73	1.72	
		31 March 2015	28.18	35.78	(3.61)	
Ibn Al Azwar Pharmacy LLC	UAE	31 March 2012	13.41	33.72	5.63	BDO Chartered Accountants & Advisors
		31 March 2013	15.23	38.41	(0.78)	
		31 March 2014	21.14	46.07	3.44	
		31 March 2015	15.92	48.27	(9.00)	

Name of subsidiaries / associates	Country	Year/ period ended	Total gross assets included in consolidated financial information	Total revenue from operations (including other income) included in consolidated financial information	Net movement in cash and cash equivalents included in consolidated financial information	Name of the auditor
Al Haramain Pharmacy LLC	UAE	31 March 2012	19.20	32.50	6.08	BDO Chartered
		31 March 2013	18.74	40.31	(0.91)	Accountants & Advisors
Al Faisal Pharmacy LLC	UAE	31 March 2013	19.21	57.84	0.14	BDO Chartered
		31 March 2014	27.98	125.29	8.04	Accountants & Advisors
		31 March 2015	27.38	117.59	(5.61)	
Experts Pharmacy LLC	UAE	31 March 2012	31.48	47.25	9.55	BDO Chartered
		31 March 2013	34.63	58.59	(3.32)	Accountants & Advisors
Eurohealth Systems FZ LLC	UAE	31 March 2012	12.99	17.15	9.17	BDO Chartered
		31 March 2013	3.25	-	(8.61)	Accountants & Advisors
		31 March 2014	2.11	-	(1.24)	
		31 March 2015	16.74	23.98	0.01	
Al Ehsan Pharmacy LLC	UAE	31 March 2012	26.39	63.43	6.09	BDO Chartered
		31 March 2013	28.55	75.97	0.18	Accountants & Advisors
		31 March 2014	24.23	91.48	(6.58)	
		31 March 2015	29.99	90.78	(0.36)	
Aster DM Healthcare FZC	UAE	31 March 2012	1,909.42	-	2.70	KPMG, UAE
		31 March 2013	2,496.79	107.78	62.70	
		31 March 2014	4,678.85	0.00	(20.49)	
		31 March 2015	5,135.31	148.83	1.52	
		31 December 2015	1,675.42	1,328.84	65.12	
Entites under the management of Aster DM Healthcare FZC		31 March 2012	111.08	271.47	18.25	BDO Chartered
		31 March 2013	112.26	382.98	5.25	Accountants & Advisors
		31 March 2014	131.91	336.25	17.82	
		31 March 2015	120.79	304.07	(4.93)	
Dr Moopens Healthcare Management Services LLC	UAE	31 March 2012	60.41	-	18.20	BDO Chartered
		31 March 2013	77.61	0.46	2.66	Accountants & Advisors
		31 March 2014	57.74	0.04	(15.68)	
		31 March 2015	89.57	22.79	(7.00)	
Dr. Moopens Medical Clinic LLC (formerly known as Dr. Moopens Medical Poly Clinic LLC)	UAE	31 March 2012	37.40	50.40	0.80	BDO Chartered
		31 March 2013	35.37	41.25	1.81	Accountants & Advisors
		31 March 2014	33.51	40.31	(2.75)	
		31 March 2015	36.99	34.56	1.18	
Dr. Moopens Healthcare Management Services WLL	Qatar	31 March 2012	311.79	554.32	23.18	KPMG, Qatar
		31 March 2013	399.58	784.50	11.18	
		31 March 2014	652.07	1,306.45	(6.62)	
		31 March 2015	1,043.92	1,834.23	70.66	
		31 December 2015	1,470.09	1,654.09	(4.55)	
Sanad Al Rahma for Medical Care LLC	Saudi Arabia	31 March 2012	3,816.67	668.75	365.07	KPMG, Saudi Arabia
		31 March 2013	4,505.93	2,419.94	45.64	
		31 March 2014	4,851.39	3,029.56	527.69	
		31 March 2015	7,868.94	5,602.16	(139.62)	
		31 December 2015	9,822.97	6,121.71	(897.05)	
DM Pharmacies LLC	UAE	31 March 2012	165.70	570.19	17.15	KPMG, UAE
		31 March 2013	186.85	775.67	(6.39)	
		31 March 2014	188.02	921.99	5.57	
		31 March 2015	245.37	949.76	(12.76)	
		31 December 2015	258.05	759.18	(1.77)	
DM Healthcare LLC	UAE	31 March 2012	882.43	1,896.90	67.23	KPMG, UAE
		31 March 2013	1,126.58	2,761.10	94.28	
		31 March 2014	1,717.27	4,074.45	(3.40)	
		31 March 2015	2,711.40	5,022.77	(78.80)	
		31 December 2015	3,392.23	4,991.23	(71.02)	
DM Group FZ LLC	UAE	31 March 2012	4.38	-	0.19	BDO Chartered
		31 March 2013	1.61	-	(0.12)	Accountants & Advisors
		31 March 2014	1.79	-	1.03	
		31 March 2015	0.72	-	(0.39)	
Aster DIP Pharmacy LLC	UAE	31 March 2013	10.27	9.63	0.72	BDO Chartered
		31 March 2014	19.84	47.74	1.36	Accountants & Advisors
		31 March 2015	27.30	65.41	(0.98)	KPMG, UAE

Name of subsidiaries / associates	Country	Year/ period ended	Total gross assets included in consolidated financial information	Total revenue from operations (including other income) included in consolidated financial information	Net movement in cash and cash equivalents included in consolidated financial information	Name of the auditor
Dar Al Shifa Medical Centre LLC	UAE	31 March 2012 31 March 2013 31 March 2014 31 March 2015	47.00 61.88 51.07 72.12	61.28 82.29 104.36 121.11	0.23 3.85 0.08 (2.81)	BDO Chartered Accountants & Advisors
Avenue Pharmacy LLC	UAE	31 March 2013 31 March 2014 31 March 2015	16.60 22.61 24.68	41.54 63.61 77.83	(1.43) 1.16 (2.55)	BDO Chartered Accountants & Advisors
Aster Pharmacy LLC	UAE	31 March 2012 31 March 2013 31 March 2014 31 March 2015 31 December 2015	217.28 475.50 779.75 784.39 853.19	438.84 1,144.93 2,317.56 2,628.79 2,154.89	52.12 29.69 75.58 (132.39) 211.31	BDO Chartered Accountants & Advisors KPMG, UAE
Aster Pharmacies Group LLC	UAE	31 March 2014 31 March 2015 31 December 2015	155.17 975.85 1,540.45	350.77 1,311.25 2,119.54	22.58 (30.19) 2.31	KPMG, UAE
Aster JBR Pharmacy LLC	UAE	31 March 2013 31 March 2014 31 March 2015	16.23 17.89 20.64	40.78 51.88 60.44	(1.13) (0.89) (2.32)	BDO Chartered Accountants & Advisors
Aster Grand Pharmacy LLC	UAE	31 March 2013 31 March 2014 31 March 2015	25.19 36.60 28.94	70.97 106.73 122.62	3.22 6.28 (12.82)	BDO Chartered Accountants & Advisors
Alfa Drug Stores LLC (formerly know as Aster Drug Stores LLC)	UAE	31 March 2014 31 March 2015	43.43 62.30	0.03 287.14	1.65 (1.69)	BDO Chartered Accountants & Advisors
Asma Pharmacy LLC	UAE	31 March 2012 31 March 2013 31 March 2014 31 March 2015	20.75 19.85 10.57 19.56	32.11 35.15 39.93 38.52	4.64 (1.79) (1.63) (1.80)	BDO Chartered Accountants & Advisors
Ambady Infrastructure Private Limited	India	31 March 2011 31 March 2012 31 March 2013 31 March 2014 31 March 2015	251.01 251.01 250.27 250.57 250.32	- - 0.02 0.03 0.00	- - 0.02 - 0.00	Rangamani & Co.
Alfa Pharmacy LLC	UAE	31 March 2012 31 March 2013 31 March 2014 31 March 2015	39.94 51.09 69.78 76.94	93.57 146.86 207.60 212.48	4.99 3.44 4.40 (12.30)	BDO Chartered Accountants & Advisors KPMG, UAE
Al Warqa Pharmacy LLC	UAE	31 March 2012 31 March 2013 31 March 2014 31 March 2015	32.04 36.72 38.22 22.01	88.38 114.01 139.43 107.65	5.24 2.58 (2.21) (6.38)	BDO Chartered Accountants & Advisors
Al Shifa Pharmacy LLC	UAE	31 March 2012 31 March 2013 31 March 2014 31 March 2015	92.31 124.96 123.29 159.12	240.74 321.78 391.35 436.91	16.19 11.84 (18.62) 8.01	BDO Chartered Accountants & Advisors KPMG, UAE
Aster Al Shafar Pharmacies Group LLC	UAE	31 March 2013 31 March 2014 31 March 2015 31 December 2015	127.71 189.33 243.87 240.14	113.91 351.59 551.26 443.64	20.37 9.55 (12.49) 8.07	KPMG, UAE
Al Raha Pharmacy LLC	UAE	31 March 2012 31 March 2013 31 March 2014 31 March 2015	24.28 30.23 20.01 34.54	42.01 50.48 57.36 58.51	0.85 3.26 (2.30) (1.64)	BDO Chartered Accountants & Advisors
Al Rafa Medical Centre LLC		31 March 2012 31 March 2013 31 March 2014 31 March 2015	94.85 131.24 147.52 104.62	181.58 219.05 268.59 167.13	5.16 5.31 2.07 (2.63)	BDO Chartered Accountants & Advisors
Al Raffah Medical Centre LLC	Oman	31 March 2012 31 March 2013 31 March 2014 31 March 2015	- - 5.97 61.75	- - 11.06 134.47	- - (0.41) 2.29	H.C. Shah & Co. KPMG, Oman

Name of subsidiaries / associates	Country	Year/ period ended	Total gross assets included in consolidated financial information	Total revenue from operations (including other income) included in consolidated financial information	Net movement in cash and cash equivalents included in consolidated financial information	Name of the auditor
Aster Milann Fertility & Women Care Centre LLC (Formerly known as Al Rafa Hospital for Maternity and Surgery LLC)	UAE	31 March 2012	142.41	315.88	5.24	KPMG, UAE
		31 March 2013	170.95	406.55	32.19	
		31 March 2014	184.12	468.25	(22.31)	
		31 March 2015	149.17	426.94	(17.72)	
Al Rafa Hospital LLC	Oman	31 March 2012	756.11	830.36	36.58	KPMG, Oman
		31 March 2013	952.93	1,395.32	(28.10)	
		31 March 2014	1,127.98	1,988.14	7.20	
		31 March 2015	1,524.38	2,573.69	2.81	
		31 December 2015	1,748.48	2,178.92	290.03	
Al Musalla Pharmacy LLC	UAE	31 March 2012	20.61	35.71	4.66	BDO Chartered Accountants & Advisors
		31 March 2013	18.27	36.19	(3.86)	
		31 March 2014	12.20	33.61	0.20	
		31 March 2015	21.77	39.06	(1.03)	
Al Juma Pharmacy LLC	UAE	31 March 2012	23.85	62.68	2.39	BDO Chartered Accountants & Advisors
		31 March 2013	28.12	78.44	0.93	
		31 March 2014	36.92	107.71	0.33	
		31 March 2015	43.93	124.35	(4.05)	
Affinity Holdings Private Limited	Mauritius	31 March 2011	965.72	-	(0.35)	Nexia Baker & Arenson
		31 March 2012	285.81	-	0.71	
		31 March 2013	400.60	-	1.92	
		31 March 2014	184.01	-	9.41	
		31 March 2015	9.53	-	(178.42)	
Orange Pharmacies LLC	Jordan	31 March 2015	164.72	99.67	1.53	KPMG, UAE
Aster Kuwait General Trading Co LLC	Kuwait	31 March 2015	368.07	309.12	65.01	KPMG, UAE
Al Shafar Pharmacy LLC(AUH)	UAE	31 March 2015	12.78	6.53	0.52	KPMG, UAE
Associates						
EMED Human Resources (India) Private Limited	India	31 March 2012	-	-	-	Rangamani & Co.
		31 March 2013	-	-	-	
		31 March 2014	-	-	-	
		31 March 2015	-	-	-	
Malabar Institute of Medical Sciences	India	31 March 2012	-	-	-	Varma and Varma
MIMS Infrastructure and Properties Private Limited	India	31 March 2012	-	-	-	Varma and Varma
		31 March 2013	-	-	-	
		31 March 2014	-	-	-	
		31 March 2015	-	-	-	
Aries Holdings FZC	UAE	31 March 2015	-	-	-	S.M. Joshi

* B S R and Associates and B S R & Associates LLP are member entities of B S R & Affiliates, a network, registered with the Institute of Chartered Accountants of India.

** For the years ended 31 March 2012 and 31 March 2013: Subsidiaries incorporated outside India were audited in accordance with the generally accepted accounting principles of the respective countries ('local GAAP') by other auditors duly qualified to act as auditors in those countries and our audit of the reconciliation statement between local GAAP and IGAAP. For the years ended 31 March 2014 and 31 March 2015 and for the nine months period ended 31 December 2015: Subsidiaries and Associate incorporated outside India are audited in accordance with the generally accepted accounting principles in India ('IGAAP') by other auditors duly qualified to act as auditors in those countries.

*** The Company follows equity method of accounting for investment in associates and accounts for share of net assets of the investee in accordance with Accounting Standard Accounting AS -23 Investment in Associates. For the period from 1 April 2015 to 31 December 2015, the Company has accounted for net loss from investment in associate amounting to Rs 6.46.

Appendix II - Financial statements of certain subsidiaries and associates not audited by any auditors.

Figures in INR millions

Name of subsidiaries / associates	Country	Year/ period ended	Total gross assets included in consolidated financial information	Total revenue from operations (including other income) included in consolidated financial information	Net movement in cash and cash equivalents included in consolidated financial information
Subsidiaries					
Aster DM Healthcare INC	Philippines	31 March 2015	108.93	-	72.84
		31 December 2015	110.08	0.29	(61.05)
Aster DM Healthcare SPC	Bahrain	31 March 2015	76.84	-	6.15
		31 December 2015	144.27	6.59	(3.49)
Al Faisal Pharmacy LLC	UAE	31 December 2015	41.38	78.38	1.34
Al Musalla Pharmacy LLC	UAE	31 December 2015	22.99	27.18	(0.33)
Al Raha Pharmacy LLC	UAE	31 December 2015	33.98	49.37	(0.54)
Al Shafar Pharmacy LLC(AUH)	UAE	31 December 2015	13.55	6.85	3.09
Asma Pharmacy LLC	UAE	31 December 2015	28.31	27.08	0.08
Aster Al Shafar Pharmacy LLC (Lamcy)	UAE	31 December 2015	22.58	62.07	1.59
Aster DIP Pharmacy LLC	UAE	31 December 2015	35.18	56.04	(0.92)
Aster Grace Nursing And Physiotherapy LLC	UAE	31 December 2015	26.49	4.22	1.76
Aster Grand Pharmacy LLC	UAE	31 March 2012	15.10	15.15	3.07
Aster JBR Pharmacy LLC	UAE	31 March 2012	12.70	4.84	3.93
		31 December 2015	23.24	54.18	(0.23)
Aster Medical Centre Khalidiya L.L.C	UAE	31 December 2015	70.08	9.36	(12.17)
Aster Opticals LLC	UAE	31 December 2015	-	-	-
Avenue Pharmacy LLC	UAE	31 March 2012	13.27	12.96	3.27
		31 December 2015	27.63	76.96	0.63
DM Group FZ LLC	UAE	31 December 2015	1.86	-	(0.13)
Dr. Moopens medical Poly Clinic LLC	UAE	31 December 2015	40.78	31.07	(0.20)
Eurohealth Systems FZ LLC	UAE	31 December 2015	18.16	13.99	15.41
Golden Sands Pharmacy LLC	UAE	31 December 2015	48.91	53.16	(0.16)
Ibn Al Azwar Pharmacy LLC	UAE	31 December 2015	17.27	38.23	(0.28)
Ibn Alhaitham Pharmacy LLC	UAE	31 December 2015	26.51	19.72	(2.01)
Iqra Pharmacy LLC	UAE	31 December 2015	44.78	50.84	(0.80)
Kuwait General Trading Co LLC	Kuwait	31 December 2015	414.34	237.59	(24.55)
Marina Pearl Pharmacy LLC	UAE	31 December 2015	3.77	0.00	(0.02)
Maryam Pharmacy LLC	UAE	31 December 2015	38.68	49.95	0.29
Medicine Shoppe Micro Pharmacy LLC	UAE	31 December 2015	15.65	36.40	0.65
Medsave Pharmacy	UAE	31 December 2015	19.86	55.12	(0.99)
New Aster Pharmacy DMCC	UAE	31 December 2015	27.62	74.37	(0.56)
Rafa Pharmacy LLC	UAE	31 December 2015	22.60	41.94	(0.05)
Sara Pharmacy LLC	UAE	31 December 2015	43.21	71.75	(2.06)
Shindagha Pharmacy LLC	UAE	31 December 2015	21.83	78.41	0.07
Symphony Healthcare Management Services LLC	UAE	31 March 2013	10.15	54.17	5.33
Union Pharmacy LLC	UAE	31 December 2015	-	36.31	9.15
Vitamin World LLC	UAE	31 December 2015	3.24	3.70	(0.00)
Welcare Polyclinic W.L.L	UAE	31 December 2015	123.49	173.01	(0.45)
Yacoub Pharmacy LLC	UAE	31 December 2015	44.59	42.76	(0.24)
Zabeel Pharmacy LLC	UAE	31 December 2015	1.75	-	0.10
Ambady Infrastructure Private Limited	India	31 December 2015	250.83	0.71	0.12
Al Warqa Pharmacy LLC	UAE	31 December 2015	18.33	30.85	(0.41)
Aster Milann Fertility & Women Care Centre LLC	UAE	31 December 2015	16.86	-	5.39
Affinity Holdings Private Limited	Mauritius	31 December 2015	9.90	-	(0.15)
Dr. Moopens Hospital Co Limited	Saudi Arabia	31 March 2012	-	-	-
		31 March 2013	-	-	-
		31 March 2014	-	-	-
		31 March 2015	-	-	-
		31 December 2015	-	-	-

Name of subsidiaries / associates	Country	Year/ period ended	Total gross assets included in consolidated financial information	Total revenue from operations (including other income) included in consolidated financial information	Net movement in cash and cash equivalents included in consolidated financial information
Sanad for Healthcare Co LLC	Saudi Arabia	31 March 2012	-	-	-
		31 March 2013	-	-	-
		31 March 2014	-	-	-
		31 March 2015	-	-	-
		31 December 2015	-	-	-
Aster Pharmacy LLC, AUH	UAE	31 March 2012	-	-	-
		31 March 2015	15.39	54.79	0.71
		31 December 2015	31.07	65.00	3.99
Entites under the management of Aster DM Healthcare FZC	UAE	31 March 2012	21.74	14.87	0.28
		31 March 2013	62.75	-	(3.41)
		31 March 2014	11.39	-	(1.78)
		31 March 2015	42.75	0.03	(0.07)
		31 December 2015	97.85	105.62	(9.43)
Associates					
EMED Human Resources (India) Private Limited	India	31 December 2015	-	-	-
MIMS Infrastructure and Properties Private Limited	India	31 December 2015	-	-	-
Aries Holdings FZC	UAE	31 December 2015	-	-	-

Annexure I

Summary consolidated statement of assets and liabilities, as restated

(Amounts in INR million)

Particulars	Annexure and note reference	As at 31 March					As at 31 December 2015
		2011	2012	2013	2014	2015	
Equity and liabilities							
Shareholders' funds							
Share capital	IV.5	1.06	1.25	1,248.44	3,745.31	3,978.64	4,626.33
Reserves and surplus	IV.6	934.53	6,702.90	6,544.86	5,360.09	9,545.16	28,271.11
Share application money pending allotment		69.08	-	-	-	-	-
Minority interest		44.18	2,166.60	3,630.43	4,600.41	6,669.08	2,145.81
Non-current liabilities							
Long-term borrowings	V	103.20	1,987.06	2,407.85	5,263.11	5,051.49	8,007.37
Deferred tax liabilities (net)	IV.10	-	0.48	113.86	116.36	132.51	133.80
Other long-term liabilities	IV.7	6.65	-	-	32.59	1,003.50	3,308.08
Long-term provisions	IV.8	0.73	275.09	566.45	723.48	1,052.82	1,476.70
Current liabilities							
Short-term borrowings	V	151.68	788.44	1,420.62	2,042.43	2,893.72	4,956.32
Trade payables	IV.7	10.46	1,713.73	2,993.73	3,131.08	4,324.19	6,575.24
Other current liabilities	IV.7	1,325.81	2,766.33	2,366.38	3,662.27	4,747.12	6,526.50
Short-term provisions	IV.8	0.67	37.39	107.50	259.74	437.65	586.63
Total		2,648.05	16,439.27	21,400.12	28,936.87	39,835.88	66,613.89
Assets							
Non-current assets							
Fixed assets							
Tangible fixed assets	IV.9	1,010.85	4,114.61	6,315.11	7,072.55	12,801.71	14,970.04
Intangible fixed assets	IV.9	1.60	0.85	1.50	17.76	188.47	176.44
Capital work-in-progress		224.11	1,079.65	1,846.84	3,574.52	1,973.64	2,906.74
Goodwill on consolidation	IV.9	74.23	1,851.93	2,405.79	3,783.17	4,328.78	20,692.38
Non-current investments	VI	170.42	405.57	60.78	66.81	116.21	110.66
Long-term loans and advances	VIII	1,041.83	197.67	208.71	728.71	1,148.23	1,654.91
Deferred tax assets (net)	IV.10	0.29	-	-	-	-	-
Other non-current assets	IV.11	-	1.48	1.60	132.83	654.49	551.55
Current assets							
Current investments	VI	-	-	-	-	27.16	51.12
Inventories	IV.11	2.82	1,080.74	1,530.25	1,961.58	3,108.17	4,211.22
Trade receivables	VII	11.43	3,889.72	4,999.56	6,774.69	9,549.77	13,639.28
Cash and bank balances	IV.11	90.88	2,299.87	2,008.72	3,247.36	3,041.75	1,798.47
Short-term loans and advances	VIII	18.23	1,508.04	1,890.85	1,150.18	1,892.16	3,330.49
Other current assets	IV.11	1.36	9.14	130.41	426.71	1,005.34	2,520.59
Total		2,648.05	16,439.27	21,400.12	28,936.87	39,835.88	66,613.89

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

Annexure II

Summary consolidated statement of profit and loss, as restated

(Amounts in INR million)

Particulars	Annexure and note reference	For the year ended 31 March					For the period from 1 April 2015 to 31 December 2015
		2011	2012	2013	2014	2015	
Revenue							
Revenue from operations	IV.12	118.31	11,814.21	19,217.42	28,711.45	38,758.43	37,315.16
Other income	IX	8.80	77.63	170.18	184.16	227.83	121.53
Total revenue		127.11	11,891.84	19,387.60	28,895.61	38,986.26	37,436.69
Expenditure							
Purchase of medicines and consumables		27.22	5,132.43	7,018.85	10,477.31	13,376.44	12,309.25
Changes in inventories	IV.13	(0.16)	(345.76)	(381.55)	(423.29)	(1,154.74)	(1,103.27)
Employee benefits expense	IV.13	48.43	2,220.24	5,138.19	7,911.17	11,589.03	11,986.17
Finance cost	IV.13	6.04	153.69	449.03	478.42	659.18	593.60
Depreciation, amortisation and impairment	IV.9	10.46	532.09	764.64	1,111.18	1,443.65	1,794.91
Other expenses	IV.13	68.94	3,240.19	4,889.89	6,237.95	9,242.80	9,633.04
Total		160.93	10,932.88	17,879.05	25,792.74	35,156.36	35,213.70
Profit / (loss) before tax, as restated		(33.82)	958.96	1,508.55	3,102.87	3,829.90	2,222.99
Less: Provision for tax, as restated							
Current tax / minimum alternate tax	IV.13	-	8.77	55.76	264.68	321.11	404.46
Deferred tax charge / (benefit)	IV.13	(0.55)	0.29	(0.48)	2.50	20.43	1.29
		(0.55)	9.06	55.28	267.18	341.54	405.75
Profit/ (loss) after tax and before share of profit of associates and minority interest, as restated		(33.27)	949.90	1,453.27	2,835.69	3,488.36	1,817.24
Share of profit/ (loss) of associate companies		-	7.07	36.59	1.23	0.67	(6.46)
Profit/ (loss) before minority interest, as restated		(33.27)	956.97	1,489.86	2,836.92	3,489.03	1,810.78
Minority interest		-	(433.92)	(572.05)	(1,059.09)	(1,809.40)	(1,097.57)
Net profit/ (loss) for the year, as restated		(33.27)	523.05	917.81	1,777.83	1,679.63	713.21

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.
2. The reconciliation between the audited surplus in the statement of profit and loss and restated surplus in the summary consolidated statement of profit and loss is given in note 2 of Annexure IV.

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure III

Summary consolidated statement of cash flows, as restated

(Amounts in INR million)

Particulars	For the year ended 31 March					For the period from 1 April 2015 to 31 December 2015
	2011	2012	2013	2014	2015	
Cash flow from operating activities						
Profit before tax, minority interest and share in profit/(loss) of associates, as restated	(33.82)	958.96	1,508.55	3,102.87	3,829.90	2,222.99
Adjustments:						
Unrealised foreign exchange loss	-	-	-	-	-	3.91
Finance cost	6.04	153.69	449.03	478.42	659.18	593.60
Depreciation and amortisation	10.46	416.73	752.57	1,102.98	1,443.65	1,751.56
Impairment loss on goodwill	-	115.36	12.07	8.20	-	43.35
Interest income	(3.66)	(24.43)	(60.88)	(50.12)	(137.33)	(28.95)
Mark to market loss and premium on derivative Contracts	-	-	-	-	13.66	4.58
Loss on sale of associates	-	-	14.17	-	-	-
(Profit) /loss on sale of fixed assets	-	2.03	62.43	(2.53)	1.85	2.54
Provision for doubtful debts and unbilled revenue	-	251.61	719.90	907.36	1,576.89	1,418.19
Expenses on employee stock option scheme	-	-	2.20	24.98	42.46	151.30
Dividend on current non-trade investments	(4.99)	-	-	-	(8.18)	(6.97)
Operating cash flow before working capital changes	(25.97)	1,873.95	3,460.04	5,572.16	7,422.08	6,156.10
Adjustments for changes in working capital						
(Increase)/decrease in inventories	(1.01)	(136.09)	(284.24)	(289.32)	(1,024.42)	(915.13)
(Increase)/decrease in trade receivables	(9.88)	(857.11)	(1,396.07)	(2,205.99)	(3,926.41)	(4,675.92)
(Increase)/decrease in loans and advances	101.23	(2,642.99)	410.43	(446.33)	(1,825.51)	(2,645.87)
Increase/(decrease) in liabilities	27.96	375.59	38.00	897.23	1,950.56	3,137.68
Cash generated from/ (used in) operations	92.33	(1,386.65)	2,228.16	3,527.75	2,596.30	1,056.86
Income taxes paid, net of refund/ refund received net of income tax paid	(2.75)	(0.33)	0.48	(255.62)	(222.67)	(244.09)
Net cash generated from/ (used) operating activities (A)	89.58	(1,386.98)	2,228.64	3,272.13	2,373.63	812.77
Cash flow from investing activities						
Proceeds from issue of shares to minority	-	-	-	199.37	-	-
Consideration paid to entities/ minority for acquisition, net off assets acquired	(179.04)	(247.65)	(408.00)	(1,567.13)	(240.65)	(17,597.14)
Purchase of shares in associates	-	(266.93)	(71.44)	(4.80)	(277.92)	(0.91)
Proceeds from sale of investments	-	-	499.42	-	-	-
Interest received	3.36	24.43	60.84	44.26	103.99	58.34
Dividend on current non-trade investments	4.99	-	-	-	3.28	4.64
Investments in liquid mutual fund units	-	-	-	-	(650.00)	(460.00)
Disposal of liquid mutual fund units	-	-	-	-	629.79	438.37
Purchase of fixed assets	(494.45)	(1,910.90)	(2,093.01)	(3,626.54)	(4,178.90)	(4,908.22)
Proceeds from sale of fixed assets	-	11.97	(47.56)	39.54	54.22	41.04
Net cash used in investing activities (B)	(665.14)	(2,389.08)	(2,059.75)	(4,915.30)	(4,556.19)	-22,423.88
Cash flow from financing activities						
Proceeds from issue of share capital (net of share issue expenses)	76.59	3,885.99	-	-	2,361.33	17,199.33
Share application money refunded	-	-	(85.82)	-	-	-
Secured loans availed, net	245.60	1,344.75	1,141.89	3,432.00	692.41	4,165.94
Disposal of subsidiaries	-	9.17	-	-	-	-
Dividend paid to minority share holders of subsidiaries	-	(362.01)	(103.44)	-	(168.00)	(15.60)
Dividend paid including dividend tax	-	-	-	(624.22)	(3.92)	(213.85)
Interest paid	(4.53)	(173.16)	(473.23)	(473.96)	(798.89)	(617.32)
Net cash generated by financing activities (C)	317.66	4,704.74	479.40	2,333.82	2,082.93	20,518.50
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(257.90)	928.68	648.29	690.65	(99.63)	(1,092.61)
Cash and cash equivalents transferred on composite scheme of arrangement (refer note 20 of Annexure IV)	-	-	-	-	-	0.06
Cash and cash equivalents at the beginning of the year	329.62	72.36	1,024.41	1,686.53	2,482.67	2,476.64
Effect of exchange rate changes on cash and cash equivalents	0.64	23.37	13.83	105.49	93.60	98.95
Cash and cash equivalents at the end of the year	72.36	1,024.41	1,686.53	2,482.67	2,476.64	1,483.04
Book overdraft included above	5.14	12.19	-	-	21.04	26.63

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

1 Significant accounting policies

1.1 Company overview

Aster DM Healthcare Limited (“the Company”) was incorporated on 18 January 2008 and the Company was converted into a public limited company with effect from 1 January 2015. The Company is primarily engaged in the business of rendering healthcare and allied services. The Company is a subsidiary of Union Investments Private Limited, Mauritius which is also the ultimate holding company. The restated consolidated financial statements of the Company as at and for the years ended 31 March 2011, 2012, 2013, 2014, 2015 and for the nine months ended 31 December 2015 comprise the Company and its subsidiaries (collectively referred to as the ‘Group’ and individually as ‘Group entities’) 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 related to healthcare. The Group has operations in UAE, Oman, Kingdom of Saudi Arabia (‘KSA’), Bahrain, Qatar, Kuwait, Jordan, Philippines and India

The restated consolidated financial information relates to the Group and have been specifically prepared for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India (“SEBI”) in connection with the proposed Initial Public Offering (‘IPO’) of equity shares of the Company (referred to as the “Issue”). The restated consolidated financial information consist of the summary consolidated statement of assets and liabilities, as restated of the Group as at 31 March 2011, 2012, 2013, 2014, 2015 and 31 December 2015 the related summary consolidated statement of profit and loss, as restated for the years ended 31 March 2011, 2012, 2013, 2014, 2015 and nine months period ended 31 December 2015 and the related summary consolidated statement of cash flows, as restated for each of the years ended 31 March 2011, 2012, 2013, 2014, 2015 and nine months period ended 31 December 2015 and Annexure IV to XIV thereto (hereinafter collectively referred to as “the Restated Consolidated Financial Information”).

The restated consolidated financial information has been prepared to comply in all material respects with the requirements of Section 26 read with applicable provisions within Rules 4 to 6 of the Companies (Prospectus and Allotment of Securities) Rules, 2014 to the Companies Act, 2013 (‘the Act’); and the SEBI (Issue of Capital and Disclosure Requirements) Regulations 2009 (“the SEBI Regulations”) notified by SEBI on August 26, 2009, as amended from time to time. The Act and the SEBI Regulations require the information in respect of the assets and liabilities and profits and losses of the Group for each of the five years immediately preceding the issue of the Prospectus.

These Restated Consolidated Financial Information were approved by the Board of Directors of the Company in their meeting held on 13 June 2016.

1.2 Basis of accounting and preparation of restated consolidated financial statements

The restated consolidated financial information of the Company have been prepared and presented under the historical cost convention on the accrual basis of accounting and comply with the Accounting Standards issued under the Companies (Accounting Standards) Rules, 2006 which continue to apply under section 133 of the Companies Act 2013 [which has superseded Section 211(3C) of the Companies Act, 1956 w.e.f 12 September 2013], other pronouncements of the Institute of Chartered Accountants of India (‘ICAI’), the provisions of the Companies Act, 2013 to the extent notified and applicable.

The interim consolidated financial information as at and for the nine months period ended 31 December 2015 have been prepared in accordance with Generally Accepted Accounting Principles in India (“GAAP”) under the historical cost convention and on the accrual basis of accounting. These interim consolidated financial information comply with the recognition, measurement and disclosure provisions of Accounting Standard 25 (AS 25), Interim Financial Reporting and other Accounting Standards prescribed under Section 133 of the Companies Act 2013 (“the Act”) read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India (‘ICAI’), the provisions of the Companies Act, 2013 to the extent notified and applicable.

1.2 Basis of accounting and preparation of restated consolidated financial statements (continued)

The accounting policies have been consistently applied by the Group. The restated consolidated financial information are presented in INR millions unless otherwise stated.

These restated consolidated financial information have been prepared so as to contain information / disclosures and incorporating adjustments set out below in accordance with the SEBI Regulations:

- (a) Adjustments for audit qualification requiring corrective adjustment in the financial statements, if any;
- (b) Adjustments for the material amounts in respective years / periods to which they relate, if any;
- (c) Adjustments for previous years identified and adjusted in arriving at the profits of the years to which they relate irrespective of the year in which the event triggering the profit or loss occurred, if any;
- (d) Adjustment to the profits or losses of the earlier years and of the year in which the change in the accounting policy has taken place is recomputed to reflect what the profits or losses of those years would have been if a uniform accounting policy was followed in each of these years, if any;
- (e) Adjustments for reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the groupings as per the audited financial statements of the Company nine months ended 31 December 2015 and the requirements of the SEBI Regulations, if any;
- (f) The resultant impact of tax due to the aforesaid adjustments, if any.

All assets and liabilities have been classified as current or non-current as per the normal operating cycle of the Company and other criteria as set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained their operating cycle as 12 months for the purpose of current – non current classification of assets and liabilities.

Significant accounting policies – The accounting policies set out below have been applied consistently to the periods presented in the restated standalone financial statements.

1.3 Use of estimates

The preparation of restated consolidated financial statements in conformity with generally accepted accounting principles in India (Indian GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities on the date of the restated consolidated financial statements and reported amounts of revenues and expenses for the year / period. Actual results could differ from those estimates. Estimates and underlying assumption are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in current and future periods.

1.4 Principles of consolidation

The restated consolidated financial information has been prepared based on the consolidated financial statements which have been prepared on the following basis:

The restated consolidated financial statements include the financial statements of Aster DM Healthcare Limited, and all of its subsidiaries, in which the parent company has more than one-half of the voting power of an enterprise or where the parent company controls the composition of the Board of Directors or its governing body.

1.4 Principles of consolidation (continued)

- (i) The financial statements of the parent company and the subsidiaries have been combined on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses after eliminating intragroup balances / transactions and resulting unrealised profits / losses in full in accordance with Accounting Standard (AS) 21 - “Consolidated Financial Statements” ('AS 21'). The amounts shown in respect of reserves comprise the amount of the relevant reserves as per the balance sheet of the parent company and its share in the post-acquisition increase in the relevant reserves of the subsidiaries.
- (ii) The Group accounts for investments in associate companies by the equity method of accounting in accordance with AS-23 “Accounting for Investment in Associates in Consolidated Financial Statements” ('AS 23'), where it is able to exercise significant influence over the operating and financial policies of the investee. The carrying amount of investments in associates are effected using the “equity method” and includes the associate company’s share of post-acquisition profits or losses. The Group’s investment in associates includes goodwill identified on acquisition.
- (iii) The excess / deficit of cost to the parent company of its investment in the subsidiaries over its portion of equity at the respective dates on which investment in such entities were made is recognized in the financial statements as goodwill / capital reserve. The parent company’s portion of equity in such entities is determined on the basis of the book values of assets and liabilities as per the financial statements of such entities as on the date of investment and if not available, the financial statements for the immediately preceding period are adjusted for the effects of significant transactions, up to the date of investment.
- (iv) Minority interest in the net assets of consolidated subsidiaries consists of: (a) the amount of equity attributable to minorities at the date on which investment in a subsidiary is made; and (b) the minorities’ share of movements in equity since the date the parent-subsidiary relationship came into existence. Minority interest in share of net result for the year is identified and adjusted against the profit after tax. Excess of loss, if any, attributable to the minority over and above the minority interest in the equity of the subsidiary is absorbed by the Group.
- (v) The consolidated financial statements, as restated are presented, to the extent possible, in the same format as that adopted by the parent company for its separate standalone financial statements.

The consolidated financial statements, as restated are prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- (vi) The subsidiaries and associates consolidated under the Group comprise the entities listed below:

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure IV - Notes to the consolidated financial information, as restated (continued)

1. Significant accounting policies (continued)

1.4. Principles of consolidation (continued)

SI No			Percentage of voting interest as at											
			31 March 2011		31 March 2012		31 March 2013		31 March 2014		31 March 2015		31 December 2015	
			Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal
Direct subsidiaries														
1	DM Eye Care (Delhi) Private Limited	a subsidiary of the Company incorporated under the laws of India	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
2	DM Med City Hospitals India Private Limited	a subsidiary of the Company incorporated under the laws of India	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
3	Prerana Hospital Limited	a subsidiary of the Company incorporated under the laws of India	80%	80%	81%	81%	81%	81%	81%	81%	81%	81%	81%	81%
4	Ambady Infrastructure Private Limited	a subsidiary of the Company incorporated under the laws of India	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
5	Affinity Holdings Private Limited	a subsidiary of the Company incorporated under the laws of Mauritius	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
6	Medipoint Hospitals Private Limited	a subsidiary of the Company incorporated under the laws of India	NA	NA	51%	51%	51%	51%	51%	51%	51%	51%	51%	51%
7	Indogulf Hospitals Private Limited	a subsidiary of the Company incorporated under the laws of India	NA	NA	NA	NA	60%	60%	65%	65%	65%	65%	NA	NA
8	Sri Sainatha Multispeciality Hospitals Private Limited	a subsidiary of the Company incorporated under the laws of India	NA	NA	NA	NA	NA	NA	NA	NA	51%	51%	51%	51%
9	Malabar Institute of Medical Sciences Limited	a subsidiary of the Company incorporated under the laws of India	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	68%	68%
Step down subsidiaries														
10	Aster DM Healthcare FZC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
11	# Al Ehsan Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	70%	0%	70%	0%	70%	0%	77%	0%	77%	0%
12	Al Haramain Pharmacy LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	0%	100%	0%	NA	NA	NA	NA	NA	NA
13	# Al Juma Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	29%	49%	29%	49%	29%	49%	43%	49%	43%	49%
14	# Al Musalla Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
15	# Aster Milann Fertility & Women Care Centre LLC (Formerly known as Al Rafa Hospital for Maternity and Surgery LLC)	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	82%	49%	82%	49%	82%	49%	82%	49%	82%	49%
16	Al Rafa Medical Centre LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	50%	0%	50%	0%	50%	0%	50%	40%	51%	40%
17	# Al Raha Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
18	# Al Shifa Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	80%	49%	80%	49%	80%	49%	87%	49%	87%	49%
19	# Al Warqa Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	79%	49%	79%	49%	79%	49%	93%	49%	93%	49%

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure IV - Notes to the consolidated financial information, as restated (continued)

1. Significant accounting policies (continued)

1.4. Principles of consolidation (continued)

SI No	Name of entity	Contry of incorporation and other particulars	Percentage of voting interest as at											
			31 March 2011		31 March 2012		31 March 2013		31 March 2014		31 March 2015		31 December 2015	
			Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal
20	# Alfa Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
21	Asma Pharmacy LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	50%	0%	50%	0%	50%	0%	50%	0%	50%	0%
22	# Aster Grand Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
23	# Aster JBR Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
24	# Aster Jebel Ali Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
25	# Aster Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
26	# Avenue Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
27	Dar Al Shifa Medical Centre LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	50%	0%	50%	0%	50%	0%	50%	40%	51%	40%
28	DM Group FZ LLC ***	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	60%	100%	60%	100%	60%	100%	60%	100%	60%
29	# DM Healthcare LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
30	# DM Pharmacies LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
31	# Dr Moopens Healthcare Management Services LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
32	Dr. Moopens Medical Clinic LLC (formerly known as Dr. Moopens Medical Poly Clinic LLC)	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	70%	0%	70%	0%	70%	0%	70%	40%	71%	40%
33	Eurohealth Systems FZ LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%
34	Experts Pharmacy LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	0%	100%	0%	NA	NA	NA	NA	NA	NA
35	# Golden Sands Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
36	# Ibn Al Azwar Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	47%	49%	47%	49%	47%	49%	47%	49%	47%	49%
37	Ibn Alhaitham Pharmacy LLC ***	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
38	# Iqra Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%
39	Marina Pearl Pharmacy LLC ***	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	79%	49%	79%	49%	79%	49%	93%	49%	93%	49%

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure IV - Notes to the consolidated financial information, as restated (continued)

1. Significant accounting policies (continued)

1.4. Principles of consolidation (continued)

SI No	Name of entity	Contry of incorporation and other particulars	Percentage of voting interest as at											
			31 March 2011		31 March 2012		31 March 2013		31 March 2014		31 March 2015		31 December 2015	
			Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal
40	Maryam Pharmacy LLC ***	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	0%	100%	0%	100%	0%	100%	0%	100%	0%
41	# Med Save Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
42	# Med Shop Drugs Store LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	63%	37%	63%	37%	63%	37%	88%	37%	88%	37%
43	# Medcare Hospital LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	70%	23%	70%	23%	80%	30%	80%	30%	80%	30%
44	# Medicine Shoppe Micro Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
45	Medicine Shoppe Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	NA	NA
46	# Medshop Garden Pharmacy LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
47	Modern Dar Al Shifa Pharmacy LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	50%	0%	50%	0%	50%	40%	50%	40%	51%	40%
48	# New Al Qouz Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	70%	49%	70%	49%	70%	49%	77%	49%	77%	49%
49	Rafa Pharmacy LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	55%	49%	55%	49%	55%	49%	97%	49%	97%	49%
50	# Shindagha Pharmacy LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	72%	0%	72%	0%	72%	0%	84%	0%	84%	49%
51	# Union Pharmacy LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	63%	37%	63%	37%	63%	37%	63%	37%	63%	37%
52	# Yacoub Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
53	New Grand Pharmacy LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	NA	NA	NA	NA	NA	NA	NA	NA
54	# Aster DIP Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%
55	# Al Faisal Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	NA	NA	51%	49%	51%	49%	51%	49%	51%	49%
56	# Aster Pharmacies Group LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	NA	NA	NA	NA	100%	49%	100%	49%	100%	49%
57	# Alfa Drug Stores LLC (formerly know as Aster Drug Stores LLC)	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	NA	NA	NA	NA	100%	49%	100%	49%	100%	49%
58	# Aster Al Shafar Pharmacies Group LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	NA	NA	51%	49%	51%	49%	51%	49%	51%	49%

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure IV - Notes to the consolidated financial information, as restated (continued)

1. Significant accounting policies (continued)

1.4. Principles of consolidation (continued)

SI No	Name of entity	Contry of incorporation and other particulars	Percentage of voting interest as at											
			31 March 2011		31 March 2012		31 March 2013		31 March 2014		31 March 2015		31 December 2015	
			Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal
59	New Aster Pharmacy DMCC (Formerly known as New Aster Pharmacy JLT)	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	NA	NA	100%	75%	100%	75%	100%	75%	100%	75%
60	# Aster Al Shafar Pharmacy LLC (Lamcy) **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	NA	NA	51%	49%	51%	49%	51%	49%	51%	49%
61	# Sara Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	NA	NA	51%	49%	51%	49%	51%	49%	51%	49%
62	Symphony Healthcare Management Services LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	NA	NA	100%	0%	100%	0%	100%	0%	100%	0%
63	# Vitamin World LLC ***	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	NA	NA	51%	49%	51%	49%	51%	49%	51%	49%
64	Zabeel Pharmacy LLC ***	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	NA	NA	51%	49%	51%	49%	51%	49%	51%	49%
65	Aster Pharmacy LLC, AUH (Formerly known as Farmacia Home Health Care)	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	0%	NA	NA	NA	NA	100%	49%	100%	49%
66	Al Shafar Pharmacy LLC (AUH)	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	NA	NA	NA	NA	NA	49%	51%	49%	51%	49%
67	Aster Grace Nursing & Physiotherapy LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	60%	29%
68	Aster Medical Centre Khalidiya LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	90%	39%
69	# Aster Opticals LLC	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	60%	29%
70	Al Rafa Investments Limited	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	100%	0%
71	Al Rafa Holdings Limited	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA	100%	0%
72	# Rashid Pharmacy LLC **	a subsidiary of the Company incorporated under the laws of UAE	NA	NA	100%	49%	100%	49%	100%	49%	100%	49%	100%	49%
73	Al Rafa Hospital LLC	a subsidiary of the Company incorporated under the laws of Oman	NA	NA	90%	0%	90%	0%	100%	70%	100%	70%	100%	70%
74	Al Raffah Medical Centre LLC	a subsidiary of the Company incorporated under the laws of Oman	NA	NA	90%	0%	90%	0%	90%	60%	90%	60%	90%	60%
75	Dr. Moopens Healthcare Management Services WLL	a subsidiary of the Company incorporated under the laws of Qatar	NA	NA	23%	13%	23%	13%	53%	13%	53%	27%	99%	49%
76	Sanayia Pharmacy WLL	a subsidiary of the Company incorporated under the laws of Qatar	NA	NA	23%	23%	23%	23%	NA	NA	NA	NA	NA	NA

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure IV - Notes to the consolidated financial information, as restated (continued)

1. Significant accounting policies (continued)

1.4. Principles of consolidation (continued)

SI No	Name of entity	Contry of incorporation and other particulars	Percentage of voting interest as at											
			31 March 2011		31 March 2012		31 March 2013		31 March 2014		31 March 2015		31 December 2015	
			Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal
77	Welcare Polyclinic W.L.L	a subsidiary of the Company incorporated under the laws of Qatar	NA	NA	11%	11%	11%	11%	27%	23%	27%	23%	50%	45%
78	Sanad for Healthcare Co LLC	a subsidiary of the Company incorporated under the laws of Kingdom of Saudi Arabia	NA	NA	51%	0%	51%	0%	51%	0%	51%	0%	NA	NA
79	Sanad Al Rahma for Medical Care LLC	a subsidiary of the Company incorporated under the laws of Kingdom of Saudi Arabia	NA	NA	41%	0%	41%	0%	41%	0%	41%	0%	97%	97%
80	Dr. Moopens Hospital Co Limited ##	a subsidiary of the Company incorporated under the laws of Kingdom of Saudi Arabia	NA	NA	70%	50%	70%	50%	70%	50%	70%	50%	70%	50%
81	Aster Kuwait General Trading Co LLC	a subsidiary of the Company incorporated under the laws of Kuwait	NA	NA	NA	NA	NA	NA	NA	NA	54%	2%	54%	2%
82	Orange Pharmacies LLC	a subsidiary of the Company incorporated under the laws of Jordan	NA	NA	NA	NA	NA	NA	NA	NA	51%	0%	51%	0%
83	Aster DM Healthcare SPC	a subsidiary of the Company incorporated under the laws of Bahrain	NA	NA	NA	NA	NA	NA	NA	NA	100%	100%	100%	100%
84	Aster DM Healthcare INC	a subsidiary of the Company incorporated under the laws of Philippines	NA	NA	NA	NA	NA	NA	NA	NA	82%	82%	82%	82%
85	Malabar Institute of Medical Sciences Limited	a subsidiary of the Company incorporated under the laws of India	NA	NA	NA	NA	30%	30%	38%	38%	39%	39%	NA	NA

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure IV - Notes to the consolidated financial information, as restated (continued)

1. Significant accounting policies (continued)

1.4. Principles of consolidation (continued)

			Percentage of voting interest as at											
SI No	Name of entity	Contry of incorporation and other particulars	31 March 2011		31 March 2012		31 March 2013		31 March 2014		31 March 2015		31 December 2015	
			Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal	Beneficial*	Legal
Associates														
86	EMED Human Resources (India) Private Limited	an associate of the Company incorporated under the laws of India	NA	NA	33%	33%	33%	33%	33%	33%	33%	33%	33%	33%
87	Malabar Institute of Medical Sciences Limited	an associate of the Company incorporated under the laws of India	NA	NA	28%	28%	NA	NA	NA	NA	NA	NA	NA	NA
88	MIMS Infrastructure and Properties Private Limited	an associate of the Company incorporated under the laws of India	NA	NA	NA	NA	49%	49%	49%	49%	49%	49%	49%	49%
89	Aries Holdings FZC	an associate of the Company incorporated under the laws of UAE	NA	NA	NA	NA	NA	NA	NA	NA	25%	25%	25%	25%

* Although the percentage of voting rights as a result of legal holding by the Company is not more than 50% in certain entities listed above, the Company controls the composition of the board of directors or equivalent governing body of those entities so as to obtain economic benefits from their activities. Consequently, all the entities listed above have been consolidated for the purposes of the preparation of these restated consolidated financial statements.

In September 2015, the entities identified in the table above with "#" have undergone a corporate restructuring involving the transfer of shares held by certain individuals to Al Rafa Holdings Limited (ARHL), a Company incorporated in the Dubai International Financial Center ("DIFC"), in which Aster DM Healthcare Limited has controlling beneficial interest. The Company also controls the composition of the board of directors of Al Rafa Investment Limited, the holding company of ARHL.

represents entities closed after the reporting date

** represents subsidiaries converted as branches subsequent to the reporting date

*** represents subsidiaries which are in the process of winding up

1.5 Tangible fixed assets and depreciation

Tangible fixed assets are carried at their cost of acquisition or construction less accumulated depreciation. The cost of tangible fixed assets includes freight, duties, taxes and other incidental expenses related to the acquisition of those tangible fixed assets. In respect of major projects involving construction, related directly attributable costs form part of the value of assets capitalised. Borrowing costs directly attributable to the acquisition / construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use is capitalized.

Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under long-term loans and advances. The cost of fixed assets not ready for their intended use before such date are disclosed as capital work-in-progress.

Depreciation on tangible fixed assets is provided on the straight-line method over the useful lives of the assets estimated by the Management. Depreciation for assets purchased / sold during a period is proportionately charged. Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is lower.

The management's estimates of the useful lives for various categories of fixed assets are given below:

Class of assets	Years
Buildings *	20 to 60
Plant and machinery *	5 to 15
Medical equipments *	5 to 10
Motor vehicles *	5 to 8
Computer equipments	3
Furniture and fittings *	5 to 10

** For the above mentioned class 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 methods, useful lives and residual values are reviewed periodically, including at each financial year end.

1.6 Intangible fixed assets

Intangible assets are recorded at the consideration paid for acquisition of such assets and are considered at cost less accumulated amortisation and impairment.

Intangible assets are amortized in the statement of profit and loss over their estimated useful lives, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset. Accordingly, at present, these are being amortized on straight line basis. The management estimates the useful lives of intangible assets as follows:

Class of assets	Years
Computer software	3 to 6
Trade mark	5
Right to use	5

1.7 Goodwill

Any excess of the cost to the parent of its investment in a subsidiary over the parent's portion of equity of the subsidiary, at the date on which investment in the subsidiary is made, is recorded as goodwill arising on consolidation.

Goodwill arising on consolidation/acquisition of assets is not amortised. It is tested for impairment on periodic basis and written-off, if found impaired.

1.8 Inventories

Inventories are valued at the lower of cost and net realizable value. 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.

1.9 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. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related services are rendered by the employees.

Post-employment benefits

Defined contribution plans

Contributions payable to the recognized provident fund, which is a defined contribution scheme, is made monthly at predetermined rates to the appropriate authorities and charged to the statement of profit and loss on an accrual basis. There are no other obligations other than the contributions payable to the respective fund.

Defined benefit plans

Gratuity, 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 this 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.

End of services benefits

The provision for employees end of service benefits represents amount due and payable to the employees upon termination of their contracts in accordance with the terms and conditions of the respective labor and workman Laws applicable to the subsidiaries situated in GCC. The provision is calculated on the basis of actuarial valuation using the projected unit method at the balance-sheet date, carried out by an independent actuary.

1.10 Employee benefits (continued)

Compensated absences

The employees can carry-forward a portion of the unutilized accrued compensated absences and utilize it in future service periods or receive cash compensation on termination of employment. Since the compensated absences do not fall due wholly within twelve months after the end of the period in which the employees render the related service and are also not expected to be utilized wholly within twelve months after the end of such period, the benefit is classified as a long-term employee benefit. The Group records an obligation for such compensated absences in the period in which the employee renders the services that increase this entitlement. The obligation is measured on the basis of independent actuarial valuation using the projected unit credit method.

Employee stock option plan (ESOP) cost

The Group accounts for equity settled stock options as per the accounting treatment prescribed by the Guidance Note on Employee Share-based Payments issued by the Institute of Chartered Accountants of India using the fair value method.

1.11 Impairment of assets

The Group assesses at each balance sheet date whether there is any indication that an asset (including goodwill) forming part of its cash generating units may be impaired. If any such indications exist, the Group estimates the recoverable amount of the asset or the group of assets comprising, a cash generating unit. For an asset or a group of assets that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit to which the asset belongs. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than the carrying amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing the value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. An impairment loss is reversed only to the extent that the carrying amount of the asset does not exceed the book value that would have been determined; if no impairment loss has been recognized.

1.12 Leases

The lease arrangement is classified as either a finance lease or an operating lease, at the inception of the lease, based on the substance of the lease arrangement.

Finance leases

A finance lease is a lease that transfers substantially all the risks and rewards incident to ownership of an asset. A finance lease is recognized as an asset and a liability at the commencement of the lease, at the lower of the fair value of the asset and the present value of the minimum lease payments. Initial direct costs, if any, are also capitalized and, subsequent to initial recognition, the asset is accounted for in accordance with the accounting policy applicable to that asset. Minimum lease payments made under finance leases are apportioned between the finance expense and the reduction of the outstanding liability. The finance expense 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.

Operating leases

Lease where the lessor effectively retains substantially all the risks and rewards of ownership of the leased asset, are classified as operating leases. Operating lease payments are recognised as an expense in the statement of profit and loss on a straight line basis over the lease term.

1.13 Provisions, contingent liabilities and contingent assets

The Group recognises a provision when there is a present obligation as a result of a past (or obligating) event that probably requires an outflow of resources and a reliable estimate can be made of the amount of obligation. A disclosure for a contingent liability is made where there is a possible obligation or a present obligation that may, but probably will not, require an outflow of resources. Where there is a possible obligation or a present obligation that the likelihood of outflow of resources is remote, no provision or disclosure is made.

Provisions for onerous contracts, i.e. contracts where the expected unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received under it, are recognized when it is probable that an outflow of resources embodying economic benefits will be required to settle a present obligation as a result of an obligating event, based on a reliable estimate of such obligations.

1.14 Revenue recognition

The Group derives its revenue primarily from rendering medical and healthcare services. Income from medical and healthcare services comprises of income from hospital services and sale of pharma products.

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

Revenue from sale of pharma products is recognised on sale of medicines 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 of medical and healthcare services rendered in excess of amounts billed to the patients as at the balance sheet date.

Revenue from rendering of consultancy services is recognised as per the terms of the agreements with the customer.

Interest income is recognised using the time proportionate method, based on the transactional interest rates.

Dividend income is recognised in the statement of profit and loss when a right to receive payment is established.

Rental income is accrued on a time basis by reference to the agreements entered.

1.15 Foreign currency transactions and balances

The reporting currency of the Group is the Indian Rupee. The local currencies of the non-integral subsidiaries are different from the reporting currency of the Group.

The Group is exposed to currency fluctuations on foreign currency transactions. Transactions in foreign currency are recognized at the rate of exchange prevailing on the date of the transaction. Exchange difference arising on foreign exchange transactions settled during the year is recognized in the statement of profit and loss for the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date and the resultant exchange differences are recognised in the statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

1.15 Foreign currency transactions and balances (continued)

Foreign operations

The financial statements of the foreign integral subsidiaries, representative offices and branches collectively referred to as the 'foreign integral operations' are translated into Indian rupees as follows:

- Items of income and expenditure are translated at the respective monthly average rates;
- Monetary items are translated using the closing rate;
- Non-monetary items are translated using the monthly average rate which is expected to approximate the actual rate on the date of transaction; and
- The net exchange difference resulting from the translation of items in the financial statements of foreign integral operations is recognised as income or as expense for the year.

The financial statements of non-integral foreign operations are translated into Indian rupees as follows:

- All assets and liabilities, both monetary and non-monetary, are translated using the closing rate;
- items of income and expenditure are translated at the respective monthly average rates.
- The resulting net exchange difference is credited or debited to a foreign currency translation reserve.

1.16 Derivative Contracts

Forward contracts

Premium or discount arising at the inception of forward exchange contracts is amortized as expense or income over the life of the contract. Any profit or loss arising on the cancellation or renewal of forward contracts is recognized as income or as expense for the period. The Group does not use the foreign exchange forward contracts for trading or speculation purposes.

In relation to the forward contracts entered into to hedge the foreign currency risk of the underlying outstanding at the balance sheet date, the exchange difference is calculated as the difference between the foreign currency amount of the contract translated at the exchange rate at the reporting date, or the settlement date where the transaction is settled during the reporting period, and the corresponding foreign currency amount translated at the later of the date of inception of the forward exchange contract and the last reporting date. Such exchange differences are recognized in the statement of profit and loss in the reporting period in which the exchange rates change.

Other derivative contracts

In accordance with the ICAI Announcement – 'Accounting for derivatives', the Group provides for losses in respect of all outstanding derivative contracts at the balance sheet date by marking them to the market.

1.17 Earnings per share

The basic earnings per share ('EPS') is computed by dividing the net profit 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.

1.18 Investments

Long-term investments are carried at cost less provision for any diminution, other than temporary, in the value of such investments determined on a specific identification basis.

Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

The cost of investment includes acquisition charges such as brokerage, fees and duties.

The acquisition cost of investments acquired, or partly acquired by the issue of shares or other securities, is the fair value of the securities issued.

Profit or loss on sale of investments, if any is determined separately for each investment.

1.19 Income taxes

The current income tax charge is determined in accordance with the relevant tax regulations applicable to the respective entities within the Group.

Deferred tax charge or credit is recognized for the future tax consequences attributable to timing difference that result between the profit offered for income taxes and the profit as per the financial statements. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

The Group offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Zakat are charges payable in accordance with the Saudi Arabian Zakat and Income tax regulations.

1.20 Cash-flow statement

Cash flows are reported using the indirect method, whereby 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.

1.21 Cash and cash equivalents

Cash and cash equivalents comprise cash and balances with banks. The Group considers all highly liquid investments with a remaining maturity at the date of purchase of three months or less and that are readily convertible to known amounts of cash to be cash equivalents.

Annexure IV - Notes to the consolidated financial information, as restated (continued)

2. Impact of material adjustments

(Amounts in INR million)

Particulars	For the year ended 31 March					For the period from 1 April 2015 to 31 December 2015
	2011	2012	2013	2014	2015	
Net profit/ (loss) as per audited statement of profit and loss	(38.94)	452.01	1,043.56	1,683.45	1,668.03	713.21
Adjustments on account of: (refer Note 4 A)						
a) Preliminary expenses written-off	0.13	-	-	-	-	-
b) Provision for tax of earlier years	0.06	-	-	-	-	-
c) Prior period expenses	2.44	36.16	4.27	(11.13)	11.63	-
d) Prior period employee's end of services benefits	-	35.48	(115.05)	161.99	-	-
e) Depreciation	3.17	11.74	(67.11)	(24.34)	-	-
Total impact of the adjustments	5.80	83.38	(177.89)	126.52	11.63	-
f) Impact on minority interest	0.13	12.34	(52.14)	32.14	0.03	-
g) Tax impact on adjustments	-	-	-	-	-	-
Total adjustments	5.67	71.04	(125.75)	94.38	11.60	-
Net profit after tax, as restated	(33.27)	523.05	917.81	1,777.83	1,679.63	713.21

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

3. Reconciliation between the audited surplus in statement of profit and loss and restated surplus in statement of profit and loss as at 1 April 2010

Particulars	Amounts in INR million
Deficit in statement of profit and loss as at 1 April 2010 as per audited financial statements	(31.47)
Adjustments on account of: (refer Note 4 A)	
Preliminary expenses written-off	(0.13)
Provision for tax of earlier years	(0.06)
Prior period expenses	(2.44)
Depreciation	18.41
Deficit in statement of profit and loss as at 1 April 2010, as restated	(15.69)

4. Notes on adjustments to the restated consolidated summary statements and other disclosures

A) Other material adjustments

(a) **Preliminary expenses written-off** : During the year ended 31 March 2011, the Group has written off preliminary expenses relating to earlier years. For the purpose of consolidated financial statements, as restated, preliminary expense written off for the year have been credited back in the consolidated statement of profit and loss and opening reserves have been restated accordingly.

(b) **Provision for tax of earlier years**: During the year ended 31 March 2011, the Group provided for income tax pertaining to period prior to year ended 31 March 2010. For the purpose of the consolidated financial statements, as restated, these amounts has been adjusted to the consolidated statement of profit and loss for the year ended 31 March 2011 and opening reserves have been restated accordingly.

(c) **Prior period expenses**: During the year ended 31 March 2011, the Group debited the consolidated statement of profit and loss with Rs 2.44 million towards prior period expenses relating to employee cost, preliminary expenses and other expenses pertaining to the years prior to 31 March 2010. For the purpose of restated consolidated financials information these have been credited to the consolidated restated statement of profit and loss for the year ended 31 March 2011 and reserves as at 1 April 2010 have been restated accordingly.

During the year ended 31 March 2013, a subsidiary of the Company, Medipoint Hospitals Private Limited, debited the statement of profit and loss with Rs. 4.55 million for prior period expenses towards employee cost, preliminary expenses and other expenses and credited statement of profit and loss with Rs. 0.28 million relating to other non-operating income. For the purpose of the consolidated financial information, as restated these amounts has been adjusted to reserves for the year ended 31 March 2012.

During the year ended 31 March 2014 a subsidiary, Malabar Institute of Medical Sciences Limited, debited the statement of profit and loss amounting to Rs. 0.50 million for expenses towards prior period expenses. For the purpose of the restated consolidated financial information, these amounts has been adjusted to reserves and minority interest for the year ended 31 March 2013.

During the year ended 31 March 2012 and 31 March 2015, the Group has debited the consolidated statement of profit and loss with pre-operative expenses amounting to Rs. 36.16 million and Rs. 11.63 million in relation to setting up of units pertaining to prior years in GCC. For the purpose of the restated consolidated financial information, this has been credited to the consolidated restated statement of profit and loss for the year ended 31 March 2012 and consolidated restated statement of profit and loss of prior years have been adjusted accordingly.

Annexure IV - Notes to the consolidated financial information, as restated (continued)

(d) Prior period employee's end of services benefits: During the year ended 31 March 2014, the Group accounted for a provision for other employee's end of services benefits with respect to employees of the Middle East operations based on an actuarial valuation and liability pertaining to prior years have been accounted. For the purpose of the restated consolidated financial information, these amounts have been adjusted to reserves on 1 April 2011 and to employee benefits of respective years.

(e) Change in depreciation policy from written down value method (WDV) to straight line method (SLM)

During the year ended 31 March 2013, Aster DM Healthcare Limited, Prerana Hospital Limited and Medipoint Hospitals Private Limited changed the method of depreciation from Written Down Value (WDV) method to Straight Line (SLM) Method for better presentation in the financial information. For the purposes of the restated consolidated financial information, this impact has been credited to respective years' statement of profit and loss as presented above and the net block of fixed assets has been accordingly changed in each of the financial years ending 31 March 2011 and 2012.

During the year ended 31 March 2015, Malabar Institute of Medical Science Limited revised the estimated useful life of certain categories of assets and the related impact of depreciation was adjusted to the opening retained earnings of that year in accordance with the transition provisions. For the purpose of restated consolidated financial information this impact has been debited to the statement of profit and loss for the previous years.

B) Tax impact on adjustments

The tax impact of the above prior period items and other material adjustments has been considered based on the tax laws of the respective entities in which the adjustments were made.

C) Application of Revised Schedule VI

During the year ended 31 March 2012, the revised Schedule VI to the Companies Act, 1956, became applicable to the Company for preparation and presentation of consolidated financial statements. The adoption of revised Schedule VI does not impact recognition and measurement principles followed for preparation of consolidated financial statements. However, it has significant impact on presentation and disclosures made in the consolidated financial statements. Accordingly, the reclassification have been made in the consolidated financial statements for the year ended 31 March 2011 to comply with requirements of the revised Schedule VI. Since it does not have any impact on the recognition and measurement of the figures, these have not been included as part of differences above.

D) Non-adjusting items

Certain qualifications in the Annexure to the Companies (Auditor's Report) Order, 2015 ('the 2015 Order') issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, of the audited financial statements for the year ended 31 March 2015 and by the Companies (Auditor's Report) Order, 2003 ('the 2003 Order'), as amended, issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Companies Act, 1956, of the audited financial statements for the years ended 2015, 2014, 2013, 2012 and 2011 which do not require any quantitative adjustment in the consolidated restated financial information are as follows :

Financial year 2010-11

Audit qualification in respect of financial statements of Aster DM Healthcare Limited

- a) The internal audit system is not commensurate with the size and nature of its business.
- b) There have been delays in depositing amounts deducted in respect of income tax with appropriate authorities with delays ranging from 2 to 151 days. Undisputed dues of professional tax aggregating to Rs. 0.01 million were in arrears as of 31 March 2011 for a period exceeding 6 months.
- c) The Company has defaulted in payment of interest on loans due to a bank. Interest on the loans amounting to Rs. 1.47 million was due for payment on 31 March 2011 and subsequently had been paid by the Company on 30 April 2011.
- d) With regard to certain loans to parties covered in the register maintained under section 301 of the Companies Act, 1956, the terms and conditions on which interest free loans have been granted to other parties were prima facie prejudicial to the interest of the Company.

Audit qualification in respect of financial statements of Prerana Hospital Limited

- a) The Company has not maintained quantitative details for certain fixed assets purchased in earlier years. Management is in the process of updating the records.
- b) The physical verification should be more frequent and the coverage should be increased given the size of the company and nature of fixed assets.
- c) There have been delays in depositing sales tax, professional tax and income tax deducted at source with the appropriate authorities with the delays ranging from 1 day to 114 days.

Financial year 2011-12

Audit qualification in respect of financial statements of Aster DM Healthcare Limited

- a) There have been delays in depositing amounts deducted in respect of sales tax and provident fund with appropriate authorities with the delays ranging from 25 to 270 days.
- b) With regard to certain loans to parties covered in the register maintained under section 301 of the Companies Act, 1956, the terms and conditions on which interest free loans have been granted to other parties were prima facie prejudicial to the interest of the Company.

Annexure IV - Notes to the consolidated financial information, as restated (continued)

D) Non-adjusting items (continued)

Audit qualification in respect of financial statements of Prerana Hospital Limited

- a) The Company has not maintained quantitative details for certain fixed assets purchased in earlier years. Management is in the process of updating the records.
- b) In our opinion, the internal audit system of the company needs to be further strengthened in order to be commensurate with the size and nature of its business.
- c) Undisputed statutory dues of income tax, sales tax, and professional tax have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases.
- d) According to the information and explanations given to us and the records of the Company examined by us, the Company has delayed the repayment of dues to financial institutions and banks below:

Name of the bank	Nature of dues	Amount Due	Due date of Remittance	Date of remittance
Punjab National Bank	Principal	3.46	31 March 2012	07 June 2012
	Interest	3.56	31 March 2012	07 June 2012
LIC Housing Finance Limited	Principal	0.09	15 November 2011	17 January 2012
	Interest	0.04	15 November 2011	17 January 2012
	Principal	0.10	15 January 2012	24 February 2012
	Interest	0.04	15 January 2012	24 February 2012

- e) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis amounting to Rs.91.83 million have been used for long term investments.

Audit qualification in respect of financial statements of Medipoint Hospitals Private Limited

- a) The Company has not maintained a proper fixed asset register. Although all the fixed assets purchased during the year have been duly recorded in the books of accounts, quantitative details are not maintained.
- b) As explained to us, physical verification of the major portion of the fixed assets as at 31 March 2012 was not conducted by the management during the year. Since no report is available we are unable to opine to comment on any discrepancies if any in this regard.
- c) Inventory was not verified and accordingly the procedures of physical verification of inventory followed by management cannot be commented upon. Since physical verification was not carried out, the discrepancies noticed on physical verification as compared to the book records were not available on record and hence have not been properly dealt with in the books of accounts. The amount of stock has been ascertained on the basis of the records maintained and value of inventory is considered on reasonable valuation principles.
- d) The company does not have an internal audit system commensurate with its size and the nature of its business.
- e) There has been instances of delayed payments in few cases with respect to undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, TDS, cess and other statutory dues.
- f) The accumulated and current year loss at 31 March 2012 is not exceeding 50% of the net worth of the company. During the current financial year the Company has incurred cash loss.

Annexure IV - Notes to the consolidated financial information, as restated (continued)

D) Non-adjusting items (continued)

Financial year 2012-13

Audit qualification in respect of financial statements of Aster DM Healthcare Limited

a) Undisputed statutory dues of service tax have not been regularly deposited with the appropriate authorities with the delays ranging from 1 to 96 days.

Audit qualification in respect of financial statements of Prerana Hospital Limited

a) The company has not maintained quantitative details and allocation of directly attributable costs for certain assets capitalised during earlier years, which the management is in the process of updating.

b) In our opinion, the internal audit system of the company needs to be further strengthened in order to be commensurate with the size and nature of its business.

c) Undisputed statutory dues of income tax deducted at source have not been regularly deposited with the appropriate authorities with delays ranging from 1 to 522 days. Undisputed dues of income tax deducted at source of Rs.0.88 million were outstanding as at 31 March 2013 for a period exceeding six months.

d) According to the information and explanations given to us and the records of the Company examined by us, the Company has delayed in repayment of dues to financial institutions and banks below:

Name of the bank	Nature of dues	Amount Due	Due date of Remittance	Date of remittance
Punjab National Bank	Principal	3.66	30 April 2012	30 June 2012
	Principal	3.51	31 May 2012	30 June 2012
	Interest	3.66	31 May 2012	30 June 2012

Audit qualification in respect of financial statements of Medipoint Hospitals Private Limited

a) The Company has not maintained quantitative details, particulars and the description of certain individual assets and allocation of directly attributable costs for certain assets capitalised during earlier years, which the management is in the process of updating.

b) There are weaknesses in internal control procedures with regard to obtaining quotations and maintaining goods receipt notes for purchase of fixed assets and inventories. Management has instituted certain internal controls over those items, but the same need to be further strengthened to make it commensurate with the size of the company and nature of its business.

c) In our opinion, the internal audit system of the Company needs to be further strengthened in order to be commensurate with the size and nature of its business.

d) Undisputed statutory dues of income tax have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases.

According to the information and explanations given to us, income tax deducted at source aggregating Rs.0.19 million has been outstanding for a period of more than six months.

Annexure IV - Notes to the consolidated financial information, as restated (continued)

D) Non-adjusting items (continued)

Financial year 2013-14

Audit qualification in respect of financial statements of Prerana Hospital Limited

a) Undisputed statutory dues of income tax deducted at source and sales tax / value added tax have not been regularly deposited with the appropriate authorities with delays ranging from 1 to 253 days.

Sales tax/ value added tax of Rs.0.06 million was outstanding as at 31 March 2014 for a period exceeding six months.

Audit qualification in respect of financial statements of Medipoint Hospitals Private Limited

a) Undisputed statutory dues of income tax deducted at source, sales tax, and service tax have not been regularly deposited with the appropriate authorities with delays ranging from 1 to 265 days.

Income tax deducted at source aggregating 0.28 million has been outstanding for a period of more than six months.

Audit qualification in respect of financial statements of Indogulf Hospitals Private Limited

a) Undisputed statutory dues of income tax deducted at source and dividend distribution tax have not been regularly deposited with the appropriate authorities with delays ranging from 1 to 273 days.

b) Dividend distribution tax of Rs.0.01 million was outstanding as at 31st March 2014 for a period exceeding six months.

Financial year 2014-15

Audit qualification in respect of financial statements of Prerana Hospital Limited

a) Interest due on tax deducted at source of Rs. 0.22 million was outstanding as at 31 March 2015 for a period exceeding six months. The same has been subsequently deposited by the Company on 25 May 2015.

b) In our opinion, the accumulated losses of the Company are more than fifty percent of its net worth. Further, the Company has incurred cash losses during the current financial year and in the immediately preceding financial year.

Audit qualification in respect of financial statements of Medipoint Hospitals Private Limited

a) Undisputed statutory dues of income tax deducted at source, value added tax and service tax have not been regularly deposited with the appropriate authorities with delays ranging from 12 to 335 days.

Undisputed amounts of service tax aggregating Rs. 0.01 million has been outstanding for a period of more than six months.

b) In our opinion, the accumulated losses of the Company are more than fifty percent of its net worth. Further, the Company has incurred cash losses during the current financial year and in the immediately preceding financial year.

Audit qualification in respect of financial statements of Sri Sainatha Multispeciality Hospitals Private Limited

a) The Company has not maintained quantitative details and allocation of directly attributable costs for certain assets capitalised during earlier years, which the management is in the process of updating.

b) There are weaknesses in internal control procedures with regard to issuing purchase orders, obtaining quotations and maintaining goods receipt notes for purchase of inventories and fixed assets. Management has instituted certain internal controls over the said items, but the same needs to be further strengthened to make it commensurate with the size of the Company and nature of its business.

c) There have been delays ranging in depositing amounts deducted / accrued in respect of provident fund, employees' state insurance, income tax, service tax, luxury tax and professional tax with a delay of 1 to 330 days.

d) Service tax amounting to Rs.0.04 million have not been deposited with the appropriate authorities.

E) Regrouping

Appropriate adjustments have been made in the consolidated statement of financial information, as restated, wherever required, by reclassification of the corresponding items of income, expenses, assets and liabilities, in order to bring them in line with the regroupings as per the audited financials of the Company for nine months ended ended 31 December 2015, prepared in accordance with Schedule III of Companies Act 2013, and the requirements of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (as amended).

Annexure IV - Notes to the consolidated financial information, as restated (continued)

5. Share capital, as restated

(Amounts in INR million, except per share data)

Particulars	As at 31 March					As at 31 December 2015
	2011	2012	2013	2014	2015	
Equity share capital						
Authorized share capital						
Ordinary equity shares of Rs.10 each	-	8.00	1,298.00	3,800.00	3,900.00	5,000.00
Class A equity shares of Rs.10 each	4.00	-	-	-	-	-
Class B equity shares of Rs.10 each	4.00	-	-	-	-	-
	8.00	8.00	1,298.00	3,800.00	3,900.00	5,000.00
Issued, subscribed and fully paid-up (A)	0.66	1.25	1,248.44	3,745.31	3,840.10	3,986.23
Reconciliation of number of equity shares (number of shares in millions) :						
Number of shares at the beginning of the year/ period	0.07	0.07	0.13	126.39	379.16	388.64
Add: Shares issued during the year/ period						
In cash	-	0.06	1.55	-	9.48	2.44
Other than cash	-	-	124.71	252.77	-	11.97
	0.07	0.13	126.39	379.16	388.64	403.05
Less: Shares issued to the trust under the employee stock option plan (DM Healthcare Employees Stock Option Plan 2013) [refer note 18 of Annexure IV]	-	-	(1.55)	(4.63)	(4.63)	(4.43)
Number of shares at the closing of the year/ period	0.07	0.13	124.84	374.53	384.01	398.62
Preference shares of Rs 10 each						
Authorized share capital	2.00	2.00	2.00	2.00	152.00	662.00
Issued, subscribed and fully paid-up (B)	0.40	-	-	-	138.54	640.10
Reconciliation of number of redeemable preference shares (number of shares in millions):						
Number of shares at the beginning of the year/ period	0.04	0.04	-	-	-	-
Add: issued during the year / period	-	-	-	-	-	-
Less: redemption of preference shares	-	(0.04)	-	-	-	-
Number of shares at the closing of the year/ period	0.04	-	-	-	-	-
Reconciliation of number of Series A compulsorily convertible preference shares (number of shares in millions) :						
Number of shares at the beginning of the year/ period	-	-	-	-	-	13.85
Add: issued during the year / period	-	-	-	-	13.85	-
Less: redemption of preference shares	-	-	-	-	-	-
Number of shares at the closing of the year/ period	-	-	-	-	13.85	13.85
Reconciliation of number of RAR compulsorily convertible preference shares (number of shares in millions) :						
Number of shares at the beginning of the year/ period	-	-	-	-	-	-
Add: issued during the year / period	-	-	-	-	-	50.16
Less: redemption of preference shares	-	-	-	-	-	-
Number of shares at the closing of the year/ period	-	-	-	-	-	50.16
Total share capital (A+B)	1.06	1.25	1,248.44	3,745.31	3,978.64	4,626.33

Notes

a) Rights, preferences and restrictions attached to equity shares as at 31 December 2015

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 assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held.

Annexure IV - Notes to the consolidated financial information, as restated (continued)

5. Share capital, as restated (continued)

b) Rights, preferences and restrictions attached to series A compulsory convertible preference shares as at 31 December 2015

i) 0.00001% series A, compulsory convertible preference shares outstanding "CCPS" of Rs. 10 each issued were during the year ended 31 March 2015.

Upon expiry of the 9th anniversary of the completion date, the series A CCPS shall be compulsorily converted into 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 in respect of the period which the preference dividend is paid.

Rights to receive preference dividend shall be cumulative, and the right to receive the preference dividend shall accrue to the holders of the series A CCPS whether the preference dividend is declared or not in any year.

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

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

Each holder of a series A CCPS shall be entitled to convert the series A CCPS into 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 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.

c) Rights, preferences and restrictions attached to RAR compulsory convertible preference shares (RAR CCPS) as at 31 December 2015

i) 0.00001% RAR, compulsory convertible preference shares outstanding "RAR CCPS" of Rs. 10 each issued were during the period ended 31 December 2015.

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

Rights to receive preference dividend shall be cumulative, and 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, ie. 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.

d) Employee stock options

Terms attached to stock options granted to employees are described in note 18 of Annexure IV

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure IV - Notes to the consolidated financial information, as restated (continued)

5. Share capital, as restated (continued)

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

(Amounts in INR million)

Equity shares held by ultimate holding company/ holding company and their subsidiaries/ associates													(Amounts in ₹ in millions)	
Name of shareholder	As at 31 March										As at 31 December 2015			
	2011		2012		2013		2014		2015					
	No of shares (in millions)	Amount	No of shares (in millions)	Amount	No of shares (in millions)	Amount	No of shares (in millions)	Amount	No of shares (in millions)	Amount	No of shares (in millions)	Amount		
Equity shares of Rs. 10 each fully paid up held by Union Investments Private Limited, Mauritius, holding and ultimate holding company	0.06	0.55	0.08	0.77	77.54	775.40	213.26	2,132.55	207.56	2,075.55	207.56	2,075.55		

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

Name of shareholder	As at 31 March										As at 31 December 2015	
	2011		2012		2013		2014		2015			
	No of shares (in millions)	% of holding	No of shares (in millions)	% of holding	No of shares (in millions)	% of holding	No of shares (in millions)	% of holding	No of shares (in millions)	% of holding	No of shares (in millions)	% of holding
Equity shares of Rs. 10 each fully paid up held by Union Investments Private Limited, Mauritius	0.06	83.87%	0.08	62.10%	77.54	62.10%	213.26	56.94%	207.56	54.05%	207.56	52.07%
Olympus Capital Asia Investments Limited, Mauritius	-	-	0.03	25.47%	31.79	25.47%	95.38	25.47%	105.58	27.49%	105.58	26.49%
IVF Trustee Company Private Limited, India	0.01	16.13%	0.02	12.43%	15.51	12.43%	46.54	12.43%	46.54	12.12%	46.54	11.67%
Series A Compulsorily Convertible Preference shares of Rs. 10 each, fully paid up held by												
Olympus Capital Asia Investments Limited, Mauritius	-	-	-	-	-	-	-	-	9.31	67.20%	9.31	67.20%
Indium IV (Mauritius) Holdings Limited, India	-	-	-	-	-	-	-	-	4.54	32.80%	4.54	32.80%
RAR Compulsorily Convertible Preference shares of Rs. 10 each, fully paid up held by												
Rimco (Mauritius) Limited, Mauritius	-	-	-	-	-	-	-	-	-	-	50.16	100.00%
Redeemable Preference shares of Rs. 10 each, fully paid up held by												
IVF Trustee Company Private Limited, India	0.04	100.00%	-	-	-	-	-	-	-	-	-	-

g) Details of bonus share issued for consideration other than for cash for past 5 years

During the financial year 2013-14, 252.77 million equity shares and during the financial year 2012-13, 124.71 million equity shares of Rs. 10 each, fully paid-up, have been allotted as bonus shares by capitalisation of securities premium.

h) Details of shares issued for consideration other than for cash for past 5 years

- During the nine months ended 31 December 2015, 4.91 million equity shares have been allotted as consideration for swap of shares with the shareholders of Malabar Institute of Medical Science Limited.
- During the nine months ended 31 December 2015, 7.03 million equity shares have been allotted as per the scheme of amalgamation with Indogulf Hospitals India Private Limited (Refer note 20 of Annexure IV).
- During the nine months ended 31 December 2015, 0.03 million equity shares has been allotted as per the DM Healthcare Employees Stock Option Plan 2013 to the employees.

i) Details of buyback for consideration other than for cash for past 5 years

The Company has not bought back any class of equity shares nor has there been any issue for consideration other than for cash, except bonus issue as mentioned above, during the period of five years immediately preceding the balance sheet date.

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

Annexure IV - Notes to the consolidated financial information, as restated (continued)

6. Reserves and surplus, as restated

(Amounts in INR million)

Particulars	As at 31 March					As at 31 December 2015
	2011	2012	2013	2014	2015	
General reserve (A)						
Opening balance	-	-	-	-	70.40	70.40
Add: additions during the year/ period	-	-	-	70.40	-	-
Total (A)	-	-	-	70.40	70.40	70.40
Shares premium account (B)						
Opening balance	909.26	909.26	4,794.66	3,763.46	1,297.45	3,425.45
Add: additions during the year/ period	-	3,885.40	215.99	30.86	2,166.46	17,279.99
Add : Balance in securities premium account of Indogulf Hospitals Private Limited, as on the appointed date, acquired pursuant to amalgamation [refer note 20 of Annexure IV]	-	-	-	-	-	551.74
Add/(less): Amount utilised for issue of bonus shares	-	-	(1,247.19)	(2,496.87)	-	-
Less: share issue expenses	-	-	-	-	(38.46)	-
	909.26	4,794.66	3,763.46	1,297.45	3,425.45	21,257.18
Less: Shares issued to the trust under the employee stock option plan (DM Healthcare Employees Stock Option Plan 2013) [refer note 18 of Annexure IV]	-	-	(215.99)	(246.85)	(246.85)	(236.16)
Total (B)	909.26	4,794.66	3,547.47	1,050.60	3,178.60	21,021.02
Capital reserve (C)						
Opening balance	0.17	1.43	1,181.32	1,238.26	972.13	987.12
Add: additions/(utilisation) during the year/ period	1.26	1,023.52	-	(295.26)	-	-
Add: translation adjustment	-	156.37	56.94	29.13	14.99	19.38
Total (C)	1.43	1,181.32	1,238.26	972.13	987.12	1,006.50
Statutory reserve (D)						
Opening balance	-	-	139.25	195.41	302.65	409.54
Add: acquisition during the year/ period	-	90.21	-	-	-	-
Add: additions during the year/ period	-	31.87	49.41	88.59	90.60	2.21
Add: translation adjustment	-	17.17	6.75	18.65	16.29	23.60
Total (D)	-	139.25	195.41	302.65	409.54	435.35
Revaluation reserve (E)						
Opening balance	-	-	-	4.65	4.65	4.65
Add: additions during the year/ period	-	-	4.65	-	-	-
Total (E)	-	-	4.65	4.65	4.65	4.65
Employee stock options outstanding (F)						
Opening balance	-	-	-	2.20	27.18	69.63
Add: employee compensation expense for the year/ period	-	-	2.20	24.98	42.45	87.04
Less: Exercise of stock option during the year/ period	-	-	-	-	-	(15.97)
Total (F)	-	-	2.20	27.18	69.63	140.70
Foreign exchange translation reserve (G)						
Opening balance	(0.03)	72.80	227.24	328.23	714.33	1,024.99
Add : on acquisition during the year/ period	-	-	-	-	-	-
Add: additions during the year/ period	72.83	154.44	100.99	386.10	310.66	398.25
Total (G)	72.80	227.24	328.23	714.33	1,024.99	1,423.24
Surplus: statement of profit and loss (H)						
Opening balance	(15.69)	(48.96)	360.43	1,228.64	2,218.15	3,800.23
Add : Balance in statement of profit and loss of Indogulf Hospitals Private Limited, as on the appointed date, acquired pursuant to the scheme of amalgamation. [refer note 20 of Annexure IV]	-	-	-	-	-	(1.79)
Add: Excess of liabilities over assets adjusted pursuant to the scheme of amalgamation with Indogulf Hospitals Private Limited	-	-	-	-	-	(324.59)
Add/ (less) : restatement impact (refer note IV 2)	-	(81.79)	(0.19)	-	-	-
Add: Net profit/ (loss) transferred from statement of profit and loss	(33.27)	523.05	917.81	1,777.83	1,679.63	713.21
Amount available for appropriation	(48.96)	392.30	1,278.05	3,006.47	3,897.78	4,187.06
Less: Transfer to general reserve	-	-	-	(70.40)	-	-
Less: Transfer to statutory reserve	-	(31.87)	(49.41)	(88.59)	(90.60)	(2.21)
Less: dividend paid (December 2015 : refer note 2 below)	-	-	-	(624.22)	-	(15.60)
Less: Dividend distribution tax	-	-	-	(5.11)	(6.95)	-
Total (H)	(48.96)	360.43	1,228.64	2,218.15	3,800.23	4,169.25
Total (A+B+C+D+E+F+G+H)	934.53	6,702.90	6,544.86	5,360.09	9,545.16	28,271.11

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.
2. Dividend paid for nine months ended 31 December 2015 relate to dividend paid to minority shareholders of Indogulf Hospitals Private Limited on account of merger [refer note 20 of Annexure IV]

Annexure IV - Notes to the consolidated financial information, as restated (continued)

7. Other long-term liabilities, trade payables and current liabilities

(Amounts in INR million)

Particulars	As at 31 March					As at 31 December 2015
	2011	2012	2013	2014	2015	
Non-current liabilities						
Other long-term liabilities						
Security deposits	4.60	-	-	15.29	0.70	5.32
Dues to creditors for capital goods	0.91	-	-	17.23	728.41	-
Rent equalisation reserve	1.14	-	-	0.07	191.06	301.87
Payable to minority shareholders towards acquisitions	-	-	-	-	-	3,000.89
Amount payable to bank under forward contract	-	-	-	-	83.33	-
Total	6.65	-	-	32.59	1,003.50	3,308.08
Current liabilities						
Trade payables						
Dues to micro and small enterprises	-	-	-	-	0.54	0.85
Dues to others	10.46	1,713.73	2,993.73	3,131.08	4,323.65	6,574.39
Total	10.46	1,713.73	2,993.73	3,131.08	4,324.19	6,575.24
Other current liabilities						
Current maturities of long term-borrowings	16.15	534.72	1,214.74	1,550.85	1,888.88	1,473.59
Current maturities of finance lease obligations	-	-	3.25	2.16	2.91	2.32
Bank overdraft	5.14	12.19	-	-	21.04	26.63
Share application money due for refund	1,251.86	85.82	-	-	-	-
Interest accrued and due on borrowings	1.47	-	-	-	-	-
Interest accrued but not due on borrowings	0.04	-	-	4.46	7.71	6.28
Advance received from customers	1.19	0.88	18.53	99.82	205.55	275.00
Dues to creditors for capital goods	25.78	154.33	123.48	207.90	327.82	1,032.32
Dues to related parties	6.54	104.67	10.70	25.01	10.37	21.17
Payable towards acquisition of a subsidiary/ minority interest	-	883.06	-	-	34.04	25.37
Rent equalisation reserve	-	-	-	0.35	-	1.48
Payable to partners in clinics	-	66.49	67.08	28.38	128.52	199.02
Security deposits from employees and others	1.45	10.39	21.63	3.24	22.49	15.36
Dividend payable to minority share holders of subsidiaries	-	-	-	-	-	430.62
Dues to creditors for expenses and accrued expenses	11.41	904.52	881.18	1,711.58	2,042.40	2,879.29
Amount payable to bank under forward contract	-	-	-	-	-	5.55
Mark-to-market loss on derivative contracts	-	-	-	-	13.66	87.91
Statutory dues payables	4.78	9.26	25.79	28.52	41.73	44.59
Total	1,325.81	2,766.33	2,366.38	3,662.27	4,747.12	6,526.50
TOTAL	1,342.92	4,480.06	5,360.11	6,825.94	10,074.81	16,409.82

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

2 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	-	-	-	-	0.54	0.85
The interest due on the principal remaining outstanding as at the end of the year	-	-	-	-	-	-
The amount of interest paid under the Act, along with the amounts of the payment made beyond the	-	-	-	-	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but	-	-	-	-	-	-
The amount of interest accrued and remaining unpaid at the end of the year	-	-	-	-	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date	-	-	-	-	-	-

Annexure IV - Notes to the consolidated financial information, as restated (continued)

8. Long-term and short-term provisions, as restated

(Amounts in INR million)

Particulars	As at 31 March					As at 31 December 2015
	2011	2012	2013	2014	2015	
Long-term provisions						
Leave encashment	-	-	3.87	4.37	12.10	18.25
Gratuity	0.73	2.88	12.72	14.06	34.92	40.84
Employee's end of services benefits	-	272.21	549.86	705.05	1,005.80	1,417.61
Total	0.73	275.09	566.45	723.48	1,052.82	1,476.70
Short-term provisions						
Provision for employee benefits :-						
- Leave encashment	-	-	-	0.57	0.72	6.18
- Gratuity	0.64	1.01	1.24	1.02	2.31	5.52
- End of services benefits	-	26.94	15.77	83.99	108.91	54.85
Dividend distribution tax payable by a subsidiary	-	-	12.96	15.28	18.31	-
Provision for income tax, net of advance tax	0.03	9.44	13.40	29.57	34.82	23.70
Foreign tax payable	-	-	-	-	-	211.00
Zakat payable*	-	-	64.13	129.31	272.58	285.38
Total	0.67	37.39	107.50	259.74	437.65	586.63
TOTAL	1.40	312.48	673.95	983.22	1,490.47	2,063.33

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

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure IV - Notes to the consolidated financial information, as restated (continued)

9. Tangible and intangible fixed assets, as restated

a. For the year ended 31 March 2011

(Amounts in INR million)

Asset description	Gross block						Accumulated depreciation/amortization					Net block	
	As at 1 April 2010	Additions	On acquisition	Deletions / write-off	Effect of movements in exchange rates	As at 31 March 2011	As at 1 April 2010	For the year	Deletions	Effect of movements in exchange rates	As at 31 March 2011	As at 31 March 2011	As at 31 March 2010
Tangible fixed assets													
Freehold land	316.16	358.69	228.00	-	-	902.85	-	-	-	-	-	902.85	316.16
Buildings	18.32	0.21	-	-	-	18.53	2.23	0.30	-	-	2.53	16.00	16.09
Leasehold improvements	-	5.04	-	-	-	5.04	-	-	-	-	-	5.04	-
Plant and machinery	9.14	4.92	-	-	-	14.06	2.36	0.42	-	-	2.78	11.28	6.78
Medical equipment	44.37	26.60	-	-	-	70.97	11.68	5.82	-	-	17.50	53.47	32.69
Furniture and fixtures	9.14	2.26	-	-	-	11.40	2.32	1.05	-	-	3.37	8.03	6.82
Motor vehicles	9.29	1.74	-	-	-	11.03	0.66	0.99	-	-	1.65	9.38	8.63
Computer equipments	4.27	1.98	-	-	-	6.25	0.24	1.21	-	-	1.45	4.80	4.03
	410.69	401.44	228.00	-	-	1,040.13	19.49	9.79	-	-	29.28	1,010.85	391.20
Intangible fixed assets													
Computer software	2.06	0.07	-	-	-	2.13	0.22	0.62	-	-	0.84	1.29	1.84
Trademarks	0.08	0.29	-	-	-	0.37	0.01	0.05	-	-	0.06	0.31	0.07
Total	2.14	0.36	-	-	-	2.50	0.23	0.67	-	-	0.90	1.60	1.91
Goodwill on consolidation													
Goodwill	55.30	19.04	-	-	-	74.34	0.11	-	-	-	0.11	74.23	55.19
Total	55.30	19.04	-	-	-	74.34	0.11	-	-	-	0.11	74.23	55.19

Note:

1) Capital work-in-progress includes borrowing cost capitalised during the year Rs. 8.85 (previous year nil) in accordance with Accounting Standard 16 - Borrowing cost.

b. For the year ended 31 March 2012

Asset description	Gross block						Accumulated depreciation/amortization/impairment					Net block	
	As at 1 April 2011	Additions	Additions through acquisitions	Deletions / write-off	Effect of movements in exchange rates	As at 31 March 2012	As at 1 April 2011	For the year	Deletions	Effect of movements in exchange rates	As at 31 March 2012	As at 31 March 2012	As at 31 March 2011
Tangible fixed assets													
Freehold land	902.85	49.63	137.23	-	10.29	1,100.00	-	-	-	-	-	1,100.00	902.85
Buildings	18.53	228.98	639.60	-	45.97	933.08	2.53	10.47	-	2.18	15.18	917.90	16.00
Leasehold improvements	5.04	155.17	383.00	10.43	92.86	625.64	-	98.82	6.92	33.78	125.68	499.96	5.04
Plant and machinery	14.06	36.95	71.24	0.27	24.99	146.97	2.78	30.47	-	13.80	47.05	99.92	11.28
Medical equipments	70.97	320.92	804.57	9.33	163.29	1,350.42	17.50	203.78	2.69	79.32	297.91	1,052.51	53.47
Furniture and fixtures	11.40	181.62	165.85	0.13	40.28	399.02	3.37	54.12	0.06	16.10	73.53	325.49	8.03
Motor vehicles	11.03	27.48	47.15	4.88	12.56	93.34	1.65	7.96	1.26	5.01	13.36	79.98	9.38
Computer equipments	6.25	18.21	22.84	-	5.53	52.83	1.45	10.15	-	2.38	13.98	38.85	4.80
	1,040.13	1,018.96	2,271.48	25.04	395.77	4,701.30	29.28	415.77	10.93	152.57	586.69	4,114.61	1,010.85
Intangible fixed assets													
Computer software	2.13	0.21	-	-	-	2.34	0.84	0.88	-	-	1.72	0.62	1.29
Trademarks	0.37	-	-	-	-	0.37	0.06	0.08	-	-	0.14	0.23	0.31
	2.50	0.21	-	-	-	2.71	0.90	0.96	-	-	1.86	0.85	1.60
Goodwill on consolidation													
Goodwill	74.34	1,737.27	-	-	157.22	1,968.83	0.11	115.36	-	1.43	116.90	1,851.93	74.23
Total	74.34	1,737.27	-	-	157.22	1,968.83	0.11	115.36	-	1.43	116.90	1,851.93	74.23

Note:

1) Capital work-in-progress includes borrowing cost capitalised during the year Rs. 37.95 in accordance with Accounting Standard 16 - Borrowing cost.

c. For the year ended 31 March 2013

(Amounts in INR million)

Particulars	Gross block						Accumulated depreciation/amortization/impairment					Net block	
	As at 1 April 2012	Additions	Additions through acquisitions	Deletions / write-off	Effect of movements in exchange rates	As at 31 March 2013	As at 1 April 2012	For the year	Deletions	Effect of movements in exchange rates	As at 31 March 2013	As at 31 March 2013	As at 31 March 2012
Tangible fixed assets													
Freehold land	1,100.00	36.14	250.48	6.13	6.91	1,387.40	-	-	-	-	-	1,387.40	1,100.00
Buildings	933.08	36.12	659.06	25.71	30.93	1,633.48	15.18	65.99	0.01	0.63	81.79	1,551.69	917.90
Leasehold improvements	625.64	119.79	15.78	1.06	38.53	798.68	125.68	110.37	0.60	15.01	250.46	548.22	499.96
Plant and machinery	146.97	58.57	2.30	0.30	10.33	217.87	47.05	47.24	-	5.99	100.28	117.59	99.92
Medical equipments	1,350.42	706.03	506.64	7.08	73.28	2,629.29	297.91	341.96	2.42	31.78	669.23	1,960.06	1,052.51
Furniture and fixtures	399.02	326.77	61.20	0.68	18.49	804.80	73.53	129.69	0.16	7.42	210.48	594.32	325.49
Motor vehicles	93.34	34.51	5.22	3.62	5.45	134.90	13.36	36.42	0.09	2.03	51.72	83.18	79.98
Computer equipments	52.83	33.01	19.57	0.14	2.67	107.94	13.98	20.33	0.14	1.12	35.29	72.65	38.85
	4,701.30	1,350.94	1,520.25	44.72	186.59	7,714.36	586.69	752.00	3.42	63.98	1,399.25	6,315.11	4,114.61
Intangible fixed assets													
Computer software	2.34	1.22	-	-	-	3.56	1.72	0.40	-	-	2.12	1.44	0.62
Trademarks	0.37	-	-	-	-	0.37	0.14	0.17	-	-	0.31	0.06	0.23
	2.71	1.22	-	-	-	3.93	1.86	0.57	-	-	2.43	1.50	0.85
Goodwill on consolidation													
Goodwill	1,968.83	481.24			85.56	2,535.63	116.90	12.07		0.87	129.84	2,405.79	1,851.93
	1,968.83	481.24	-	-	85.56	2,535.63	116.90	12.07	-	0.87	129.84	2,405.79	1,851.93

Note:

1) Capital work-in-progress includes borrowing cost capitalised during the year Rs.17.94 in accordance with Accounting Standard 16 - Borrowing cost .

d. For the year ended 31 March 2014

Particulars	Gross block						Accumulated depreciation/amortization/impairment					Net block	
	As at 1 April 2013	Additions	Additions through acquisitions	Deletions / write-off	Effect of movements in exchange rates	As at 31 March 2014	As at 1 April 2013	For the year	Deletions	Effect of movements in exchange rates	As at 31 March 2014	As at 31 March 2014	As at 31 March 2013
Tangible fixed assets													
Freehold land	1,387.40	288.41	-	-	14.96	1,690.77	-	-	-	-	-	1,690.77	1,387.40
Buildings	1,633.48	25.66	-	2.28	69.92	1,726.78	81.79	71.53	2.28	6.11	157.15	1,569.63	1,551.69
Leasehold improvements	798.68	348.49	-	2.85	91.59	1,235.91	250.46	161.15	0.32	41.34	452.63	783.28	548.22
Plant and machinery	217.87	53.75	-	0.52	27.29	298.39	100.28	62.96	0.15	16.29	179.38	119.01	117.59
Medical equipments	2,629.29	634.22	-	31.63	219.97	3,451.85	669.23	548.54	12.95	99.45	1,304.27	2,147.58	1,960.06
Furniture and fixtures	804.80	148.05	-	21.54	70.45	1,001.76	210.48	188.63	13.35	24.99	410.75	591.01	594.32
Motor vehicles	134.90	31.96	-	12.37	14.62	169.11	51.72	33.50	5.14	7.36	87.44	81.67	83.18
Computer equipments	107.94	47.67	-	9.32	8.48	154.77	35.29	35.42	9.31	3.77	65.17	89.60	72.65
	7,714.36	1,578.21	-	80.51	517.28	9,729.34	1,399.25	1,101.73	43.50	199.31	2,656.79	7,072.55	6,315.11
Intangible fixed assets													
Computer software	3.56	17.42	-	-	(0.10)	20.88	2.12	1.20	-	-	3.32	17.56	1.44
Trademarks	0.37	0.19	-	-	-	0.56	0.31	0.05	-	-	0.36	0.20	0.06
Total	3.93	17.61	-	-	(0.10)	21.44	2.43	1.25	-	-	3.68	17.76	1.50
Goodwill on consolidation													
Goodwill	2,535.63	1,190.83	-	-	197.72	3,924.18	129.84	8.20	-	2.97	141.01	3,783.17	2,405.79
	2,535.63	1,190.83	-	-	197.72	3,924.18	129.84	8.20	-	2.97	141.01	3,783.17	2,405.79

Note:

1) Fixed assets and capital work-in-progress includes borrowing cost capitalised during the year Rs.120.73 in accordance with Accounting Standard 16 - Borrowing cost.

2) Medical equipments include assets taken under finance lease Rs. 20.21.

e. For the year ended 31 March 2015

(Amounts in INR million)

Particulars	Gross block						Accumulated depreciation/amortization					Net block	
	As at 1 April 2014	Additions	Additions through acquisitions	Deletions / write-off	Effect of movements in exchange rates	As at 31 March 2015	As at 1 April 2014	For the year	Deletions	Effect of movements in exchange rates	As at 31 March 2015	As at 31 March 2015	As at 31 March 2014
Tangible fixed assets													
Freehold land	1,690.77	167.96	-	-	7.70	1,866.43	-	-	-	-	-	1,866.43	1,690.77
Buildings	1,726.78	1,498.30	-	-	39.23	3,264.31	157.15	87.11	-	8.22	252.48	3,011.83	1,569.63
Leasehold improvements	1,235.91	760.66	18.30	14.32	83.15	2,083.70	452.63	248.54	14.31	34.56	721.42	1,362.28	783.28
Plant and machinery	298.39	681.28	4.54	4.68	24.36	1,003.89	179.38	245.38	2.62	17.16	439.30	564.59	119.01
Medical equipments	3,451.85	2,548.51	88.42	150.68	146.28	6,084.38	1,304.27	406.44	104.99	78.25	1,683.97	4,400.41	2,147.58
Furniture and fixtures	1,001.76	953.52	0.86	4.83	50.83	2,002.14	410.75	295.04	3.51	27.21	729.49	1,272.65	591.01
Motor vehicles	169.11	113.74	2.18	22.32	10.56	273.27	87.44	43.90	19.48	5.66	117.52	155.75	81.67
Computer equipments	154.77	143.83	1.09	15.01	6.38	291.06	65.17	64.15	10.85	4.82	123.29	167.77	89.60
	9,729.34	6,867.80	115.39	211.84	368.49	16,869.18	2,656.79	1,390.56	155.76	175.88	4,067.47	12,801.71	7,072.55
Intangible fixed assets													
Computer software	20.88	54.30	-	0.04	-	75.14	3.32	7.19	0.02	-	10.49	64.65	17.56
Trademarks	0.56	0.03	-	-	-	0.59	0.36	0.05	-	-	0.41	0.18	0.20
Right to use - pharmacy license	-	166.02	-	-	4.58	170.60	-	45.85	-	1.11	46.96	123.64	-
	21.44	220.35	-	0.04	4.58	246.33	3.68	53.09	0.02	1.11	57.86	188.47	17.76
Goodwill on consolidation													
Goodwill	3,924.18	387.08	-	-	160.48	4,471.74	141.01	-	-	1.95	142.96	4,328.78	3,783.17
	3,924.18	387.08	-	-	160.48	4,471.74	141.01	-	-	1.95	142.96	4,328.78	3,783.17

Note :

1. Fixed assets and capital work-in-progress includes borrowing cost capitalised during the year Rs. 142.95 in accordance with Accounting Standard 16 - Borrowing cost.
2. Medical equipments include assets taken under finance lease Rs. 20.21.

e. For the nine months ended 31 December 2015

(Amounts in INR million)

Particulars	Gross block						Accumulated depreciation/amortization/impairment					Net block	
	As at 1 April 2015	Additions	Additions through acquisitions	Deletions / write-off	Effect of movements in exchange rates	As at 31 December 2015	As at 1 April 2015	For the year	Deletions	Effect of movements in exchange rates	As at 31 December 2015	As at 31 December 2015	As at 31 March 2015
Tangible fixed assets													
Freehold land	1,866.43	292.98	-	17.64	9.95	2,151.72	-	-	-	-	-	2,151.72	1,866.43
Buildings	3,264.31	438.76	-	-	54.10	3,757.17	252.48	83.47	-	11.54	347.49	3,409.68	3,011.83
Leasehold improvements	2,083.70	684.09	-	0.12	141.74	2,909.41	721.42	435.70	0.01	61.12	1,218.23	1,691.18	1,362.28
Plant and machinery	1,003.89	250.23	-	1.94	42.03	1,294.21	439.30	152.83	1.77	25.43	615.79	678.42	564.59
Medical equipments	6,084.38	1,274.31	-	29.09	222.83	7,552.43	1,683.97	748.46	17.98	111.59	2,526.04	5,026.39	4,400.41
Furniture and fixtures	2,002.14	436.32	-	5.46	82.97	2,515.97	729.49	193.85	0.92	38.66	961.08	1,554.89	1,272.65
Motor vehicles	273.27	76.08	-	0.68	17.28	365.95	117.52	35.60	0.59	8.63	161.16	204.79	155.75
Computer equipments	291.06	139.19	-	1.78	11.48	439.95	123.29	59.42	1.59	5.86	186.98	252.97	167.77
	16,869.18	3,591.96	-	56.71	582.38	20,986.81	4,067.47	1,709.33	22.86	262.83	6,016.77	14,970.04	12,801.71
Intangible fixed assets													
Computer software	75.14	21.34	-	-	-	96.48	10.49	15.78	-	-	26.27	70.21	64.65
Trademarks	0.59	0.44	-	-	-	1.03	0.41	0.15	-	-	0.56	0.47	0.18
Right to use - pharmacy license	170.60	8.65	-	9.74	18.81	188.32	46.96	26.30	0.01	9.31	82.56	105.76	123.64
	246.33	30.43	-	9.74	18.81	285.83	57.86	42.23	0.01	9.31	109.39	176.44	188.47
Goodwill on consolidation													
Goodwill	4,471.74	15,888.06	-	46.36	567.78	20,881.22	142.96	43.35	-	2.53	188.84	20,692.38	4,328.78
	4,471.74	15,888.06	-	46.36	567.78	20,881.22	142.96	43.35	-	2.53	188.84	20,692.38	4,328.78

Note :

1. To be read together with significant accounting policies, impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV as above.
2. Fixed assets and capital work-in-progress includes borrowing cost capitalised during the year Rs. 22.29 in accordance with Accounting Standard 16 - Borrowing cost.
3. Medical equipments include assets taken under finance lease Rs. 20.21.

Annexure IV - Notes to the consolidated financial information, as restated (continued)

10. Deferred tax assets and liabilities, as restated

(Amounts in INR million)

Particulars	As at 31 March					As at 31 December
	2011	2012	2013	2014	2015	2015
<i>Deferred tax liabilities</i>						
Arising from timing differences in respect of:						
Tangible and intangible fixed assets	0.28	5.86	137.68	148.27	1,335.48	1,474.95
Other disallowances	-	-	-	0.01	0.51	-
<i>Deferred tax assets</i>						
Arising from timing differences in respect of:						
Employee benefits	0.29	-	0.80	8.13	15.17	14.90
Provisions allowed on payments, written off	-	-	-	1.21	1.48	3.00
Unabsorbed depreciation and business loss	0.03	5.38	16.43	22.58	13.91	-
Special tax benefits u/s 35 AD	-	-	-	-	1,157.88	1,323.25
Other tax disallowances	0.25	-	6.59	-	15.04	-
	0.57	5.38	23.82	31.92	1,203.48	1,341.15
Net deferred tax liability/ (asset)	(0.29)	0.48	113.86	116.36	132.51	133.80

Deferred tax liability as at the 31 March 2015 includes Rs 8.60 representing deferred tax liability of a subsidiary acquired during the year.

In respect of certain entities in the Group, in view of carry forward of losses and / or unabsorbed depreciation under tax laws, in accordance with AS – 22 – “Accounting for taxes on income” prescribed by the Companies (Accounting Standards) Rules, 2006 no deferred tax asset has been recognised for those entities as at the year end as the entities are unable to demonstrate virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

Annexure IV - Notes to the consolidated financial information, as restated (continued)

11. Other non-current assets, inventories, cash and bank balances and other current assets, as restated

(Amounts in INR million)

Particulars	As at 31 March					As at 31 December 2015
	2011	2012	2013	2014	2015	
Other non-current assets (Unsecured, considered good)						
Balance with banks for margin money	-	-	-	8.53	12.89	0.46
Margin money deposits with others	-	-	-	122.39	378.86	360.40
Interest accrued on fixed deposits	-	-	-	0.13	0.19	0.08
Bank deposits with more than 12 months maturity from the reporting date	-	1.48	1.60	1.78	1.69	15.56
Prepaid expenses	-	-	-	-	183.84	175.05
Forward contract receivable	-	-	-	-	77.02	-
Total	-	1.48	1.60	132.83	654.49	551.55
Inventories						
Pharmacy medicines and consumables* (refer note 2)	1.50	1,078.97	1,528.87	1,952.16	3,106.90	4,210.17
Stores and spares*	1.32	1.77	1.38	9.42	1.27	1.05
*Do not individually exceed 10% of the total value of inventory						
Total	2.82	1,080.74	1,530.25	1,961.58	3,108.17	4,211.22
Cash and bank balances						
<i>Cash and cash equivalents</i>						
Cash on hand	0.75	18.12	54.50	45.17	77.74	83.31
Balance with banks						
- in current accounts	34.72	922.81	1,449.02	2,418.16	1,982.96	1,391.12
- in deposit accounts	42.03	95.67	183.01	19.34	436.98	35.24
	77.50	1,036.60	1,686.53	2,482.67	2,497.68	1,509.67
<i>Other bank balances</i>						
On deposit accounts (with original maturity of more than 3 months but less than 12 months)	8.18	1,242.97	46.70	265.72	314.47	18.09
Balance with banks for margin money	5.20	20.30	275.49	498.97	229.60	270.71
Total	90.88	2,299.87	2,008.72	3,247.36	3,041.75	1,798.47
Other current assets (Unsecured, considered good)						
Interest accrued on fixed deposits	0.25	6.93	2.20	7.93	41.21	11.93
Forward contract receivable	-	-	-	-	-	83.29
Unbilled revenue, net of provision	1.11	2.21	128.21	418.78	964.13	2,423.73
Insurance claims receivable	-	-	-	-	-	1.64
Total	1.36	9.14	130.41	426.71	1,005.34	2,520.59

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.
2. Inventory as at the 31 March 2013 includes Rs. 68.35 representing inventory of a subsidiary acquired during the year.

12. Revenue from operations, as restated*(Amounts in INR million)*

Particulars	For the year ended 31 March					For the period from 1 April 2015 to 31 December 2015
	2011	2012	2013	2014	2015	
Income from hospital and medical services	109.84	7,810.66	12,359.32	18,871.87	25,530.36	25,792.50
Sale of medicines	-	3,986.40	6,695.48	9,406.02	12,709.19	11,117.53
Others						
Income from healthcare consultancy	8.47	16.32	107.12	105.57	23.47	14.00
Other operating revenue	-	0.83	55.50	327.99	495.41	391.13
Total	118.31	11,814.21	19,217.42	28,711.45	38,758.43	37,315.16

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

Aster DM Healthcare Limited and its subsidiaries and associates
Annexure IV - Notes to the consolidated financial information, as restated (continued)
13. Other expenses, as restated
(Amounts in INR million)

Particulars	For the year ended 31 March					For the period from 1 April 2015 to
	2011	2012	2013	2014	2015	
Changes in inventories						
Opening stock	1.34	733.21	1,078.97	1,528.87	1,952.16	3,106.90
Less : closing stock	1.50	1,078.97	1,460.52	1,952.16	3,106.90	4,210.17
	(0.16)	(345.76)	(381.55)	(423.29)	(1,154.74)	(1,103.27)
Employee benefits expense						
Salaries and allowances	44.92	2,215.58	5,122.36	7,831.03	11,224.18	11,493.02
Contribution to provident and other funds	2.76	3.73	7.46	31.15	77.04	80.25
Expenses on employee stock option scheme	-	-	2.20	24.98	42.46	151.30
Staff welfare	0.75	0.93	6.17	24.01	245.35	261.60
Total	48.43	2,220.24	5,138.19	7,911.17	11,589.03	11,986.17
Finance cost						
Interest	5.97	112.71	391.91	415.46	544.71	583.05
Other borrowing costs	0.07	40.98	57.12	62.96	114.47	10.55
Total	6.04	153.69	449.03	478.42	659.18	593.60
Other expenses						
Professional fee paid to doctors	17.83	1,275.41	1,747.13	2,185.64	2,519.1800	2,511.29
Hospital operation and management fees	-	-	-	-	24.9900	33.66
Lab expenses	9.03	24.70	49.10	57.24	137.3500	110.77
Consumables	-	58.43	87.64	56.90	85.7800	105.43
Power and fuel	3.34	94.73	156.40	290.47	391.8000	428.96
Rent	4.34	523.60	682.05	915.80	1,263.3800	1,484.64
Insurance	0.61	13.22	14.55	29.90	78.4300	78.89
Repairs and maintenance:						
- Buildings	0.04	0.15	0.83	23.92	52.44	33.56
- Plant and machinery	-	0.25	2.63	14.99	65.00	83.12
- Others	5.94	75.16	152.21	187.66	432.20	321.47
Rates and taxes	0.89	96.84	175.02	48.53	395.82	292.72
Advertising and sales promotion	4.60	136.55	203.88	305.18	544.03	653.46
Legal, professional and other consultancy	12.54	99.60	128.30	166.53	450.98	237.29
Advance against investment written-off	-	25.86	-	-	-	-
Loss on sale of fixed assets, net	-	2.03	62.43	-	1.85	2.54
Printing and stationery	-	48.76	79.00	99.38	112.96	85.37
Communication expenses	1.10	42.52	54.25	78.86	122.58	124.25
Catering/ canteen service	0.96	18.56	53.96	39.33	90.56	91.34
Travelling expenses	5.58	34.67	41.56	70.52	111.76	110.66
Loss on sale of equity accounted investee	-	-	14.17	-	-	-
Provision for doubtful debts and loans / advances	-	251.61	719.90	907.36	1,576.89	1,418.19
Net loss on account of foreign exchange fluctuations	-	-	-	0.69	2.46	3.91
Bank charges	-	-	-	-	117.73	105.52
Miscellaneous expenses	2.14	417.54	464.88	759.05	664.63	1,316.00
Total	68.94	3,240.19	4,889.89	6,237.95	9,242.80	9,633.04
Tax expense						
Current tax / minimum alternate tax	-	8.77	(8.43)	174.62	151.81	104.96
MAT credit (entitlement)/ utilisation	-	-	-	(8.43)	8.43	-
Deferred tax charge / (benefit)	(0.55)	0.29	(0.48)	2.50	20.43	1.29
Foreign income tax	-	-	-	-	-	209.01
Zakat charges*	-	-	64.19	98.49	160.87	90.49
Total	(0.55)	9.06	55.28	267.18	341.54	405.75

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

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

14. Contingent liabilities and capital commitments, as restated

(Amounts in INR million)

Particulars	As at 31 March					As at 31 December 2015
	2011	2012	2013	2014	2015	
a) Estimated amount of contracts remaining to be executed on capital account (Net of capital advances) and not provided for	260.44	1,420.33	2,589.25	2,391.17	2,673.88	3,244.90
b) Claims against the Group not acknowledged as debts	-	-	2.84	12.45	19.29	28.56
c) Disputed Income tax/Wealth tax/provident fund demands pending before assessing/appellate authorities	-	-	14.36	26.88	14.53	15.30
d) Statutory bonus	-	-	-	-	-	19.75
e) Security cheques	-	352.86	369.86	-	-	-
f) Bank guarantees outstanding	-	2,300.75	2,432.79	2,656.85	2,783.71	2,988.60
g) Letters of credit	5.59	-	59.15	894.58	1.50	-
h) Export commitments under EPCG scheme*	-	-	-	665.45	768.14	832.59

*The Company has obtained duty free / concessional duty licenses for import of capital goods by undertaking export obligations under the EPCG scheme. As at 31 December 2015, export obligations remaining to be fulfilled amounts to Rs.832.59 million (Previous year: Rs.768.14 million). In the event that export obligations are not fulfilled, the Company would be liable to pay the levies. The Company's bankers have provided bank guarantees aggregating Rs.221.10 million (Previous year: Rs.156.73 million) to the customs authorities in this regard.

(a) The Group has received an income tax demand for the assessment year 2005-06 wherein demand for tax and penalty of Rs. 1.12 has been raised against the group on account of certain disallowances, adjustments made by the income tax department. A significant portion of this amount arises from disallowance of certain penalty paid on electricity charges. 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 Group has filed an appeal against the demands received.

(b) The Group has received an income tax demand for the assessment year 2006-07 wherein demand of Rs. 2.10 has been raised against the Group on account of certain disallowances, adjustments made by the income tax department. A significant portion of this amount arises from certain adjustment for unabsorbed depreciation done by the income tax department in the computation of Minimum Alternative Tax. 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 Group has filed an appeal against the demands received.

(c) The Group has received an income tax demand for the assessment year 2008-09 wherein demand of Rs. 2.46 has been raised against the Group on account of certain disallowances, adjustments made by the income tax department. A significant portion of this amount arises from certain adjustment done by the income tax department in the computation of Minimum Alternative Tax. 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 Group has filed an appeal against the demands received.

(d) The Payment of Bonus act 1965, was amended on december 2015 with retrospective effect from 1 April 2014. The Group accounted for the liability for the year 2015-16 only based on the stay order from the High Court of Kerala on the retrospective effect. The liability for 2014-15 based on the revised slab is shown as contingent liability

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

(f) It is not practicable for the Group to estimate the timings of 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.

(g) In the past, prior to Malabar Institute of Medical Sciences Limited ('MIMS') becoming a subsidiary of the Company, there was a violation of section 67(3) of the Companies Act, 1956 at MIMS. The violation related to certain instances of issuance and allotment of equity shares by MIMS which were not in compliance with the requirements of the said section of the Act. Subsequently, in November 2015, the SEBI issued a circular and provided that companies involved in such violations may avoid penal action subject to fulfilment of certain conditions. Consequently, the Company has taken actions to comply with the requirements of the SEBI circular and has filed its compounding application before the CLB stating that the non-compliance was inadvertent and requesting to compound the offence. Based on the subsequent actions taken by the Company, Management believes that the exposure to fines and penalties related to the non-compliance will not be significant and has therefore not made any adjustments to the financial statements.

(h) The Group does not expect any reimbursements in respect of the above contingent liabilities.

(i) The Group has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required and disclosed as contingent liabilities where applicable, in its financial statements. The Group does not expect the outcome of these proceedings to have a materially adverse effect on its financial results.

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

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

15. Gratuity, as restated

The Group has a defined benefit gratuity plan for employees of the Indian Companies of the Group. Every employee who has completed five years or more of service is eligible for gratuity on completion of service/leaving the Group, in accordance with the provisions of "The Payment of Gratuity Act, 1972".

(Amounts in INR million)

Particulars	As at/ For the year ended 31 March					As at/ For the period ended
	2011	2012	2013	2014	2015	31 December 2015
Obligations at beginning of the year/ period	3.66	4.90	8.33	22.13	25.59	49.35
Current service cost	0.58	1.11	2.03	5.87	12.23	8.99
Past service cost	0.51	0.06	2.60	-	3.40	-
Interest cost	0.30	0.42	1.36	2.04	2.48	1.91
Benefits paid	(0.05)	(0.06)	(0.73)	(1.43)	(4.08)	(2.04)
Net actuarial (gain) / loss for the year/ period	(0.10)	(0.16)	1.64	(2.62)	9.73	0.29
Acquisition during the year/ period *	-	2.06	6.90	(0.40)	-	-
Obligations at end of the year/ period	4.90	8.33	22.13	25.59	49.35	58.50
Plan assets at year beginning, at fair value	2.70	3.53	4.44	8.17	10.51	12.12
Expected return on plan assets	0.27	0.35	0.55	0.81	1.00	0.01
Actuarial gain / (loss)	0.02	0.02	0.03	(0.06)	(0.05)	-
Contributions	0.64	0.64	3.33	1.92	1.30	-
Benefits settled	(0.10)	(0.10)	(0.37)	(0.33)	(0.64)	-
Acquisition during the year/ period *	-	-	0.19	-	-	-
Plan assets at year/ period end, at fair value	3.53	4.44	8.17	10.51	12.12	12.13
Reconciliation of present value of the obligation and the fair value of the plan assets:						
Closing obligations	4.90	8.33	22.13	25.59	49.35	58.50
Closing fair value of plan assets	(3.53)	(4.44)	(8.17)	(10.51)	(12.12)	(12.13)
Liability recognized in the balance sheet	1.37	3.89	13.96	15.08	37.23	46.37
Gratuity cost for the year/ period						
Current service cost	0.58	1.11	2.03	5.87	12.23	8.99
Past service cost	0.51	0.06	2.60	-	3.40	-
Interest cost	0.30	0.42	1.36	2.04	2.48	1.91
Expected return on plan assets	(0.27)	(0.35)	(0.55)	(0.81)	(1.00)	(0.01)
Net actuarial (gain) / loss for the year/ period	(0.12)	(0.18)	1.61	(2.56)	9.78	0.29
Less : cost on account of acquisition	-	-	(5.73)	-	-	-
Net gratuity cost	1.00	1.06	1.32	4.54	26.89	11.18
Assumptions						
Expected return of plan assets	9.00%	9.00%	9.00%	9.00%	9.00%	9.00%
Discount rate	8.25%	8.50%	7.95%	8.70%	7.85%	7.70%
Salary increase	6.50%	6.50%	6.50%	6.00%	6.50%	6.00%
Attrition rate	Modified q(x) values under Indian Assured Lives Mortality (1994-1996) Ultimate - Table				20%-40%	20%-40%
Retirement age	58 years	58 years	58 years	58 years	58 years	58 years

*Acquisition during the year/ period is related to gratuity liability of entities acquired during the respective years/ period.

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

Annexure IV - Notes to the consolidated financial information, as restated (continued)

16. Segment reporting, as restated

The Group has structured its business broadly into four verticals – Hospitals, clinics, retail pharmacies and others. The Group considers business segment as the primary segment and geographical segment based on the location of customers as the secondary segment. 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 total assets and liabilities since a meaningful segregation is not possible.

A. Primary segment information :

The primary segments of the Group are its business segments which are as follows:

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

(Amounts in INR million)

Particulars	As at/ For the year ended 31 March					As at/ For the period ended 31 December 2015
	2011	2012	2013	2014	2015	
Segment revenue						
Hospitals	109.84	5,002.35	8,757.58	13,818.92	19,002.80	19,025.13
Clinics	-	3,242.92	4,697.96	6,795.81	9,085.70	8,901.53
Retail pharmacies	-	3,552.62	5,654.76	8,096.72	10,646.46	9,374.50
Others	8.47	16.32	107.12	-	23.47	14.00
Total	118.31	11,814.21	19,217.42	28,711.45	38,758.43	37,315.16
Segment result						
Hospitals	(1.21)	565.48	831.44	2,464.61	3,290.72	2,917.69
Clinics	-	299.06	503.16	902.56	1,247.88	527.44
Retail pharmacies	-	332.37	354.87	812.44	753.57	548.86
Others	(32.71)	37.58	(4.56)	(5.15)	11.63	-
Total	(33.92)	1,234.49	1,684.91	4,174.46	5,303.80	3,993.99
Other income, excluding interest income	5.19	53.91	109.32	134.04	91.11	92.58
Finance income	3.61	23.72	60.86	50.12	136.72	28.95
Unallocated expenses	(8.70)	(353.16)	(346.54)	(1,255.75)	(1,701.73)	(1,892.53)
Profit before tax, minority interest and share in profits of associate companies	(33.82)	958.96	1,508.55	3,102.87	3,829.90	2,222.99
Provision for tax	(0.55)	9.06	55.28	267.18	341.54	405.75
Profit before minority interest and share in profits of associate companies	(33.27)	949.90	1,453.27	2,835.69	3,488.36	1,817.24
Segment assets						
Hospitals	397.36	8,953.93	13,614.73	19,125.79	25,917.50	46,263.38
Clinics	-	1,993.50	2,323.38	3,654.85	5,637.12	8,331.82
Retail pharmacies	-	2,049.38	3,082.11	4,294.30	5,821.45	7,791.12
Others	-	12.99	3.25	2.15	16.74	28.07
Unallocated	2,250.69	3,429.47	2,376.65	1,859.78	2,443.07	4,199.50
Total	2,648.05	16,439.27	21,400.12	28,936.87	39,835.88	66,613.89
Segment liabilities						
Hospitals	148.57	2,662.60	4,253.83	6,674.58	8,500.59	14,602.42
Clinics	-	702.34	981.77	1,449.97	1,793.67	2,776.47
Retail pharmacies	-	1,519.47	2,369.66	2,400.52	3,446.08	4,958.99
Others	-	1.84	1.36	3.70	4.30	31.44
Unallocated	1,450.63	2,682.27	2,369.77	4,702.29	5,898.36	9,201.32
Total	1,599.20	7,568.52	9,976.39	15,231.06	19,643.00	31,570.64

16. Segment reporting, as restated

(Amounts in INR million)

Particulars	As at/ For the year ended 31 March					As at/ For the period ended 31 December 2015
	2011	2012	2013	2014	2015	
Depreciation, amortisation and impairment						
Hospitals	8.82	311.50	557.43	787.99	1,062.33	1,124.48
Clinics	-	136.18	151.60	251.51	225.37	279.75
Retail pharmacies	-	65.36	28.41	41.63	105.71	106.72
Unallocated	1.64	19.05	27.20	30.05	50.24	283.96
Total	10.46	532.09	764.64	1,111.18	1,443.65	1,794.91
Capital expenditure						
Hospitals	494.45	1,703.17	1,791.27	2,848.46	2,752.58	3,451.14
Clinics	-	172.88	248.39	669.58	848.20	1,294.83
Retail pharmacies	-	5.58	36.10	91.61	292.12	120.84
Others	-	1.90	0.05	0.40	8.39	0.63
Unallocated	-	27.37	17.20	16.49	277.61	40.78
Total	494.45	1,910.90	2,093.01	3,626.54	4,178.90	4,908.22

B. Secondary segment information:

The Group operates in three principal geographical areas and classified as secondary segment.

The secondary segments of the Group 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

Particulars	As at/ For the year ended 31 March					As at/ For the period ended 31 December 2015
	2011	2012	2013	2014	2015	
Segment revenue						
GCC States	8.47	11,656.08	18,867.06	25,767.34	34,478.46	32,644.66
India	109.84	158.13	350.36	2,944.11	4,279.97	4,670.20
Rest of the world	-	-	-	-	-	0.30
Total	118.31	11,814.21	19,217.42	28,711.45	38,758.43	37,315.16
Segment assets						
GCC States	8.43	11,898.51	15,254.33	20,263.68	27,899.90	52,906.16
India	1,673.76	4,539.95	6,143.06	8,663.64	11,821.46	13,597.65
Rest of the world	965.86	0.81	2.73	9.55	114.52	110.08
Total	2,648.05	16,439.27	21,400.12	28,936.87	39,835.88	66,613.89
Capital expenditure						
GCC States	-	909.31	1,331.46	1,437.23	2,476.87	3,278.45
India	494.45	1,001.59	761.55	2,189.31	1,681.94	1,560.35
Rest of the world	-	-	-	-	20.09	69.43
Total	494.45	1,910.90	2,093.01	3,626.54	4,178.90	4,908.23

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

Annexure IV - Notes to the consolidated financial information, as restated (continued)

17. Operating lease commitments

The Group is obligated under cancellable operating leases for office and residential premises which are renewable at the option of both the lessor and lessee. The Group is also obliged under non-cancellable operating lease for hospital operational and management fees (revenue share). Total rental expense under cancellable and non- cancellable operating leases are as below

(Amounts in INR million)

Particulars	As at/ For the year ended 31 March					As at/ For the period ended 31 December 2015
	2011	2012	2013	2014	2015	
Under cancellable operating lease	4.34	16.23	17.37	10.39	109.73	29.82
Under non-cancellable operating lease	-	507.37	664.68	905.41	1,178.64	1,488.48
Future minimum amount payable under non-cancellable operating leases are as follows						
Less than one year	-	437.18	538.36	765.58	1,589.93	1,703.42
Between one and five years	-	352.86	506.11	1,150.56	3,260.48	4,146.71
More than five years	-	1,377.34	1,349.16	1,591.69	10,162.80	9,558.88

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

Annexure IV - Notes to the consolidated financial information, as restated (continued)

18 Employee stock option plan

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 the 2013 Plan, the Company has granted 1,480,266 (adjusted for bonus issue) options on 2 March 2013, 607,817 options on 1 April 2014 and 403,019 options on 1 April 2015 to eligible employees. 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 three different categories of options on 2 March 2013, 1 April 2014 and 1 April 2015 on different terms viz; incentive options, milestone options and loyalty options.

The Guidance Note on "Accounting for Employee Share Based Payments" issued by the ICAI establishes financial and reporting principles for employees share based payment plans. The Guidance Note applies to employee share based payment plans, the grant date in respect of which falls on or after 1 April 2005.

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	Fair value (Rs.)	Exercise price (Rs.)	Vesting conditions	Exercise period
Incentive option	2 March 2013	40.90	50	At the end of 1 year based on performance	5 years from the date of grant
Incentive option	1 April 2014	77.07	50		
Incentive option	1 April 2015	216.86	50		
Milestone option	2 March 2013	48.68	50	25% at the end of each financial year over a period of 4 years based on KPIs	
Milestone option	1 April 2014	78.50	50		
Milestone option	1 April 2015	219.21	50		
Loyalty option	2 March 2013	161.42	10	100% vesting at the end of 1 year from date of grant	
Loyalty option	1 April 2014	124.19	10		
Loyalty option	1 April 2015	251.09	10		

Summary of the status of options granted under 2013 Plan to employees as at 31 December 2015 and 31 March 2015 is presented below:

Particulars	31 December 2015	31 March 2015
Options granted and outstanding at the beginning of the year/ period *	1,853,772	1,460,266
Granted during the year/ period	403,019	607,817
Lapsed / forfeited during the year/ period	22,463	197,430
Exercised during the year/ period	200,219	-
Expired during the year/ period	15,893	16,881
Options outstanding at the end of the year	2,018,216	1,853,772
Options exercisable at the end of the year	1,175,273	1,391,385
Weighted average exercise price	50.53	51.82

* Adjusted for bonus issue

The options outstanding as at 31 December 2015 had a weighted average remaining contractual life of 2.62 years.

Assumptions used to estimate the fair value of the option using Black- Scholes Option Pricing valuation model:

Option Type	Incentive option			Milestone option			Loyalty option		
Date of grant	1 April 2015	1 April 2014	2 March 2013	1 April 2015	1 April 2014	2 March 2013	1 April 2015	1 April 2014	2 March 2013
Risk- free interest rate	7.79%	8.89%	7.95%	7.79%	8.89%	7.95%	7.79%	8.89%	7.95%
Expected life	2 years	2 years	1.96 years	2.75 years	2.80 years	2.80 years	2 years	2 years	2 years
Expected volatility	0.001%	0.001%	Nil	0.001%	0.001%	Nil	0.001%	0.001%	Nil
Expected dividend yield	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Fair market value of underlying share	Rs.259.65	Rs.132.56	Rs. 170	Rs.259.65	Rs. 132.56	Rs. 170	Rs.259.65	Rs. 132.56	Rs. 170

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

Annexure IV - Notes to the consolidated financial information, as restated (continued)

19 Non-adjusting events after balance sheet date

a) Sale of Investments in Medipoint Hospitals Private Limited

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

b) Acquisition of stake in Dr.Ramesh Cardiac and Multispeciality Hospitals Private Limited (RCM). The Company acquired 29.97% in RCM in two tranches on 2 May 2016 and 17 May 2016 for a total consideration of 958.46 million.

20 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 with shareholding of 65.44% as on 31 March 2015.

The Scheme of Amalgamation ('the scheme') of IGH with the Company 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 inter-alia provides for the amalgamation of IGH with the Company effective from 1 April 2015.

As per the scheme, the new equity shares to be issued to the members of the Transferor Company shall be in multiples of 1 and any fractional shares shall be rounded-off to the next higher multiple of 1. 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 said Scheme, the above mentioned amalgamation has been accounted under the Pooling of Interest Method as follows :

a) The assets aggregating to Rs.1,007.84 million and current liabilities of Rs.0.12 million of IGH have been recorded by the Company at book values.

b) Investment of Rs.705.82 million in IGH and receivable of Rs.6.25 million from IGH was cancelled

c) The reserves of IGH Rs 549.95 million were transferred to the Company in the same form.

d) The surplus arising between the aggregate values of assets of IGH, net of the aggregate of the liabilities of the IGH, together with the share capital issued, and reserves of the IGH recorded by the Company (i.e, the difference between the amount recorded as share capital issued and the amount of share capital of the IGH), has been adjusted to the reserves of the Company, as per the Accounting Standard.

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 transactions 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. Hence, these transactions do not form part of the disclosures relating to the "Related Party Transactions" mandated by Accounting Standard 18.

- 21** The Company has entered into joint development agreement on 1 April 2014, with its subsidiary, DM Medcity Hospitals (India) Private Limited ('DM Medcity'), for construction and development of its Medcity hospital project (Phase I and Phase II). Under the agreement the Company is required to make certain payments / deposits to the subsidiary based on which the Company has been given the right to enter into and construct part of the Phase I of the project on lands owned by DM Medcity. The agreement also states that DM Medcity is required to make certain payments / deposits to the Company based on which DM Medcity has been given the right to enter into and construct part of the Phase II of the project on lands owned by the Company. The agreement envisages that Phase I of the project will be owned by the Company and Phase II of the project will be owned by DM Medcity.

Annexure V Consolidated statement of long-term and short-term borrowings, as restated

(Amounts in INR million)

Particulars	As at 31 March					As at 31 December 2015
	2011	2012	2013	2014	2015	
Long-term borrowings						
<i>Secured</i>						
- Term loans from banks	100.40	1,539.37	1,990.40	4,299.03	5,016.06	7,996.83
- Term loans from Ministry of finance, Kingdom of Saudi Arabia (KSA)	-	447.69	412.77	492.76	-	-
- Other loan from banks	-	-	-	400.00	-	-
- Term loans from others	2.80	-	4.68	71.32	35.43	10.54
- from promoters, group companies of promoters and other related parties	-	-	-	-	-	-
	103.20	1,987.06	2,407.85	5,263.11	5,051.49	8,007.37
Short-term borrowings						
<i>Secured</i>						
- Cash credit and overdraft	1.68	647.50	1,260.07	1,992.43	2,848.27	4,854.59
- Short-term loan from banks	150.00	-	110.00	50.00	45.45	101.73
- Bills discounted with banks	-	140.94	50.55	-	-	-
- from promoters, group companies of promoters and other related parties	-	-	-	-	-	-
	151.68	788.44	1,420.62	2,042.43	2,893.72	4,956.32
Current maturities of long term borrowings						
- Term loans from banks	16.15	534.72	1,214.74	1,550.85	1,888.88	1,473.59
- Finance lease	-	-	3.25	2.16	2.91	2.32
	16.15	534.72	1,217.99	1,553.01	1,891.79	1,475.91

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

Aster DM Healthcare Limited

Annexure - V(A)

Details of long-term and short-term borrowings as restated outstanding as at 31 December 2015

(Amounts in INR million)

Sl. No.	Name of the lender	Nature of borrowing	Amount sanctioned (INR millions)	Amount outstanding (INR millions)	Rate of Interest	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
1	State Bank of Travancore	Term loan	3,000 (including letter of credit facility having a sub-limit of 1,500) State Bank of Travancore has downsold a portion of loan to State Bank of Bikaner and Jaipur and Punjab National Bank for disbursement.	2,253.02	Base rate + 1.75 % per annum,	16-Jan-13	32 Quarterly installments commencing from quarter ending June 2017	1% of the prepaid amount. Such prepayment can be waived by issuance of a 60 days prior notice intimating the prepayment. Company has the right to prepay without premium in case of any adverse deviation of spread on the interest reset date by providing a 60 days notice.No Prepayment charges if prepayment is from internal accruals / Equity Infusion	In the event of default in payment of interest, principal or any other sum due, an additional interest rate of 2% per annum shall be charged.	Secured by way of: a) A first charge by way of hypothecation and of all present and future movable fixed assets relating to the project at Cheranellur village, Kochi, including plant and machinery, furniture, fixtures, vehicles and other movable assets. b) Charge by way of equitable mortgage in favour of SBT over landed properties of Company extending to 547.40 acres situated in Cheranellur Village, Ernakulam district, comprising 344.05 acres as primary and 203.35 acres as collateral security. c) Charge by way of equitable mortgage in fav of SBT over landed properties of DM Medcity Hospitals India Private Limited, subsidiary, extending to 531.02 acres situated in Cheranellur Village, Ernakulam district, comprising 356.52 acres as primary and 174.50 acres as collateral security. d) A first charge on all moneys in Company's bank accounts including, without limitation, the trust and retention account, escrow account, the debt service reserve account and any other account maintained or to be created by the Company under any project or contract. e) A first charge by way of assignment of contractor guarantees, liquidated damages, letter of credits, guarantees or performance bonds may be provided by any counter party under any project agreement or contract in favour of the Company and insurance policies etc. f) Corporate guarantee by DM Medcity Hospitals India Private Limited, subsidiary.
2		Cash Credit Loan	100.00	99.83	Base rate + 1.35 % per annum,	7-Jul-15	12 Months from the date of sanction	Nil	Penal interest of 2% for irregularity in the account	
3		Term Loan	200.00	200.00	Base rate + 1.35 % per annum,	7-Jul-15	16 Quarterly installments commencing from quarter	1% of the prepaid amount	Nil	
4		Term Loan	350.00	272.52	Base rate + 1.75 % per annum,	7-Jul-15	32 Quarterly installments commencing from quarter	1% of the prepaid amount	Nil	
5	HDFC Bank Limited	Term loan	1,800 (including letter of credit facility having a sub-limit of 1,500)	280.00	Base rate + 1.40% per annum,	21-Sep-15	32 Quarterly installments commencing from quarter ending September 2019	1% of the prepaid amount. No prepayment penalty would be payable to the Lender(s) if the prepayment is effected: a) At the instance of Lender(s) b) From internal accruals / equity infusion or c) On the interest reset dates. If the borrower gives a notice to prepay within 15 days of such spreads reset date. Borrower may prepay the Lender(s) within 30 days from the date of prepayment notice.	In the event of default in payment of interest, principal or any other sum due, an additional interest rate of 1% per annum shall be charged.	Secured by way of: a) A first and exclusive charge, in a form satisfactory to the Lender(s), on the immovable properties of Ambady Infrastructure Private Limited, a subsidiary, admeasuring approx. 11.68 acres at Kochi. b) A first and exclusive charge by way of hypothecation, in a form satisfactory to the Lender(s), of all the borrower's movable including movable equipment, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets present at Aster CMI, Bangalore, funded through this facility and equity brought in for supporting the Facility. c) A 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, pertaining to Aster CMI, Bangalore; 1) A subservient charge on immovable and movable fixed assets, current assets, operating cash flows, receivables, commissions, revenues of whatsoever nature and whatever arising, present and future, intangibles, goodwill, uncalled capital, present and future, pertaining to Aster Medcity, Kochi 2) An exclusive first charge on DSRA 3) Irrevocable, Unconditional corporate Guarantee from Ambady Infrastructure Private Limited.
6		Overdraft against fixed deposit	100.00	21.97	FD rate + 1% per annum subject to revision by the Bank.	25-Mar-14	Tenor of 12 months subject to periodic review, repayable on demand	Nil	Nil	
7	Dhanlaxmi Bank Limited	Term loan	125.00	27.29	Base rate + 3 %	12-Nov-07	96 monthly installments	Interest rate as the Bank may specify from time to time in the event of pre-payment or take over of the loan	Penal interest in addition to the normal rate of interest at such rate as stipulated by the Bank from time to time.	The facility has been secured by a mortgage by way of pari passu charge of properties at Kottakkal bearing U.R.S. No. 9/2 and R.S. No. 32/2 of Kottakkal Village, Tirur Taluk, Malappuram District, Kerala, India, admeasuring 360.25 cents (3.60 acres).
8		Medical equipment term loan	75.00	6.77	Base rate + 0.75%	17-Oct-11	30 monthly instalments	No prepayment shall be made during the first six months. Subsequently pre payment charges that Bank may specify from time to time.	Penal interest in addition to the normal rate of interest at such rate as stipulated by the Bank from time to time.	The facility has been secured by way of hypothecation by way of pari passu charge of medical equipment.
9		Medical equipment term loan	50.00	27.92	Base rate + 0.75%	28-Mar-13	60 monthly instalments	No prepayment shall be made during the first six months. Subsequently pre payment charges that Bank may specify from time to time.	Penal interest in addition to the normal rate of interest at such rate as stipulated by the Bank from time to time.	The facility has been secured by way of hypothecation by way of pari passu charge of medical equipments, vehicles and capital goods.
10		Term loan for medical equipment and other accessories	150.00	81.04	Base rate + 0.5%	11-Jul-14	54 monthly instalments	No prepayment shall be made during the first six months. Subsequently pre payment charges that Bank may specify from time to time.	Penal interest in addition to the normal rate of interest at such rate as stipulated by the Bank from time to time.	The facility has been secured by hypothecation by way of first charge of the medical equipments and other assets purchased out of the facility availed.
11	Dhanlaxmi Bank Limited	Term loan	60.00	46.86	Base rate + 0.5%	11-Jul-14	54 monthly instalments	No prepayment shall be made during the first six months. Subsequently pre payment charges that Bank may specify from time to time.	Penal interest in addition to the normal rate of interest at such rate as stipulated by the Bank from time to time.	The facility has been secured by way of charge on assets purchased out of the finance. Pari-passu charge on - 514.16 cents of land with building U.S.No.43/1A, 42/1D, 43/3, 44/9, 44/8, 43/1B, 43/2A, 43/2B - MIMS hospital at Calicut. - 360.25 cents of land with building U R S No 9/2 and R S No 32/2 of Kottakkal village, Tirur Taluk, Malappuram district, Kerala, MIMS hospital at Kottakkal. - 120 cents land with S# 43/4, 50/6, Kozhikode Taluk, Kottoli Village, Kozhikode.

Aster DM Healthcare Limited

Annexure - V(A)

Details of long-term and short-term borrowings as restated outstanding as at 31 December 2015

(Amounts in INR million)

Sl. No.	Name of the lender	Nature of borrowing	Amount sanctioned (INR millions)	Amount outstanding (INR millions)	Rate of Interest	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
12	Dhanlaxmi Bank Limited	Term loan	63.00	33.33	Base rate + 0.75%	18-Aug-15	6 monthly instalments	No prepayment charges	Penal interest in addition to the normal rate of interest at such rate as stipulated by the Bank from time to time.	Primary-Excess charge on all the existing collaterals Collateral: Pari pasu charge with SBT on the following properties : - Extension on 514.16 cents of land with building U.S.No.43/1A, 42/1D, 43/3, 44/9, 44/8, 43/1B, 43/2A, 43/2B - MIMS hospital at Calicut. - Extension on 360.25 cents of land with building U R S No 9/2 and R S No 32/2 of Kottakkal village , Tirur Taluk, Malappuram district , Kerala, MIMS hospital at Kottakkal. - Extension on 120 cents of land with S# 43/4, 50/6, Kozhikode Taluk, Kottoli Village, Kozhikode.
13	Federal Bank Limited	Medical equipment term loan	40.00	10.84	Base rate + 3.25%	14-Feb-12	18 quarterly instalments	Prepayment charges at the rate of 2% on the amount of prepayment in addition to the interest and or other charges agreed to be paid	Penal interest in addition to the normal rate of interest at such rate as stipulated by the Bank from time to time.	Primary - The facility has been secured by way of hypothecation of medical equipments. Collateral - Equitable mortgage of 1. 22.98 cents of land under Re Sy.No.111/3,4,5 of Thennala Village, Malappuram District. 2. 20.90 cents under Re Sy No 26/11 of Kottakkal village, Malappuram district and 3. 72.43 cents under Re Sy No 42/1D - 44/8 of Kottoli Village, Kozhikode district in the name of Malabar Institute of Medical Sciences Ltd.
14	ICICI Bank Limited	Vehicle loan	0.37	0.24	11.25%	15-Nov-14	36 monthly instalments	Prepayment charges at the rate of 5% on the amount of prepayment in addition to the interest and or other charges agreed to be paid	Penal interest in addition to the normal rate of interest at such rate as stipulated by the Bank from time to time	Loan is secured by hypothecation of vehicle purchased out of the term loan.
15	GE Capital Services India	Medical equipment term loan	17.55	0.51	Base rate + 2.25%	5-Jan-12	48 monthly instalments	2%	Penal interest @ 36% p.a over and above applicable interest rate.	The facility has been secured through hypothecation by way of first charge on financed medical equipments.
16		Medical equipment term loan	24.50	9.84	Base rate + 1.00%	18-Sep-12	48 monthly instalments	2%	Penal interest @ 36% p.a over and above applicable interest rate.	The facility has been secured through hypothecation by way of first charge on financed medical equipments.
17		Medical equipment term loan	61.50	20.00	Base rate + 1.00%	18-Sep-12	48 monthly instalments	2%	Penal interest @ 36% p.a over and above applicable interest rate.	The facility has been secured through hypothecation by way of first charge on financed medical equipments.
18	HDFC Bank Limited	Medical equipment term loan	26.00	0.30	12.25% pa linked to BR (BR being 10%)	27-Aug-11	36 monthly instalments	Prepayment charges at the rate stipulated by the bank	Penal interest @ 2% on arrears	The facility has been secured by way of sole and exclusive charge on the medical equipments financed by the facility.
19		Medical equipment term loan	14.00	7.01	12.05% pa linked to BR (BR being 10%)	24-Sep-12	36 monthly instalments	Prepayment charges at the rate of 4% + ST	Penal interest in addition to the normal rate of interest at such rate as stipulated by the Bank from time to time	The facility has been secured by way of sole and exclusive charge on the medical equipments financed by the facility.
20		Medical equipment term loan	20.80	14.89	11.75% pa linked to BR (BR being 10%)	3-Mar-14	48 monthly instalments	As stipulated by the bank	Penal interest in addition to the normal rate of interest at such rate as stipulated by the Bank from time to time	The facility has been secured by way of sole and exclusive charge on the medical equipments financed by the facility.
21	ICICI Bank Limited	Vehicle loan	1.50	0.46	11.25%	30-Sep-13	36 monthly instalments	Nil	Penal interest in addition to the normal rate of interest at such rate as stipulated by the Bank from time to time	Loan is secured by hypothecation of vehicle purchased out of the term loan.
22		Vehicle loan	0.40	0.31	11.00%	19-Aug-14	47 monthly instalments	Nil	Penal interest in addition to the normal rate of interest at such rate as stipulated by the Bank from time to time	Loan is secured by hypothecation of vehicle purchased out of the term loan.
23		Vehicle loan	0.70	0.50	11.25%	19-Aug-14	47 monthly instalments	Nil	Penal interest in addition to the normal rate of interest at such rate as stipulated by the Bank from time to time	Loan is secured by hypothecation of vehicle purchased out of the term loan.
24	State Bank of Travancore	Corporate Loan	110.00	13.89	1.75% above SBT bank rate	16-Apr-13	8 quarterly instalments starting from April 2014	1% of the prepaid amount	2% for the period of default	The facility has been secured by way of - A pari passu first charge over the entire current assets of Malabar Institute of Medical Sciences Limited as primary security. - A pari passu first charge on the assets valued at Rs.1,543.60 million mortgaged/ hypothecated to Dhanlaxmi bank Limited
25	South Indian Bank	Term Loan	250.00	181.42	10.2% base rate + 1.3% spread	11-Jun-15	84 Months	1. If closed from own sources after 2 years - Nil 2. If closed from own sources before 2 years - 1% of the prepaid amount 3. If closed through taken over by other banks - 2% of the pre paid amount.	2% for the period of default and non compliances of any of the sanction stipulations.	1. 58.90 cents at Sy No 48/1 and 47/5 in Olavanna Panchayath, Pantheerankavu 2. 113 cents at Sy No 41/2, 42/3 in Olavanna Panchayath, Pantheerankavu 3. 148 cents at Olavanna Panchayath, Pantheerankavu
26	HDFC Bank Limited	Medical equipment term loan	60.60	53.48	10.75%	10-Dec-14	60 monthly instalments	Prepayment charges at the rate of 4% of the principal amount repaid	Penal interest in addition to the normal rate of interest at such rate as stipulated by the Bank from time to time.	The facility has been secured by way of - A pari passu first charge over the entire current assets of Malabar Institute of Medical Sciences Limited as primary security. - Pari pasu first charge created by the way of hypothecation of all current assets.
27	Dhanlaxmi Bank Limited	Overdraft	25.00	0.63	Bank rate +0.75%	11-Jul-14	Repayable on demand	Nil	Penal interest in addition to the normal rate of interest at such rate as stipulated by the Bank from time to time	Against inventories and receivables of the Malabar Institute of Medical Sciences Limited.

Aster DM Healthcare Limited

Annexure - V(A)

Details of long-term and short-term borrowings as restated outstanding as at 31 December 2015

(Amounts in INR million)

Sl. No.	Name of the lender	Nature of borrowing	Amount sanctioned (INR millions)	Amount outstanding (INR millions)	Rate of Interest	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
28	HDFC Bank Ltd	Equipment term loan	16.50	10.82	Base rate + 2.7%	19-Nov-13	Repayable in 60 monthly instalments commencing from December 2013	Borrower may prepay the entire loan by giving minimum 30 days notice in writing	Penal interest at the rate of 2% monthly on arrears	The facility has been secured through - Hypothecation by way of first charge over specified medical equipment - Demand promissory note for the amount of Rs.16.50 million.
29		Equipment term loan	8.48	1.02	Base rate + 2.5%	19-Jul-13	37 monthly instalments	Borrower may prepay the entire loan by giving minimum 30 days notice in writing	Penal interest at the rate of 2% monthly on arrears	The facility has been secured through - A demand promissory note to be executed by the directors of Sainatha Hospitals. - Hypothecation by way of first charge over the equipment purchased utilising the finance provided by the facility. - Personal guarantees of G. Satish Reddy, C. Raghu and B.S.V. Raju.
30		Equipment term loan	15.30	1.45	Base rate + 2.5%	17-Jul-14	Repayable in 60 monthly instalments commencing from November 2014	Charges as applicable as per the policy of HDFC Bank	Penal interest at the rate of 3% p.a in the event of delay	- Loan is secured by hypothecation of equipments/assets purchased out of the term Loan - Personal guarantees of G. Satish Reddy, C. Raghu and B.S.V. Raju. - Post dated cheques for the sanctioned loan facility amount
31		Vehicle loan	0.44	0.35	Interest rate of 12.02%	15-Jul-14	Repayable in 60 monthly instalments commencing from	Nil	Nil	Loan is secured by hypothecation of vehicle purchased out of the term loan.
32		Vehicle loan	0.67	0.58	Interest rate of 10.51%	14-Jan-15	Repayable in 60 monthly instalments commencing from	Nil	Nil	Loan is secured by hypothecation of vehicle purchased out of the term loan.
33		Cash credit	5.00	2.13	Base rate + 2.50%	23-May-14	The facility has a tenure of 12 months.	Charges as applicable as per the policy of HDFC Bank	Penal interest at the rate of 3% p.a in the event of delay	The facility has been secured by - First and exclusive charge on the card receivables of Sainatha Hospitals. - Post dated cheques for the sanctioned amount. - Personal guarantees of G. Satish Reddy, C. Raghu and B.S.V. Raju. - First and exclusive charge on the medical equipment purchased out of the earlier facilities granted by HDFC Hyderabad.
34	Yes Bank	Long-term Loan	385.00	385.00	Yes Bank base rate + 2.0% per annum	29-Oct-14	24 quarterly instalments	Nil	Penal interest at the rate of 2% or such other rates as the lender deems fit will be levied over and above applicable	The facility is secured by: - Equitable mortgage of lands and buildings situated at GAT no. 628/1, 628/4, 628/5, 628/7 and 628/9 of Kasaba Karvir, "B" ward, Kolhapur, Maharashtra.
35		Overdraft	50.00	46.49	Yes Bank base rate + 2.0% per annum	29-Oct-14	Tenor of 12 months subject to periodic review, repayable on demand	Nil	Penal interest at the rate of 2% or such other rates as the lender deems fit will be levied over and above applicable	- Exclusive charge on all current assets and movable fixed assets, both present and future of Prerana Hospitals Limited (excluding vehicles and leased equipments). - Corporate guarantee by Aster DM Healthcare Limited.
36		Cash credit	25.00	17.30	Yes Bank base rate + 2.0% per annum	29-Oct-14	Tenor of 12 months subject to periodic review, repayable on demand	Nil	Penal interest at the rate of 2% or such other rates as the lender deems fit will be levied over and above applicable	- Personal guarantee of Dr. Ulhas Damale and Dr. Shailendra Navare - Third party fixed deposit of Rs.50 Mn lien marked with Yes Bank Limited.
37	Philips Electronics Limited	Finance lease	28.38	10.79	11.52% per annum.	22-Feb-14	Repayable in 72 monthly instalments	Foreclosure allowed at any point of time with charges of 2% of POS	In the event of default, there is a liability to pay interest, additional interest, charges, fees, commission and penalty as may be applicable at that time.	The facility has been secured by way of: - Hypothecation of the equipment in consideration, being Allura Xper FD 10 Cath Lab. - Post dated cheques towards equated montly instalments for the entire tenor of the facility.
38	HDFC Bank Ltd	Term Loan	50.00	31.24	Base rate + 2.40% per annum	5-Jan-12	96 monthly instalments	Prepayment fees of 4% of the outstanding principal amount of the loan. Medipoint Hospitals Private Limited shall give HDFC Pune notice of not less than 15 days in writing in case of prepayment of the entire loan amount.	Additional interest rate as applicable as per the Bank rate applicable as that time.	The facility has been secured by way of - Mortgage of land bearing survey no.241/1 at Baner village, D.P. Road, Haveli Taluk, Pune, measuring about 9000 square feet and the buildings constructed thereon. - Hypothecation by way exclusive first charge on the present and future receivables of the Borrower. - Demand promissory note for the amount of Rs.50 million.
39	HDFC Bank Ltd	Overdraft	20.00	20.20	Base rate + 1.80% per annum	7-Dec-15	Repayable on demand	Prepayment charges of 4% or such rate as may be advised by the Bank at the time such prepayment request is made for prepayment or foreclosure of the facility.	Penal interest applicable at that time.	The facility has been secured by way of Additional Mortgage of land bearing survey no.241/1 at Baner village, D.P. Road, Haveli Taluk, Pune, measuring about 9000 square feet and the buildings constructed thereon.
40	AL Omaniya Financial Services	Vehicle Loan	1.77	0.29	4.75%	Nov-2013	Repayable in 48 equal monthly	2% of the outstanding amount / prepaid amount	15 Riyal in addition to Cheque return	Vehicle Mortgage
41		Vehicle Loan	1.07	0.37	4.75%	Feb-2013	Repayable in 48 equal monthly	2% of the outstanding amount / prepaid amount	15 Riyal in addition to Cheque return	Vehicle Mortgage
42		Vehicle Loan	1.67	0.62	4.75%	Jul-2013	Repayable in 48 equal monthly	2% of the outstanding amount / prepaid amount	15 Riyal in addition to Cheque return	Vehicle Mortgage
43	Taageer Finance Co	Vehicle Loan	0.74	0.25	4.00%	May-2015	Repayable in 24 equal monthly	2% of the outstanding amount / prepaid amount	10 Riyal in addition to Cheque return	Vehicle Mortgage

Aster DM Healthcare Limited

Annexure - V(A)

Details of long-term and short-term borrowings as restated outstanding as at 31 December 2015

(Amounts in INR million)

Sl. No.	Name of the lender	Nature of borrowing	Amount sanctioned (INR millions)	Amount outstanding (INR millions)	Rate of Interest	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
44	National Bank Of Oman	Long term Loan	2.55	0.83	4.25%	Sep-2015	Repayable in 12 equal monthly installments	1% of the prepaid amount	3% p.a over 7 above the stipulated interest rates	Assignment of payments from insurance companies, Commercial mortgage over fixed/ current assets , Corporate Guarantee from Aster DM Healthcare FZC for aggregate facility amount (RO 2.64Mn), Promisory Note amounting RO 2.64Mn
45		Long term Loan	44.10	37.95	4.25%	Sep-2015	Repayable in 36 equal monthly installments	1% of the prepaid amount	3% p.a over 7 above the stipulated interest rates	Assignment of payments from insurance companies, Commercial mortgage over fixed/ current assets , Corporate Guarantee from Aster DM Healthcare FZC for aggregate facility amount (RO 2.64Mn), Promisory Note amounting RO 2.64Mn
46		Long term Loan	44.10	37.95	4.25%	Sep-2015	Repayable in 36 equal monthly installments	1% of the prepaid amount	3% p.a over 7 above the stipulated interest rates	Assignment of payments from insurance companies, Commercial mortgage over fixed/ current assets , Corporate Guarantee from Aster DM Healthcare FZC for aggregate facility amount (RO 2.64Mn), Promisory Note amounting RO 2.64Mn
47		Short term loan	181.59	191.59	4.50%	Sep-2015	Repayable on demand	1% of the prepaid amount	3% p.a over 7 above the stipulated interest rates	Assignment of payments from insurance companies, Commercial mortgage over fixed/ current assets , Corporate Guarantee from Aster DM Healthcare FZC for aggregate facility amount (RO 2.64Mn), Promisory Note amounting RO 2.64Mn
48		Short term loan	86.47	69.99	4.50%	Sep-2015	Repayable on demand	1% of the prepaid amount	3% p.a over 7 above the stipulated interest rates	Assignment of payments from insurance companies, Commercial mortgage over fixed/ current assets , Corporate Guarantee from Aster DM Healthcare FZC for aggregate facility amount (RO 2.64Mn), Promisory Note amounting RO 2.64Mn
49		Short term loan	8.65	6.66	4.50%	Sep-2015	Repayable on demand	1% of the prepaid amount	3% p.a over 7 above the stipulated interest rates	Assignment of payments from insurance companies, Commercial mortgage over fixed/ current assets , Corporate Guarantee from Aster DM Healthcare FZC for aggregate facility amount (RO 2.64Mn), Promisory Note amounting RO 2.64Mn
50	Bank of Baroda	Term loan	63.00	(0.06)	9.00%	Aug-2011	Repayable in 48 equal monthly installments	1% of the outstanding amount / prepaid amount	2% p.a of addition interest is charged from the end of prescribed Period	Promissory Note Corporate Guarantees (from Management Company) Asset Mortgage (in case of loans for asset purchase)
51	Standard Chartered Bank	Term loan	1,664.78	272.98	5.00%	Aug-2011	Repayable in 48 equal monthly installments	No Charge (Minimum prepayment allowed is USD 5 million)	2% p.a above the rate	Assignment of Insurance proceeds Assignment of Receivables Accounts Pledge Share Pledge
52		Term loan	2,463.87	1,053.55	5.00%	Aug-2011	Repayable in 48 equal monthly installments	No Charge (Minimum prepayment allowed is USD 5 million)	2% p.a above the rate	Assignment of Insurance proceeds Assignment of Receivables Accounts Pledge Share Pledge
53		Term loan	1,997.73	1,982.13	5.00%	Aug-2015	Repayable in 48 equal monthly installments	No Charge (Minimum prepayment allowed is USD 5 million)	2% p.a above the rate	Assignment of Insurance proceeds Assignment of Receivables Accounts Pledge Share Pledge
54		Term loan	1,997.73	1,982.13	5.00%	Jul-2014	Repayable in 48 equal monthly installments	No Charge (Minimum prepayment allowed is USD 5 million)	2% p.a above the rate	Assignment of Insurance proceeds Assignment of Receivables Accounts Pledge Share Pledge
55	Commerical Bank of Dubai	Term loan	144.00	144.00	4.99%	May-2012	Repayable in 48 equal monthly installments	0.5 % of amount prepaid	2% p.a above the rate specified on the unpaid amount, untill all amount due for payment are paid in full.	Property Mortgage, Promisory Note.
56		Term loan	73.08	48.72	5.50%	Sep-2014	Repayable in 48 equal monthly installments	NA	2% p.a above the rate specified on the unpaid amount, untill all amount due for payment are paid in full.	Corporate Guarantee- DM Healthcare LLC, Legal Mortgage & Insurance, Promissory Note
57		Term loan	27.00	3.06	5.50%	Jun-2011	Repayable on demand	NA	2% extra for overdue/ excess, if any	Assignment of Insurance proceeds, Subordination of shareholders non reciprocal capital contribution.
58		Vehicle Loan	9.09	5.87	6.00%	Sep-2014	Repayable in 48 equal monthly	0.5 % of amount prepaid	2% over the specified rate	Promissory Note & Asset Mortgage (in case of loans for asset purchase)
59	ICICI	Bank overdraft	1,170.03	1,246.25	5.50%	Sep-2015	Repayable on demand	NA	2% extra for overdue/ excess, if any	Promissory Note.
60		Term loan	661.52	660.98	2.25%	Mar-2015	Repayable on demand	NA	2% p.a above the rate	Assignment of receivables & Charge over collection account
61	Citi Bank	Bank overdraft	666.02	666.66	3.50%	Mar-2015	Repayable on demand	NA	If any amount due hereunder is not paid on its due date then in addition to any other remedy available to the bank, the amount due shall be payable with interest on such amount accruing	Assignment of POS & Insurance, Corporate Guarantee- Aster Pharmacy LLC & Modcare Hospital LLC, Assignment of Stock Insurance
62		Vehicle Loan	2.29	1.89	6.50%	12-Nov-14	Repayable in 48 equal monthly installments	0.5 % of amount prepaid	Penal rate on past due loan will be charged at 2% p.a. over the specified	Promissory Note & Asset Mortgage (in case of loans for asset purchase)
63	Emirates NBD	Vehicle Loan	0.72	0.40	2.84%	Jun-2014	Repayable in 36 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage & Security Cheque of total loan amount
64		Vehicle Loan	0.72	0.37	2.84%	Jun-2014	Repayable in 36 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage & Security Cheque of total loan amount
65	Emirates NBD	Vehicle Loan	0.72	0.32	2.84%	Apr-2014	Repayable in 36 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage & Security Cheque of total loan amount
66	National Bank of Abudhabi	Bank overdraft	45.00	26.26	2.50%	Sep-2015	Repayable in 36 equal monthly installments	1% of the prepaid amount	3% extra on excess/ overdue interest to be recovered as and when charged.	Corporate Guarantee- Aster DM Healthcare FZC

Aster DM Healthcare Limited

Annexure - V(A)

Details of long-term and short-term borrowings as restated outstanding as at 31 December 2015

(Amounts in INR million)

Sl. No.	Name of the lender	Nature of borrowing	Amount sanctioned (INR millions)	Amount outstanding (INR millions)	Rate of Interest	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
67	Emirates Islamic Bank	Vehicle Loan	1.20	(0.04)	2.84%	19-Jan-12	Repayable in 36 equal monthly installments	1% of the prepaid amount	3% extra on excess/ overdue interest to be recovered as and when Charged.	Vehicle Mortgage & Security Cheque of total loan amount
68	Commerical Bank of Dubai	Vehicle Loan	0.79	0.51	3.90%	23-Aug-14	Repayable in 48 equal monthly	0.5 % of amount prepaid	2% over the specified rate	Promissory Note & Asset Mortgage (in case of loans for asset purchase)
69		Vehicle Loan	1.70	1.17	3.90%	1-Oct-14	Repayable in 36 equal monthly	0.5 % of amount prepaid	2% over the specified rate	Promissory Note & Asset Mortgage (in case of loans for asset purchase)
70		Vehicle Loan	1.66	1.41	3.00%	10-Jun-15	Repayable in 48 equal monthly	0.5 % of amount prepaid	2% over the specified rate	Promissory Note & Asset Mortgage (in case of loans for asset purchase)
71	Mashreq Bank	Bank overdraft	270.01	268.72	5.50%	Nov-2014	Repayable on demand	NA	4% p.a above the rate	Corporate Gurantee of FZC & DMHMS, Assignment of Insurance proceeds of 5 clinics, Security Cheque on facility amount.
72	Standard Chartered Bank	Bank overdraft	856.13	231.78	4.50%	Nov-2013	Repayable on demand	NA	2% p.a above the rate	Assignment of Insurance proceeds Assignment of Receivables Accounts Pledge Share Pledge
73	Emirates NBD	Vehicle Loan	0.79	0.24	3.00%	30-Dec-13	Repayable in 36 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage & Security Cheque of total loan amount
74		Vehicle Loan	0.69	0.19	3.00%	30-Nov-13	Repayable in 36 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage & Security Cheque of total loan amount
75		Vehicle Loan	0.74	0.20	3.00%	30-Nov-13	Repayable in 36 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage & Security Cheque of total loan amount
76		Vehicle Loan	0.76	0.32	3.00%	5-Apr-14	Repayable in 36 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage & Security Cheque of total loan amount
77		Vehicle Loan	0.76	0.32	3.00%	5-Apr-14	Repayable in 36 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage & Security Cheque of total loan amount
78		Vehicle Loan	0.79	0.44	3.00%	5-Sep-14	Repayable in 36 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage & Security Cheque of total loan amount
79		Vehicle Loan	0.79	0.42	3.00%	31-Aug-14	Repayable in 36 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage & Security Cheque of total loan amount
80		Vehicle Loan	1.86	1.75	3.00%	30-Sep-15	Repayable in 36 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage & Security Cheque of total loan amount
81	RAK Bank	Vehicle Loan	1.89	0.47	2.59%	Sep-2013	Repayable in 36 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage
82		Vehicle Loan	2.14	0.47	3.35%	Sep-2013	Repayable in 36 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage
83		Vehicle Loan	1.66	1.41	3.00%	10-Jun-15	Repayable in 48 equal monthly	0.5 % of amount prepaid	2% over the specified rate	Promissory Note & Asset Mortgage (in case of loans for asset purchase)
84	Commerical Bank of Dubai	Vehicle Loan	1.62	1.52	3.00%	1-Oct-15	Repayable in 48 equal monthly	0.5 % of amount prepaid	2% over the specified rate	Promissory Note & Asset Mortgage (in case of loans for asset purchase)
85		Vehicle Loan	2.29	1.72	4.25%	7-Jan-15	Repayable in 48 equal monthly	0.5 % of amount prepaid	2% over the specified rate	Promissory Note & Asset Mortgage (in case of loans for asset purchase)
86		Vehicle Loan	1.38	0.66	3.50%	1-Jan-14	Repayable in 48 equal monthly	0.5 % of amount prepaid	2% over the specified rate	Promissory Note & Asset Mortgage (in case of loans for asset purchase)
87		Vehicle Loan	1.63	1.46	6.50%	29-Jul-15	Repayable in 48 equal monthly	0.5 % of amount prepaid	2% over the specified rate	Promissory Note & Asset Mortgage (in case of loans for asset purchase)
88		Vehicle Loan	0.79	0.51	3.90%	30-Aug-14	Repayable in 48 equal monthly	0.5 % of amount prepaid	2% over the specified rate	Promissory Note & Asset Mortgage (in case of loans for asset purchase)
89	Emirates NBD	Vehicle Loan	1.70	1.67	3.00%	1-Dec-15	Repayable in 36 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Security Cheque of total loan amount
90	Commerical Bank of Qatar	Vehicle Loan	1.58	0.44	3.23%	Dec-2012	Repayable in 48 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Personal Guarantee of Sponsor (as per Banking law in Qatar)
91		Vehicle Loan	1.58	0.44	3.23%	Dec-2012	Repayable in 48 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Personal Guarantee of Sponsor (as per Banking law in Qatar)
92		Vehicle Loan	1.55	0.84	3.23%	Dec-2013	Repayable in 48 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Personal Guarantee of Sponsor (as per Banking law in Qatar)
93		Vehicle Loan	0.72	0.08	3.23%	May-12	Repayable in 48 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Personal Guarantee of Sponsor (as per Banking law in Qatar)
94		Vehicle Loan	1.07	0.05	3.23%	Dec-2012	Repayable in 48 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Personal Guarantee of Sponsor (as per Banking law in Qatar)
95		Vehicle Loan	0.72	0.20	3.23%	Dec-2012	Repayable in 48 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Personal Guarantee of Sponsor (as per Banking law in Qatar)
96		Vehicle Loan	0.66	0.03	3.23%	Feb-2012	Repayable in 48 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Personal Guarantee of Sponsor (as per Banking law in Qatar)
97		Vehicle Loan	0.66	0.03	3.23%	Feb-2012	Repayable in 48 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Personal Guarantee of Sponsor (as per Banking law in Qatar)
98		Vehicle Loan	0.72	0.20	3.23%	Dec-2012	Repayable in 48 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Personal Guarantee of Sponsor (as per Banking law in Qatar)
99		Vehicle Loan	0.51	0.43	3.23%	Mar-2014	Repayable in 48 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Personal Guarantee of Sponsor (as per Banking law in Qatar)
100		Vehicle Loan	0.94	0.79	3.23%	Mar-2014	Repayable in 48 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Personal Guarantee of Sponsor (as per Banking law in Qatar)
101		Vehicle Loan	1.56	1.31	3.23%	Mar-2014	Repayable in 48 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Personal Guarantee of Sponsor (as per Banking law in Qatar)
102		Vehicle Loan	1.56	1.31	3.23%	Mar-2014	Repayable in 48 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Personal Guarantee of Sponsor (as per Banking law in Qatar)
103		Vehicle Loan	1.64	1.60	3.23%	Nov-2015	Repayable in 48 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Personal Guarantee of Sponsor (as per Banking law in Qatar)
104		Vehicle Loan	1.64	1.60	3.23%	Nov-2015	Repayable in 48 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Personal Guarantee of Sponsor (as per Banking law in Qatar)
105		Vehicle Loan	1.64	1.60	3.23%	Nov-2015	Repayable in 48 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Personal Guarantee of Sponsor (as per Banking law in Qatar)

Aster DM Healthcare Limited

Annexure - V(A)

Details of long-term and short-term borrowings as restated outstanding as at 31 December 2015

(Amounts in INR million)

Sl. No.	Name of the lender	Nature of borrowing	Amount sanctioned (INR millions)	Amount outstanding (INR millions)	Rate of Interest	Date of sanction	Repayment terms	Prepayment charges	Default charges	Security
106	Commerical Bank of Qatar	Term loan	327.21	33.34	7.50%	Nov-2015	Standby	1% of the prepaid amount	NA	Transfer proceeds to CBQ a/c, Promisory note covering Standby loan & OD, Irrevocable & unconditional undertaking letter from FZC stating direct payment for any delayed instalment, Irrevocable personal Guarantee of Shk. Abdul Rahman Hassan AM Al-Thani and corporate Guarantee of M/s Bathel Group WLL, Aster DM Healthcare FZC & Dr. Moopens Healthcare Management services LLC
107	Emirates NBD	Vehicle Loan	0.75	0.35	2.84%	01-May-14	Repayable in 36 equal monthly installments	1% of the prepaid amount	NA	Vehicle Mortgage & Security Cheque of total loan amount
108		Vehicle Loan	1.68	1.43	3.35%	30-Mar-15	Repayable in 60 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage & Security Cheque of total loan amount
109		Vehicle Loan	1.41	1.20	2.84%	30-Mar-15	Repayable in 60 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage & Security Cheque of total loan amount
110		Vehicle Loan	1.13	0.96	2.84%	30-Mar-15	Repayable in 60 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage & Security Cheque of total loan amount
111		Vehicle Loan	5.80	5.03	3.35%	13-Apr-15	Repayable in 60 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage & Security Cheque of total loan amount
112	RAK Bank	Vehicle Loan	1.71	0.11	3.35%	Mar-2013	Repayable in 36 equal monthly	1% of the prepaid amount	NA	Vehicle Mortgage
113	Bank of Baroda	Vehicle Loan	1.39	0.13	7.00%	May-2012	Repayable in 36 equal monthly installments	1% of the prepaid amount	Overdue interest on overdue sums due, at the rate of 1.5% per calender	Vehicle Mortgage
114		Vehicle Loan	0.74	0.05	7.00%	Apr-2012	Repayable in 36 equal monthly installments	1% of the prepaid amount	Overdue interest on overdue sums due, at the rate of 1.5% per calender	Vehicle Mortgage
115		Vehicle Loan	2.41	0.08	7.00%	Jan-2013	Repayable in 36 equal monthly installments	1% of the prepaid amount	Overdue interest on overdue sums due, at the rate of 1.5% per calender	Vehicle Mortgage
116		Bank overdraft	324.01	526.55	7.00%	Feb-2015	Repayable on demand	NA	2% extra on excess/ overdue interest to be recovered as and when Charged.	Promissory Note Corporate Guarantees (from Management Company) Asset Mortgage (in case of loans for asset purchase)
117	Citi Bank	Bank overdraft	324.01	302.37	3.50%	May-2015	Repayable on demand	NA	If any amount due hereunder is not paid on its due date then in addition to any other remedy available to the bank, the amount due shall be payable with interest on such amount accruing	Assignment of POS Corporate Guarantee- Aster Pharmacy LLC & Aster DM Healthcare FZC, Assignment of Stock Insurance
118	National Bank of Abudhabi	Bank overdraft	99.23	59.28	2.50%	Oct-2015	Repayable on demand	NA	NA	Personal Security of Omar Abu Sheikha
119	Al Ahli Bank	Term loan	60.97	1.40	7.25%	Feb-2015	Repayable in 52 equal monthly	1% of the outstanding amount / prepaid amount	NA	Personal Security of Omar Abu Sheikha
120	Standard Chartered Bank	Bank overdraft	232.96	230.20	4.50%	Aug-2011	Repayable on demand	NA	2% p.a above the rate	Assignment of Insurance proceeds Assignment of Receivables Accounts Pledge Share Pledge
121	Riyadh Bank	Bank overdraft	266.25	114.60	5.33	Feb-2015	Repayable on demand	NA	NA	Endorsement of Riyadh Military Hospital Contract
			14,439.60							

Annexure VI

Statement of current and non-current investments, as restated

(Amounts in INR million, except share data)

Particulars	As at 31 March					As at 31 December 2015
	2011	2012	2013	2014	2015	
Non-current investments						
<i>Non-trade, quoted - at cost</i>						
Investment in associates						
Malabar Institute Of Medical Sciences Limited, India						
Amount of investment	170.42	405.54	-	-	-	-
Number of equity shares of Rs.10 each	9,972,500	22,439,164	-	-	-	-
MIMS Infrastructure and Properties Private Limited, India						
Amount of investment	-	-	60.77	66.80	68.23	69.67
Number of equity shares of Rs.10 each	-	-	6,076,960	6,557,352	6,617,401	6,617,401
Amount of investment	-	-	-	-	26.73	26.73
Number of preference shares of Rs.10 each	-	-	-	-	2,673,274	2,673,274
Aries Holdings FZC, UAE						
Amount of investment	-	-	-	-	21.24	14.25
Number of equity shares of Rs.10 each	-	-	-	-	1,250	1,250
Investment in others	-	0.03	0.01	0.01	0.01	0.01
Total	170.42	405.57	60.78	66.81	116.21	110.66
Current investments						
<i>Non trade, quoted - at lower of cost and market value</i>						
Investment in liquid mutual fund units						
ICICI Prudential Liquid plan - Daily Dividend-Regular Plan						
510,826 (PY Nil) units of Rs 100.06 each	-	-	-	-	-	51.12
Birla sunlife cash plus- daily dividend-regular plan	-	-	-	-	25.11	-
HDFC liquid fund- direct plan growth option	-	-	-	-	2.05	-
Total	-	-	-	-	27.16	51.12
Book value of quoted investments	-	-	-	-	27.16	51.12
Market value of quoted investments	-	-	-	-	27.19	51.15

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

Annexure VII

Statement of trade receivables, as restated

(Amounts in INR million)

Particulars	As at 31 March					As at 31 December 2015
	2011	2012	2013	2014	2015	
Debts outstanding for a period exceeding six months from the date they became due for payment						
- from promoters, group companies, directors and associate companies	-	-	-	-	-	-
- Others						
Unsecured, considered good	8.50	838.29	941.11	1,088.75	2,622.64	3,040.60
Unsecured, considered doubtful	-	265.74	809.30	1,210.01	2,230.05	1,125.97
Provision for doubtful debts	-	(265.74)	(809.30)	(1,210.01)	(2,230.05)	(1,125.97)
Total (A)	8.50	838.29	941.11	1,088.75	2,622.64	3,040.60
Other debts						
- from promoters, group companies, directors and associate companies	-	-	-	-	-	-
- Others						
Unsecured, considered good	2.93	3,051.43	4,058.45	5,685.94	6,927.13	10,598.68
Unsecured, considered doubtful	-	7.02	29.12	264.36	57.38	1,944.23
Provision for doubtful debts	-	(7.02)	(29.12)	(264.36)	(57.38)	(1,944.23)
Total (B)	2.93	3,051.43	4,058.45	5,685.94	6,927.13	10,598.68
TOTAL (A+B)	11.43	3,889.72	4,999.56	6,774.69	9,549.77	13,639.28

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

Annexure VIII

Consolidated statement of long term and short term loans and advances, as restated

(Amounts in INR million)

Particulars	As at 31 March					As at 31 December
	2011	2012	2013	2014	2015	2015
Long-term loans and advances (Unsecured, considered good)						
Rent and other deposits	5.46	15.10	18.66	28.72	468.90	476.92
Advance taxes and taxes deducted at source	10.75	11.45	19.32	18.00	76.51	108.47
Advance against investment	963.01	144.86	-	131.86	389.88	432.99
Advance given to equity accounted investee	-	-	32.73	38.28	8.78	7.64
Advances for capital goods	62.15	25.49	137.59	503.42	204.16	628.89
Due from related parties	0.46	-	-	-	-	-
MAT Credit entitlement	-	-	-	8.43	-	-
Others	-	0.77	0.41	-	-	-
Total (A)	1,041.83	197.67	208.71	728.71	1,148.23	1,654.91
Short-term loans and advances (Unsecured, considered good)						
Prepaid expenses	0.90	95.01	312.16	350.84	613.33	1,058.99
Rent and other deposits	0.06	-	-	-	240.36	131.46
Advances for supply of goods and rendering of services	0.05	1,350.72	1,431.42	793.67	986.59	1,959.34
Balance with statutory / government authorities	1.21	1.80	2.60	2.91	4.58	4.34
Due from related parties	14.92	55.77	135.99	1.87	-	-
Advance to employees	-	4.46	8.68	0.89	47.30	96.56
Advance for investment	-	-	-	-	-	79.80
Others loans and advances	1.09	0.28	-	-	-	-
Total (B)	18.23	1,508.04	1,890.85	1,150.18	1,892.16	3,330.49
Total (A+B)	1,060.06	1,705.71	2,099.56	1,878.89	3,040.39	4,985.40
- from promoters, group companies, directors and associate companies	15.38	55.77	168.72	38.28	8.78	7.64

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

Annexure IX

Consolidated statement of other income, as restated

(Amounts in INR million)

Particulars	For the year ended 31 March					For the period from 1 April 2015 to 31 December 2015	Related/ Not related to business activity
	2011	2012	2013	2014	2015		
Recurring							
Rent received	-	4.53	10.90	25.83	8.76	11.47	Related
Interest income on bank deposits	3.61	23.72	60.86	50.12	136.72	28.95	Related
Income from canteen	-	12.93	33.71	20.97	5.98	23.37	Related
Non-recurring							
Profit on sale of fixed assets	-	-	-	2.53	-	-	Related
Interest income on income tax refund	0.05	0.71	0.02	-	0.61	-	Not related
Foreign exchange gain (net)	0.02	-	-	-	-	-	Related
Dividend from mutual fund	4.99	-	-	-	8.18	6.97	Not related
Miscellaneous income	0.13	35.74	64.69	84.71	67.58	50.77	Not related
Total	8.80	77.63	170.18	184.16	227.83	121.53	
As a % of net profit before tax, as restated	(26%)	8%	11%	6%	6%	5%	

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

Annexure X

Consolidated statement of dividend paid, as restated

(Amounts in INR million)

Particulars	For the year ended 31 March					For the period from 1 April 2015 to 31 December 2015
	2011	2012	2013	2014	2015	
Number of fully paid equity shares (in millions)	0.07	0.13	124.84	374.53	384.01	398.62
Equity share capital	0.66	1.25	1,248.44	3,745.31	3,840.10	3,986.23
Face value (Rs.)	10.00	10.00	10.00	10.00	10.00	10.00
Rate of dividend % *	-	-	-	30.00%	-	-
Amount of dividend	-	-	-	624.22	-	-

* Dividend has been declared on pro-rata basis/pre and post bonus issue

Note :

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure - XI

Consolidated capitalisation statement, as restated

(Amounts in INR million)

Particulars	Pre-issue as at 31 December 2015	Post issue (Refer Note 2)
Borrowings		
Short-term debt	4,956.32	
Long-term debt (including current maturities) (A)	9,483.28	
Total debt	14,439.60	
Shareholders' funds		
Share capital	4,626.33	
Reserves and surplus	28,271.11	
Total funds attributable to shareholders (B)	32,897.44	
Long-term debts / Shareholders funds (A/B)	0.29	

Note:

1. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

2. Post issue details have not been provided as the issue price of the equity share is not known at the date of the report.

3. Subsequent to 31 December 2015, the Company has made the following changes in its capital structure, the effect of which has not been considered above:

- Pursuant to the approval of the Board of Directors at its meeting held on 25 April 2016, the Company has issued 168,750 equity shares of Rs.10 each, at a premium of Rs.310 per share.

Annexure XII

Statement of accounting ratios, as restated

(Amounts in INR million)

Particulars	As at / For the year ended 31 March					For the period from 1 April 2015 to 31 December 2015
	2011	2012	2013	2014	2015	
Net worth as at the year/ period end (A)	935.59	6,704.15	7,793.30	9,105.40	13,523.80	32,897.44
Net profit/ (loss) after tax, as restated, available for equity shareholders (B)	(33.27)	523.05	917.81	1,777.83	1,679.63	713.21
Weighted average number of equity shares outstanding during the year/ period						
For basic earnings per share (C)	374,472,555	374,493,533	374,531,157	374,531,157	383,101,198	394,338,801
For diluted earnings per share (D)	374,472,555	374,493,533	375,991,423	375,991,423	393,472,273	429,752,150
Earnings/ (loss) per share Rs. 10 each (refer note 3)						
Basic (Rs) (E = B/C)	(0.09)	1.40	2.45	4.75	4.38	1.81
Diluted (Rs) (F = B/D)	(0.09)	1.40	2.44	4.73	4.27	1.66
Return on net worth (%) (G = B/A)	(3.56%)	7.80%	11.78%	19.53%	12.42%	2.17%
Weighted average number of shares outstanding during the year/ period (H)	374,472,555	374,493,533	374,531,157	374,531,157	383,101,198	394,338,801
Net assets value per share of Rs 10 each (I = A/H)	2.50	17.90	20.81	24.31	35.30	83.42
Face value (Rs)	10	10	10	10	10	10

Notes:

1. The above ratios are calculated as under:

- a) Basic earnings per share = Net profit attributable to equity shareholders / weighted average number of shares outstanding during the year/ period
b) Diluted earnings per share = Net profit attributable to equity shareholders / weighted average number of diluted shares outstanding during the year/ period.

c) Return on net worth (%) = Net profit attributable to equity shareholders / net worth as at the end of year/ period

d) Net asset value per share (Rs) = Net worth / number of equity shares as at the end of year/ period

e) Ratios for the nine months ended 31 December 2015 are not annualised.

2. The figures disclosed above are based on the restated consolidated financial information of Aster DM Healthcare Limited.

3. Earning per shares (EPS) calculation is in accordance with Accounting Standard 20 "Earnings per share" prescribed by the Companies (Accounting Standards) Rules, 2006.

4. As per AS 20, in case of bonus shares, the number of shares outstanding before the event is adjusted for the proportionate change in the number of equity shares outstanding as if the event has occurred at the beginning of the earliest period reported. The Company issued 124,719,000 bonus shares during the year ended 31 March 2013 and issued 249,687,438 bonus shares during the year ended 31 March 2014 by way of capitalization of securities premium account. Weighted average number of equity shares outstanding during all the previous years have been considered accordingly.

5. To be read together with the significant accounting policies, the impact of adjustments and notes to the restated consolidated financial information as appearing in Annexure IV.

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure XIII

Information on related party disclosures as per Accounting Standard (AS-18) on Related party disclosures is given below:-

Name of related parties with whom transactions have taken place and description of relationship:

A. Enterprises where control exist

a) Holding Company

Year ended 31 March 2011	Year ended 31 March 2012	Year ended 31 March 2013	Year ended 31 March 2014	Year ended 31 March 2015	For the period from 1 April 2015 to 31 December 2015
Union Investments Private Limited, Mauritius	Union Investments Private Limited, Mauritius	Union Investments Private Limited, Mauritius	Union Investments Private Limited, Mauritius	Union Investments Private Limited, Mauritius	Union Investments Private Limited, Mauritius

b) Subsidiaries and step down subsidiaries - Refer Note 2.3

B. Other related parties with whom the group had transactions

a) Entities having significant influence over the Company

Year ended 31 March 2011	Year ended 31 March 2012	Year ended 31 March 2013	Year ended 31 March 2014	Year ended 31 March 2015	For the period from 1 April 2015 to 31 December 2015
IVF Trustee Company Private Limited	IVF Trustee Company Private Limited	IVF Trustee Company Private Limited	IVF Trustee Company Private Limited	-	-
-	Olympus Capital Asia Investment Limited, Mauritius	Olympus Capital Asia Investment Limited, Mauritius	Olympus Capital Asia Investment Limited, Mauritius	Olympus Capital Asia Investment Limited, Mauritius	-
-	-	-	-	Indium IV (Mauritius) Holdings Limited	-

b) Entities owned or significantly influenced by KMP or their relatives (others):

Year ended 31 March 2011	Year ended 31 March 2012	Year ended 31 March 2013	Year ended 31 March 2014	Year ended 31 March 2015	For the period from 1 April 2015 to 31 December 2015
DM Foundation, India	DM Foundation, India	DM Foundation, India	DM Foundation, India	DM Foundation, India	DM Foundation, India
DM Education and Research Foundation, India	DM Education and Research Foundation, India	DM Education and Research Foundation, India	DM Education and Research Foundation, India	-	-
-	Wayanad Infrastructure Private Limited, India	Wayanad Infrastructure Private Limited, India	Wayanad Infrastructure Private Limited, India	-	-
Dr Moopen's Healthcare Management Services LLC, U.A.E	-	-	-	-	-
Dr Moopen's Holdings FZC, U.A.E	-	-	-	-	-
DM Group FZ LLC,U.A.E	-	-	-	-	-

c) Associates - Refer Note 2.3

d) Key management personnel (KMP)

Year ended 31 March 2011	Year ended 31 March 2012	Year ended 31 March 2013	Year ended 31 March 2014	Year ended 31 March 2015	For the period from 1 April 2015 to 31 December 2015
Dr Azad Moopen (Director)	Dr Azad Moopen (Director)	Dr Azad Moopen (Director)	Dr Azad Moopen (Chairman and Director)	Dr Azad Moopen (Chairman and Director)	Dr Azad Moopen (Chairman and Director)
Mr Wilson T Joseph (Director)	Mr Wilson T Joseph (Director)	Mr Wilson T Joseph (Director)	Mr Wilson T Joseph (Director)	-	-
-	Mr Anupam Verma (Chief Executive Officer)	Mr Anupam Verma (Chief Executive Officer)	-	-	-
-	-	-	-	-	-
-	-	-	Mr. Sreenath Reddy (Chief Financial Officer)	Mr. Sreenath Reddy (Chief Financial Officer)	Mr. Sreenath Reddy (Chief Financial Officer)
-	-	-		Mr. Rajesh A (Company Secretary)	Mr. Rajesh A (Company Secretary)

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure XIII (continued)

B. Details of transactions/outstanding balances with related parties

Amounts in INR Million

Particulars	Holding Company	Associates	KMP	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2011						
<i>Transactions during the year</i>						
Share application money received pending allotment						
Union Investments Private Limited, Mauritius	76.59	-	-	-	-	76.59
Short term loans and advances given						
DM Education and Research Foundation, India	-	-	-	-	12.07	12.07
Others	-	-	-	-	0.14	0.14
Short term loans and advances received						
DM Group FZ LLC, U.A.E	-	-	-	-	1.23	1.23
Key Managerial Personnel	-	-	1.18	-	-	1.18
Others	-	-	0.10	-	-	0.10
Interest paid on share application money						
IVF Trustee Company Private Limited	-	-	-	1.61	-	1.61
Managerial remuneration						
Key Managerial Personnel	-	-	5.90	-	-	5.90
Expenses incurred on behalf of subsidiaries/ associates						
EMED Human Resources (India) Private Limited, India	-	-	-	-	0.47	0.47
Reimbursement of expenses						
Dr Moopen's Healthcare Management Services LLC, U.A.E	-	-	-	-	1.18	1.18
Dr Moopen's Holdings FZC, U.A.E	-	-	-	-	5.12	5.12

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure XIII (continued)

B. Details of transactions/outstanding balances with related parties

Amounts in INR Million

Particulars	Holding Company	Associates	KMP	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2011						
<i>Outstanding balances as at year end</i>						
Long-term loans and advances						
EMED Human Resources (India) Private Limited, India	-	-	-	-	0.46	0.46
Other payables						
Dr Moopen's healthcare management FZC	-	-	-	-	1.18	1.18
Dr Moopen's holdings FZC, U.A.E	-	-	-	-	5.19	5.19
Others	-	-	0.17	-	-	0.17
Share application due for refund						
Union Investments Private Limited, Mauritius	125.00	-	-	-	-	125.00
IVF Trustee Company Private Limited		-	-	1,126.86	-	1,126.86
Share application pending allotment						
Union Investments Private Limited, Mauritius	69.08	-	-	-	-	69.08
Short-term loans and advances						
DM Education and Research Foundation, India	-	-	-	-	12.07	12.07
Dr Moopen's holdings FZC, U.A.E	-	-	-	-	2.71	2.71
DM Foundation	-	-	-	-	0.14	0.14
For the year ended 31 March 2012						
<i>Transactions during the year</i>						
Share application money received pending allotment						
Olympus Capital Asia Investment Limited, Mauritius	-	-	-	3,948.00	-	3,948.00
Others	354.35	-	-	-	-	354.35
Refund of share application money						
IVF Trustee Company Private Limited	-	-	-	1,126.86	-	1,126.86
Others	125.00	-	-	-	-	125.00
Short term loans and advances given						
DM Education and Research Foundation, India	-	-	-	-	37.06	37.06
Key Managerial Personnel	-	-	37.80	-	-	37.80
Others	-	-	-	-	7.51	7.51

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure XIII (continued)

B. Details of transactions/outstanding balances with related parties

Amounts in INR Million

Particulars	Holding Company	Associates	KMP	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2012						
Short term loans and advances repayment received						
DM Education and Research Foundation, India	-	-	-	-	5.66	5.66
Key Managerial Personnel	-	-	36.20	-	-	36.20
Others	-	-	-	-	2.65	2.65
Purchase of shares in associate						
Union Investments Private Limited, Mauritius	104.67	-	-	-	-	104.67
Sale of fixed assets						
Wayanad Infrastructure Private Limited, India	-	-	-	-	0.03	0.03
Legal and professional fees						
Olympus Capital Asia Investment Limited, Mauritius	-	-	-	13.89	-	13.89
Managerial remuneration						
Key Managerial Personnel	-	-	56.10	-	-	56.10
Expenses incurred on behalf of subsidiaries/ associates						
EMED Human Resources (India) Private Limited, India	-	1.17	-	-	-	1.17
Reimbursement of expenses						
Wayanad Infrastructure Private Limited, India	-	-	-	-	0.05	0.05
Outstanding balances as at year end						
Dues to holding company						
Union Investments Private Limited, Mauritius	104.67	-	-	-	-	104.67
Share application pending allotment						
Union Investments Private Limited, Mauritius	85.82	-	-	-	-	85.82
Short-term loans and advances						
DM Education and Research Foundation	-	-	-	-	43.47	43.47
Key Managerial Personnel	-	-	5.58	-	-	5.58
Others		1.64			5.08	6.72

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure XIII (continued)

B. Details of transactions/outstanding balances with related parties

Amounts in INR Million

Particulars	Holding Company	Associates	KMP	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2013						
<i>Transactions during the year</i>						
Refund of share application money						
Union Investments Private Limited, Mauritius	85.82	-	-	-	-	85.82
Repayment of dues to holding company						
Union Investments Private Limited, Mauritius	94.30	-	-	-	-	94.30
Short term loans and advances given						
Key Managerial Personnel	-	-	114.63	-	-	114.63
Others	-	-	-	-	0.87	0.87
Short term loans and advances repayment received						
DM Education and Research Foundation, India	-	-	-	-	44.32	44.32
Managerial remuneration						
Key Managerial Personnel	-	-	72.42	-	-	72.42
Expenses incurred on behalf of subsidiaries/ associates						
EMED Human Resources (India) Private Limited, India	-	7.00	-	-	-	7.00
<i>Outstanding balances as at year end</i>						
Dues to holding company						
Union Investments Private Limited, Mauritius	10.37	-	-	-	-	10.37
Other payables						
EMED Human Resources (India) Private Limited, India	-	0.33	-	-	-	0.33
Long-term loans and advances						
MIMS Infrastructure and Properties Private Limited	-	32.73	-	-	-	32.73
Short-term loans and advances						
Dr Azad Moopen	-	-	120.21	-	-	120.21
Others	-	8.64	-	-	7.14	15.78

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure XIII (continued)

B. Details of transactions/outstanding balances with related parties

Amounts in INR Million

Particulars	Holding Company	Associates	KMP	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2014						
<i>Transactions during the year</i>						
Short term loans and advances given						
Key Managerial Personnel	-	-	0.08	-	-	0.08
Short term loans and advances repayment received						
DM Foundations, India	-	-	-	-	5.02	5.02
Key Managerial Personnel	-	-	1.93	-	-	1.93
Interest on loan						
EMED Human Resources (India) Private Limited, India	-	1.08	-	-	-	1.08
Dividend paid						
Olympus Capital Asia Investment Limited, Mauritius	-	-	-	158.96	-	158.96
Union Investments Private Limited, Mauritius	355.43	-	-	-	-	355.43
Others	-	-	4.21	-	-	4.21
Managerial remuneration						
Key Managerial Personnel	-	-	94.62	-	-	94.62
Expenses incurred on behalf of subsidiaries/ associates						
EMED Human Resources (India) Private Limited, India	-	0.75	-	-	-	0.75
<i>Outstanding balances as at year end</i>						
Dues to holding company						
Union Investments Private Limited, Mauritius	10.37	-	-	-	-	10.37
Other payables						
Key Managerial Personnel	-	-	14.64	-	-	14.64
Short-term loans and advances						
Wayanad Infrastructure Private Limited	-	-	-	-	1.87	1.87
Long-term loans and advances						
EMED Human Resources (India) Private Limited, India	-	10.36	-	-	-	10.36
MIMS Infrastructure and Properties Private Limited	-	27.92	-	-	-	27.92
Others	-	-	-	-	-	-

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure XIII (continued)

B. Details of transactions/outstanding balances with related parties

Amounts in INR Million

Particulars	Holding Company	Associates	KMP	Entities having significant influence over the Company	Others	Total
For the year ended 31 March 2015						
<i>Transactions during the year</i>						
Long term loans and advance repayment received						
EMED Human Resources (India) Private Limited, India	-	4.37	-	-	-	4.37
Dividend received						
MIMS Infrastructure and Properties Private Limited	-	3.28	-	-	-	3.28
Interest on loan						
EMED Human Resources (India) Private Limited, India	-	1.12	-	-	-	1.12
Managerial remuneration						
Key Managerial Personnel	-	-	122.66	-	-	122.66
Expenses incurred on behalf of subsidiaries/ associates						
EMED Human Resources (India) Private Limited, India	-	1.18	-	-	-	1.18
<i>Outstanding balances as at year end</i>						
Long-term loans and advances						
EMED Human Resources (India) Private Limited, India	-	8.17	-	-	-	8.17
Others	-	0.61	-	-	-	0.61
Other payables						
Union Investments Private Limited, Mauritius	10.37	-	-	-	-	10.37

Aster DM Healthcare Limited and its subsidiaries and associates

Annexure XIII (continued)

B. Details of transactions/outstanding balances with related parties

Amounts in INR Million

Particulars	Holding Company	Associates	KMP	Entities having significant influence over the Company	Others	Total
For the period from 01 April 2015 to 31 December 2015						
<i>Transactions during the year</i>						
Staff recruitment services rendered by subsidiaries / associates						
EMED Human Resources (India) Private Limited, India	-	2.72	-	-	-	2.72
Interest on loan						
EMED Human Resources (India) Private Limited, India	-	0.91	-	-	-	0.91
Donations given						
DM Foundation, India	-	-	-	-	0.31	0.31
Managerial remuneration						
Key Managerial Personnel	-	-	179.09	-	-	179.09
Expenses incurred on behalf of subsidiaries/ associates						
EMED Human Resources (India) Private Limited, India	-	1.05	-	-	-	1.05
<i>Outstanding balances as at nine months period ended 31 December 2015</i>						
Long-term loans and advances						
EMED Human Resources (India) Private Limited, India	-	7.41	-	-	-	7.41
Others	-	0.23	-	-	-	0.23
Other payables						
Union Investments Private Limited, Mauritius	10.37	-	-	-	-	10.37
Key Managerial Personnel	-	-	10.80	-	-	10.80

PROFORMA FINANCIAL INFORMATION

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The Board of Directors
Aster DM Healthcare Limited
IX / 475 L, Aster Medcity, Kuttisahib Road
Near Kothad Bridge, South Chittoor P O
Cheranallloor, Kochi 682 027
Kerala, India

Auditors' Report on unaudited proforma financial information in connection with the Initial Public Offer of Aster DM Healthcare Limited (the "Issue")

Dear Sirs,

1. This report is issued in accordance with the terms of our engagement letter dated 1 September 2015 along with related addendum dated 31 May 2016.
2. The accompanying unaudited proforma financial information (hereinafter referred to as the "proforma financial information") of **Aster DM Healthcare Limited** (hereinafter referred to as the "Company") comprising the condensed consolidated proforma balance sheet as at 31 March 2015 and the condensed consolidated proforma balance sheet as at 31 December 2015 and the condensed consolidated proforma statement of profit and loss for the year ended 31 March 2015 and the condensed consolidated proforma statement of profit and loss for the nine months period ended 31 December 2015, read with the notes to the proforma financial information, has been prepared by the Management of the Company in accordance with the requirements of paragraph 23 of item (IX)(B) of Schedule VIII of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended to date (the "SEBI Regulations") issued by the Securities and Exchange Board of India (the "SEBI") to reflect the impact of a significant acquisition made after the nine months period ended 31 December 2015 and as further set out in the basis of preparation paragraph included in the attached notes to the proforma financial information and has been approved by the Board of Directors of the Company and which is initialled by us for identification purposes only.
3. We have examined the proforma financial information. For our examination, we have placed reliance on the following:
 - the restated consolidated financial information of the Company as of and for the nine months' period ended 31 December 2015 and as of and for the year ended 31 March 2015 on which we have expressed an unmodified opinion in our report dated 13 June 2016;
 - the audited standalone financial statements of Dr. Ramesh Cardiac and Multispecialty Hospital Private Limited as of and for the year ended 31 March 2015 on which other firms of chartered accountants have expressed an unmodified audit opinion in their report dated 22 July 2015; and
 - the audited standalone financial statements of Dr. Ramesh Cardiac and Multispecialty Hospital Private Limited as of and for the nine months period ended 31 December 2015 on which another firm of Chartered Accountants have expressed an unmodified audit opinion in their reports dated 2 June 2016;
4. For purposes of this engagement, we are not responsible for updating or reissuing any reports or opinions on any historical financial information used in compiling the proforma financial information, nor have we, in the course of this engagement, performed an audit or review of the financial information used by the Management in the compilation of the proforma financial information.

Managements' Responsibility for the Proforma Financial Information

5. The preparation of the proforma financial information, which is to be included in the Draft Red Herring Prospectus of the Company (the "Offer Document"), is the responsibility of the Management of the Company and has been approved by the Board of Directors of the Company (hereinafter referred to as the "Board of Directors") in their meeting dated 13 June 2016. The Board of Directors' responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and presentation of the proforma financial information. The Board of Directors is also responsible for identifying and ensuring that the Company complies with the laws and regulations applicable to its activities.

Auditors' Responsibilities

6. Pursuant to the requirement of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, it is our responsibility to express an opinion on whether the proforma financial information of the Company as of and for the nine months period ended 31 December 2015 and as of and for the year ended 31 March 2015, as attached to this report, read with respective significant accounting policies and the notes thereto have been properly prepared by the Management of the Company on the basis stated in the note 2 to the proforma financial information.
7. We conducted our engagement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India.
8. The purpose of the proforma financial information is to reflect the impact of a significant acquisition made after the nine months period ended 31 December 2015, as set out in the basis of preparation paragraph included in the attached notes to the proforma financial information and solely to illustrate the impact of a significant event on the historical financial information of the Company, as if the event had occurred at an earlier date selected for purposes of illustration and based on the judgements and assumptions of the Management of the Company to reflect the hypothetical impact and because of its hypothetical nature, does not provide any assurance or indication that any event will take place in the future and may not be indicative of:
 - the consolidated financial position of the Company as at 31 December 2015 or any future date; or
 - the consolidated results of the Company for the nine months period ended 31 December 2015 or any future periods.
9. Our work consisted primarily of comparing the respective columns in the proforma financial information to the underlying audited historical financial information, as the case may be, referred to in paragraph 3 above, considering the evidence supporting the adjustments and reclassifications, performing procedures to assess whether the basis of preparation of proforma financial information as explained in the attached notes to the proforma financial information provide a reasonable basis for presenting the significant effects directly attributable to the acquisition and discussing the proforma financial information with the Management of the Company.
11. We have no responsibility to update our report for events and circumstances occurring after the date of the report.
12. We planned and performed our work so as to obtain the information and explanations we considered necessary in order to provide us with sufficient evidence to issue this report.

13. This engagement did not involve independent examination of any of the underlying financial information.
14. We believe that the procedures performed by us provide a reasonable basis for our opinion.

Opinion

15. In our opinion the proforma financial information of the Company for the year ended 31 March 2015 and for the nine months period ended 31 December 2015, as attached to this report, read with respective significant accounting policies and the notes thereto have been properly prepared by the Management of the Company on the basis stated in the note 2 to the proforma financial information.

Restrictions on Use

16. This report is addressed to and is provided to enable the Board of Directors of the Company to include this report in the Draft Red Herring Prospectus prepared in connection with the proposed initial public offer of the Company, to be filed by the Company with the SEBI and the concerned Registrar of Companies.

for B S R and Associates

Chartered Accountants

ICAI firm registration number: 128901W

Supreet Sachdev

Partner

Membership No.: 205385

Bangalore

13 June 2016

Aster DM Healthcare Limited and its subsidiaries and associates

Proforma condensed consolidated balance sheet as at 31 March 2015

(Amounts in INR millions)

Particulars	(A)	(B)	(C)	(D)	(E = A+B+C+D)
	Aster DM Healthcare Limited (ADMHL) Restated consolidated statement of assets and liabilities	Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited (RCM)			ADMHL proforma consolidated restated financials with RCM
		Standalone	Proforma Adjustments	Acquisition adjustments	
Equity and Liabilities					
Shareholders' funds					
Share capital	3,978.64	93.08	-	(93.08)	3,978.64
Reserves and surplus	9,545.16	494.61	-	(494.61)	9,545.16
Minority Interest	6,669.08	-	-	411.58	7,080.66
Non-current liabilities					
Long term borrowings	5,051.49	590.68	-	-	5,642.17
Deferred tax liability (net)	132.51	-	-	-	132.51
Other long-term liabilities	1,003.50	-	-	-	1,003.50
Long-term provisions	1,052.82	0.71	-	-	1,053.53
Current liabilities					
Short-term borrowings	2,893.72	63.86	-	-	2,957.58
Trade payables	4,324.19	80.90	-	-	4,405.09
Other current liabilities	4,747.12	127.34	-	-	4,874.46
Short-term provisions	437.65	0.30	-	-	437.95
Total	39,835.88	1,451.48	-	(176.11)	41,111.25
Non-current assets					
Fixed assets					
Tangible fixed assets	12,801.71	1,186.26	-	-	13,987.97
Intangible fixed assets	188.47	5.66	-	-	194.13
Capital work-in-progress	1,973.64	-	-	-	1,973.64
Goodwill on consolidation	4,328.78	-	-	782.35	5,111.13
Non-current investments	116.21	-	-	-	116.21
Long-term loans and advances	1,148.23	67.42	-	-	1,215.65
Other non-current assets	654.49	14.96	-	-	669.45
Current assets					
Current investments	27.16	40.87	-	-	68.03
Inventories	3,108.17	17.03	-	-	3,125.20
Trade receivables	9,549.77	82.75	-	-	9,632.52
Cash and bank balances	3,041.75	7.89	-	(958.46)	2,091.18
Short-term loans and advances	1,892.16	18.40	-	-	1,910.56
Other current assets	1,005.34	10.24	-	-	1,015.58
Total	39,835.88	1,451.48	-	(176.11)	41,111.25

Aster DM Healthcare Limited and its subsidiaries and associates

Proforma condensed consolidated statement of profit and loss for the year ended 31 March 2015

(Amounts in INR millions)

Particulars	(A)	(B)	(C)	(D)	(E = A+B+C+D)
	Aster DM Healthcare Limited (ADMHL) Restated consolidated statement of profit and loss	Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited (RCM)			ADMHL proforma consolidated restated financials with RCM
		Standalone	Proforma Adjustments	Acquisition adjustments	
Income					
Revenue from operations	38,758.43	752.19	1.57	-	39,512.19
Other operational income	-	1.57	(1.57)	-	-
Other income	227.83	11.07	-	-	238.90
Total Income	38,986.26	764.83	-	-	39,751.09
Expenditure					
Purchase of medicines and consumables	13,376.44	167.88	8.16	-	13,552.48
Changes in inventories	(1,154.74)	-	(8.16)	-	(1,162.90)
Operating expenses	-	196.89	(196.89)	-	-
Employee benefits expense	11,589.03	235.43	-	-	11,824.46
Finance cost	659.18	22.20	-	-	681.38
Depreciation, amortization and impairment	1,443.65	20.26	-	-	1,463.91
Other expenses	9,242.80	54.51	196.89	-	9,494.20
Total expenses	35,156.36	697.17	-	-	35,853.53
Profit before tax, as restated	3,829.90	67.66	-	-	3,897.56
Provision for tax					
Current tax / minimum alternate tax	321.11	13.69	-	-	334.80
Deferred tax charge / (benefit)	20.43	(1.78)	-	-	18.65
	341.54	11.91	-	-	353.45
Net profit (loss) after tax, as restated	3,488.36	55.75	-	-	3,544.11
Add: Share of profit of associates (net)	0.67	-	-	-	0.67
Net profit before minority interest, as restated	3,489.03	55.75	-	-	3,544.78

Aster DM Healthcare Limited and its subsidiaries and associates

Proforma condensed consolidated balance sheet as at 31 December 2015

(Amounts in INR millions)

Particulars	(A)	(B)	(C)	(D)	(E = A+B+C+D)
	Aster DM Healthcare Limited (ADMHL) Restated consolidated statement of assets and liabilities	Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited (RCM)			ADMHL proforma consolidated restated financials with RCM
		Standalone	Proforma Adjustments	Acquisition adjustments	
Equity and Liabilities					
Shareholders' funds					
Share capital	4,626.33	106.08	-	(106.08)	4,626.33
Reserves and surplus	28,271.11	439.12	-	(439.12)	28,271.11
Minority Interest	2,145.81	-	-	381.83	2,527.64
Non-current liabilities					
Long term borrowings	8,007.37	646.42	-	-	8,653.79
Deferred tax liability (net)	133.80	-	-	-	133.80
Other long-term liabilities	3,308.08	-	-	-	3,308.08
Long-term provisions	1,476.70	0.81	-	-	1,477.51
Current liabilities					
Short-term borrowings	4,956.32	71.36	-	-	5,027.68
Trade payables	6,575.24	105.78	-	-	6,681.02
Other current liabilities	6,526.50	134.73	-	-	6,661.23
Short-term provisions	586.63	1.32	-	-	587.95
Total	66,613.89	1,505.62	-	(163.37)	67,956.14
Non-current assets					
Fixed assets					
Tangible fixed assets	14,970.04	1,181.75	-	-	16,151.79
Intangible fixed assets	176.44	4.51	-	-	180.95
Capital work-in-progress	2,906.74	-	-	-	2,906.74
Goodwill on consolidation	20,692.38	-	-	795.09	21,487.47
Non-current investments	110.66	-	-	-	110.66
Long-term loans and advances	1,654.91	102.99	-	-	1,757.90
Other non-current assets	551.55	14.17	-	-	565.72
Current assets					
Current investments	51.12	24.98	-	-	76.10
Inventories	4,211.22	28.24	-	-	4,239.46
Trade receivables	13,639.28	108.35	-	-	13,747.63
Cash and bank balances	1,798.47	3.60	-	(958.46)	843.61
Short-term loans and advances	3,330.49	20.27	-	-	3,350.76
Other current assets	2,520.59	16.76	-	-	2,537.35
Total	66,613.89	1,505.62	-	(163.37)	67,956.14

Aster DM Healthcare Limited and its subsidiaries and associates

Proforma condensed consolidated statement of profit and loss for nine months ended 31 December 2015

(Amounts in INR millions)

Particulars	(A)	(B)	(C)	(D)	(E = A+B+C+D)
	Aster DM Healthcare Limited (ADMHL) Restated consolidated statement of profit and loss	Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited (RCM)			ADMHL proforma consolidated restated financials with RCM
		Standalone	Proforma Adjustments	Acquisition adjustments	
Income					
Revenue from operations	37,315.16	828.40	1.57	-	38,145.13
Other operational income	-	1.57	(1.57)	-	-
Other income	121.53	6.79	-	-	128.32
Total income	37,436.69	836.76	-	-	38,273.45
Expenditure					
Purchase of medicines and consumables	12,309.25	194.38	11.21	-	12,514.84
Changes in inventories	(1,103.27)	-	(11.21)	-	(1,114.48)
Operating expenses	-	253.09	(253.09)	-	-
Employee benefits expense	11,986.17	252.50	-	-	12,238.67
Finance cost	593.60	65.64	-	-	659.24
Depreciation, amortization and impairment	1,794.91	72.72	-	-	1,867.63
Other expenses	9,633.04	66.35	253.09	-	9,952.48
Total expenses	35,213.70	904.68	-	-	36,118.38
Profit/ (loss) before tax, as restated	2,222.99	(67.92)	-	-	2,155.07
Provision for tax					
Current tax / minimum alternate tax	404.46	(13.68)	-	-	390.78
Deferred tax charge / (benefit)	1.29	-	-	-	1.29
	405.75	(13.68)	-	-	392.07
Net profit /(loss) after tax, as restated	1,817.24	(54.24)	-	-	1,763.00
Add: Share of profit of associates (net)	(6.46)	-	-	-	(6.46)
Net profit /(loss) before minority interest, as restated	1,810.78	(54.24)	-	-	1,756.54

Aster DM Healthcare Limited and its subsidiaries and associates

Notes to the Proforma condensed consolidated financial information as of and for the year ended 31 March 2015 and the nine months period ended 31 December 2015

1. Background

Aster DM Healthcare Limited (ADMHL) acquired 29.97% stake in Dr. Ramesh Cardiac and Multispeciality Hospital Private Limited, Vijayawada (RCM) during the period from 31 March 2016 to 17 May 2016. Post-acquisition ADMHL has the power to nominate four out of seven directors on the Board of Directors of RCM.

The following unaudited proforma financial information gives effect to the acquisition of RCM by ADMHL for consideration of INR 958.46 Million. The entire consideration for this acquisition is financed out of internal accruals of ADMHL group.

2. Basis of Preparation

The proforma consolidated financial information of the Company comprising the proforma balance sheet as at 31 March 2015 and as at 31 December 2015, the proforma statement of profit and loss for the year ended 31 March 2015 and the proforma statement of profit and loss for the nine months period ended 31 December 2015, read with the notes 3 to 6 has been prepared as per the requirements of ICDR regulations to reflect the above mentioned acquisition by ADMHL. Because of their nature, the proforma financial information addresses a hypothetical situation and therefore, do not represent ADMHL's actual consolidated financial position or results. They purport to indicate the results of operations that would have resulted had the acquisition been completed at the beginning of the period presented and the consolidated financial position had the acquisition been completed as at the year/ period end, but are not intended to be indicative of expected results or operations in the future periods or the future financial position of ADMHL. The proforma adjustments are based upon available information and assumptions that the management of ADMHL believes to be reasonable.

3. As explained in the following paragraphs, the unaudited proforma balance sheet as at 31 March 2015 and as at 31 December 2015 has been prepared to reflect the acquisition of RCM by ADMHL. The unaudited proforma statements of profit and loss for the year ended 31 March 2015 and the nine months period ended 31 December 2015 combine the restated consolidated financial information of consolidated ADMHL with RCM for the aforesaid period. The adjustments made to the proforma financial information are included in the following section.
4. The unaudited proforma condensed consolidated financial information is based on:
 - a) the restated consolidated statement of assets and liabilities and restated consolidated statement of profit and loss of ADMHL as at and for the year ended 31 March 2015 and as at and for the nine months period ended 31 December 2015; and
 - b) the audited balance sheet and statement of profit and loss of RCM prepared in accordance with the Generally Accepted Accounting Principles (GAAP) in India as at and for the year ended 31 March 2015 on which other firms of accountants have expressed an unqualified audit opinion in their report dated 22 July 2015 and as at and for the nine months period ended 31 December 2015 on which an other firm of accountants has expressed an unqualified audit opinion in their report dated 2 June 2016.

5. Proforma adjustments

The following adjustments have been made to present the unaudited proforma condensed consolidated financial information:

The audited financial statements of RCM as at and for the year ended 31 March 2015 and as at and for the nine months period ended 31 December 2015 have been adjusted to align with ADMHL group financial disclosures. The following adjustments have been made to present the unaudited proforma condensed consolidated financial statements.

Reclassification:

- i) INR 1.57 million and INR 1.57 million included in other operational income have been regrouped to revenue from operations for the year ended 31 March 2015 and for the nine months period ended 31 December 2015 respectively.
- ii) INR (8.16) million and INR (11.21) million included in material consumed and pharmacy consumed have been regrouped to changes in inventories for the year ended 31 March 2015 and for the nine months period ended 31 December 2015 respectively.
- iii) INR 196.89 million and INR 253.09 million included in operating expenses have been regrouped to other expenses for the year ended 31 March 2015 and for the nine months period ended 31 December 2015 respectively.

6. Acquisition related adjustments

Acquisition of RCM, Vijayawada: As explained above, for purposes of the proforma balance sheet, the acquisition was assumed to have taken place as at 31 December 2015 and 31 March 2015 and the goodwill has been calculated accordingly. The book value of the net assets of RCM as at 31 December 2015 and 31 March 2015 amounted to INR 163.37 million and INR 176.11 million respectively. An amount of INR 795.09 million and INR 782.35 million, being the excess of the purchase consideration over the net assets acquired has been recognised as goodwill on consolidation respectively as at 31 December 2015 and 31 March 2015, based on the principles of AS 21 – “Consolidated Financial Statements”. Cash and Bank balance have been restated to reflect the source of investment by ADMHL.

SIGNIFICANT DIFFERENCES BETWEEN INDIAN GAAP AND IND AS

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
1.	Ind AS 1	Presentation of Financial Statements	<u>Other Comprehensive Income:</u> There is no concept of 'Other Comprehensive Income' under Indian GAAP.	<u>Other Comprehensive Income:</u> Ind AS 1 introduces the concept of Other Comprehensive Income ("OCI"). Items of income and expenses that are not recognized in profit and loss as required or permitted by other Ind ASs are presented under OCI.
			<u>Extraordinary items:</u> Under Indian GAAP, extraordinary items are disclosed separately in the statement of profit and loss and are included in the determination of net profit or loss for the period. Items of income or expense to be disclosed as extraordinary should be distinct from the ordinary activities and are determined by the nature of the event or transaction in relation to the business ordinarily carried out by an entity.	<u>Extraordinary items:</u> Under Ind AS, presentation of any items of income or expense as extraordinary is prohibited.
			<u>Change in Accounting Policies:</u> Indian GAAP requires changes in accounting policies should be presented in the financial statements on a prospective basis (unless transitional provisions, if any, of an accounting standard require otherwise) together with a disclosure of the impact of the same, if material. If a change in the accounting policy has no material effect on the financial statements for the current period, but is expected to have a material effect in the later periods, the same should be appropriately disclosed.	<u>Change in Accounting Policies:</u> Ind AS requires retrospective application of changes in accounting policies by adjusting the opening balance of each affected component of equity for the earliest prior period presented and the other comparative amounts for each period presented as if the new accounting policy had always been applied, unless transitional provisions of an accounting standard require otherwise.
			<u>Dividends:</u> Under Indian GAAP, declaration of dividend is an adjusting event and dividend proposed after the balance sheet date but before approval of the financial statements will have to be recorded as a provision.	<u>Dividends:</u> Ind AS requires liability for dividends declared to holders of equity instruments are recognized in the period in which it is declared. It is a non-adjusting event.
2.	Ind AS 27, 110 and Ind AS 112	Assessment of Control	Under Indian GAAP, the Company assesses control over an entity based on the ownership of over one-half of the voting power of that enterprise or control over majority of the composition of the board of directors or its governing body. Further, potential voting rights are not considered for control assessment.	As per Ind AS 110, control is assessed based on an entity's power over the investee, its ability to use the power to affect the amount of return from the investee and total exposure to variable return from its involvement with the investee. Further, potential voting rights are considered only if the rights are substantive and the holder of the right has the ability to exercise the right.

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
3.	Ind AS 103	Business combinations	Upon acquisition, any excess of the amount of the purchase consideration over the value of net assets of the transferor company acquired by the transferee company is recognized in the transferee company's financial statements as goodwill on acquisition. All acquisitions have been accounted in line with treatment prescribed in the court approval or in case of amalgamation, as prescribed under AS 14.	All business combinations are to be accounted at fair value using the "Acquisition method". Upon acquisition, all assets acquired and liabilities assumed are recorded at fair value on the acquisition date. Contingent consideration payable shall be considered as part of total consideration while arriving at goodwill or gain on acquisition, as the case may be. However, common control transactions are scoped out and can be accounted for using the "book value" approach Lastly, Ind AS 101 provides exemptions for past business combinations from accounting prescribed under Ind AS 103 and the entity can elect to continue the accounting it had adopted under Indian GAAP.
4.	Ind AS 27, 110 and Ind AS 112	Non-controlling interest	Under Indian GAAP, the excess loss attributable to non-controlling interest over and above the non-controlling interest in the equity of the subsidiary is absorbed by the Company (Group).	Under Ind AS 110, the Company should attribute the profit or loss and each component of total comprehensive income to the non-controlling interests even if this results in the non-controlling interests having a deficit balance. However, Ind AS 101 provides that this provision shall be applied only prospectively.
5.	Ind AS 18	Revenue recognition	Under Indian GAAP, the Company in the case of hospital services recognises revenue when services are rendered and revenue from sale of pharma products are recognised on sale of medicines and similar products to the buyer.	Ind AS 18 has extensive guidance for accounting specific transactions like licenses and rights to use, milestone payments, collaborative arrangements. Further, the standard provides guidance on multiple deliverable arrangements and allocation of revenue to each distinct goods or services. Ind AS also mandates adjusting time value of money in revenue recognized in case of extended credit and upfront receipt of advance.
6.	Ind AS 16	Property, plant and equipment – reviewing depreciation and residual value	Under Indian GAAP, the Company currently provides depreciation on straight line method over the useful lives of the assets estimated by the Management.	Ind AS 16 mandates reviewing the method of depreciation, estimated useful life and estimated residual value of an asset at least once in a year. The effect of any change in the estimated useful and residual value shall be taken prospectively. Ind AS 101 allows current carrying value under Indian GAAP for items of property, plant and equipment to be carried forward as the cost under

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
				Ind AS.
7.	Ind AS 109	Classification of Financial Instruments and subsequent measurement	Currently under Indian GAAP the Company classifies all its financial assets and liabilities as short term or long term. Long term investments are carried at cost less any permanent diminution in the value of such investments determined on a specific identification basis. Current investments are carried at lower of cost and fair value. Financial liabilities are carried at their transaction values.	Ind AS 109 requires all Financial assets to be either classified as measured at amortized cost or measured at fair value. Where assets are measured at fair value, gains and losses are either recognized entirely in profit or loss, (FVTPL), or recognized in other comprehensive income (FVTOCI). Financial assets include equity and debts investments, interest free deposits, loans, trade receivables etc., There are two measurement categories for financial liabilities – FVTPL and amortized cost. Fair value adjustment on transition shall be adjusted against opening retained earnings on the date of transition.
8.	Ind AS 109	Financial Instruments - Impairment	Under Indian GAAP, the Company assesses the provision for doubtful debts at each reporting period which in practice, is based on relevant information like past experience, financial position of the debtor, cash flows of the debtor etc.	The impairment model in Ind AS is based on expected credit losses and it applies equally to debt instruments measured at amortized cost or FVTOCI (the loss allowance is recognized in other comprehensive income and not reduced from the carrying amount of the financial asset), lease receivables, contract assets within the scope of Ind AS 15 (currently deferred) and certain written loan commitments and financial guarantee contracts.
9.	Ind AS 19	Accounting for Employee benefits	Currently under Indian GAAP the Company recognizes all short term and long term employee benefits in the profit and loss account as the services are received. For long term employee benefit, the Company uses actuarial valuation to determine the liability.	Under Ind AS 19, the change in liability is split into changes arising out of service, interest cost and re-measurements and the change in asset is split between interest income and re-measurements. Changes due to service cost and net interest cost/ income need to be recognized in the income statement and the changes arising out of re-measurements are to be recognized directly in OCI.
10.	Ind AS 12	Deferred Taxes	Under Indian GAAP, the Company determines deferred tax to be recognized in the financial statements with reference to the income statement approach i.e. with reference to the timing differences between profit offered for income taxes and profit as per the financial statements.	As per Ind AS 12 <i>Income Taxes</i> , deferred tax is determined with reference to the balance sheet approach i.e. based on the differences between carrying value of the assets/ liabilities and their respective tax base. Using the balance sheet approach, there could be additional deferred tax charge/income on account of: i. All Ind AS opening balance sheet adjustments ii. Actuarial gain and losses accounted in OCI. iii. Indexation of freehold land

Sr. No.	Ind AS No.	Particulars	Indian GAAP	Ind AS
				iv. Fair valuation adjustments (employee loans, security deposits etc.)
11.	Ind AS 108	Operating segments	Currently under Indian GAAP, the Company has structured its business broadly into four verticals – Hospitals, clinics, pharmacies and others. These are presented as primary segments. The Company operates in three principal geographical areas and classified as secondary segments.	Ind AS 108 requires segment disclosure based on the components of the entity that management monitors in making decisions about operating matters (the 'management approach'). Such components (operating segments) are identified on the basis of internal reports that the entity's Chief Operating Decision Maker (CODM) regularly reviews in allocating resources to segments and in assessing their performance. The term 'chief operating decision maker' identifies a function, not necessarily a manager with a specific title. That function is to allocate resources to and assess the performance of the operating segments of an entity. Often the chief operating decision maker of an entity is its chief executive officer or chief operating officer but, for example, it may be a group of executive directors or others.

The table above is only illustrative and is not intended to present a comprehensive list of areas which may have some implications on the Company's financial statements.

The Company is currently evaluating the requirements of the Ind-AS standards and has not yet determined the impact that the transition to these standards from Indian GAAP may have on the standalone and consolidated financial statements of the Company.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

You should read the following discussion and analysis of our financial condition and results of operations in conjunction with our Restated Consolidated Financial Statements and the sections entitled "Summary of Financial Information," and "Financial Statements" on pages 65 and 244, respectively. This discussion contains forward-looking statements and reflects our current views with respect to future events and our financial performance and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 17. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, kindly refer to the section entitled "Forward-Looking Statements" on page 16. Unless otherwise stated, the financial information of our Company used in this section has been derived from the Restated Consolidated Financial Statements.

Our Restated Consolidated Financial Statements are based on our consolidated financial statements and are restated in accordance with the Companies Act and the SEBI Regulations. Our consolidated financial statements are prepared in accordance with Indian GAAP, which differs in certain material respects from International Financial Reporting Standards and U.S. GAAP.

Our fiscal year ends on March 31 of each year. Accordingly, unless otherwise stated, all references to a particular fiscal year are to the 12-month period ended March 31 of that year.

Overview

We are one of the largest private healthcare service providers which operate in multiple GCC states based on numbers of hospitals and clinics, according to the Frost & Sullivan Report, and an emerging healthcare player in India. We currently operate in all of the GCC states, which comprise the United Arab Emirates, Oman, Saudi Arabia, Qatar, Kuwait and Bahrain, in Jordan (which we classify as a GCC state as part of our GCC operations), in India and the Philippines. Our GCC operations are headquartered in Dubai, United Arab Emirates and our Indian operations are headquartered in Kochi, Kerala.

We operate in multiple segments of the healthcare industry, including hospitals, clinics and retail pharmacies and provide healthcare services to patients across economic segments in several GCC states through our various brands "Aster", "Medcare" and "Access". We believe that "Aster" and our other brands are widely recognized in the GCC states both by healthcare professionals and patients. We commenced operations in 1987 as a single doctor clinic in Dubai established by our founder, Dr. Azad Moopen. Our Company was incorporated in 2008 in a reorganisation to facilitate the growth of our operations, subsequent to which operations in the GCC states and India were consolidated under Aster DM Healthcare Ltd. Our "MIMS", or Malabar Institute of Medical Sciences Limited, hospital in Kozhikode, Kerala, India, commenced operations in 2001.

The execution capabilities of our experienced management team have enabled our consistent growth in recent years, both organically and through strategic acquisitions. We had 149 operating facilities, including 10 hospitals with a total of 1,419 beds, as of March 31, 2013 and have expanded to 280 operating facilities, including 13 hospitals with a total of 2,537 beds, as of March 31, 2016. Further, we have acquired a 29.97% stake in Dr. Ramesh Hospitals that owns and operates 3 hospitals in Andhra Pradesh. We also entered into an operation and management services agreement and a medical services agreement with DM Education and Research Foundation effective April 1, 2016 to provide operation and maintenance services and to provide medical services at the cardiac sciences and neurosciences super speciality centres in its hospital, DM WIMS. In August 2014, we launched Aster Medcity in Kochi, Kerala, a multi-speciality hospital with a 670 bed capacity, to be positioned as a destination for medical value travel. In the GCC states, the number of our clinics increased from 41 as of March 31, 2013 to 83 as of March 31, 2016, and the number of our retail pharmacies increased from 98 as of March 31, 2013 to 180 as of March 31, 2016. Our pharmacies in India are integrated with our hospitals and clinics, and cater to our patients.

We have a diversified portfolio of healthcare facilities, consisting of 6 hospitals, 83 clinics and 180 retail pharmacies in the GCC states, 7 multi-specialty hospitals and 3 clinics in India, and one clinic in the Philippines as of March 31, 2016. According to the Frost & Sullivan Report, we operate the largest chain of retail pharmacies in the UAE based on number of centres as of March 31, 2016. For further details, see "Industry Overview - GCC States" on page 113. Our hospitals in India are located in Kochi, Kolhapur, Kozhikode, Kottakkal, Bengaluru and Hyderabad and are generally operated under the "Aster", "MIMS" or "Prime" brands. Our clinics in India are located at Kozhikode and Bengaluru. We had 12,774 employees as of March 31, 2016, including 1,003 full time doctors, 4,406 nurses, 1,063 pharmacists, 1,285 paramedics and 5,017 other employees. In addition, we had 703 "fee for service" doctors working across various specialities in our hospitals in India as of March 31, 2016.

We believe that our long standing operations, quality of medical care and track record of building long-term relationships with our doctors and other medical professionals has enabled us to build a strong brand name in the GCC states and will enable us to further establish the brand in India. We further believe that our brands, reputation, strong and stable management team, investment in medical technology and commitment to medical training and education have helped us to attract and retain well-known doctors and other health care professionals for our operations, who in turn draw more patients to our facilities.

A majority of our hospitals and clinics provide secondary and tertiary healthcare services to patients. In addition to providing core medical, surgical and emergency services, some of our hospitals provide complex and advanced quaternary healthcare in various specialties, including cardiology, oncology, radiology, ophthalmology, neurosciences, paediatrics, gastroenterology, orthopaedics and critical care services.

The quality of medical care we provide is evidenced by the number of quality certifications and other achievements that our facilities have obtained from various local and international accreditation agencies, including from the U.S.-based Joint Commission International, or JCI. Three of our hospitals and one clinic in the GCC states, and Aster Medcity in Kochi, Kerala, have obtained JCI accreditation. In 2006, our MIMS Hospital in Kozhikode, Kerala received accreditation from the National Accreditation Board for Hospitals and Healthcare Providers, or NABH. In 2007, our Medcare Hospital in Dubai received JCI accreditation. Our Medcare Orthopaedics and Spine Hospital in Dubai received JCI accreditation in 2013. Our Sanad Hospital in Saudi Arabia obtained accreditation from the Saudi Central Board for Accreditation for Healthcare Institutions, or CBAHI which is valid until October 2016. Medinova Diagnostic Centre, our first central laboratory clinic in the GCC states, holds JCI accreditation which is valid until 2017.

Our total revenues from operations was ₹19,217.42 million, ₹28,711.45 million, ₹38,758.43 million and ₹37,315.16 million for fiscal 2013, 2014 and 2015 and the nine months ended December 31, 2015, respectively. Our Adjusted EBITDA was ₹2,661.34 million, ₹4,642.35 million, ₹5,787.22 million and ₹4,575.58 million for fiscal 2013, 2014 and 2015 and the nine months ended December 31, 2015, respectively. Of our total revenues from operations for the nine months ended December 31, 2015, our hospital segment (for both the GCC states and India) accounted for 50.98%, our clinic segment accounted for 23.85% and our retail pharmacy segment accounted for 25.12%. Our operations in India, which primarily consist of hospitals, accounted for 12.52% of our total revenues from operations for the nine months ended December 31, 2015.

Factors Affecting Our Results of Operations

Our business and results of operations have been affected by a number of important factors that we believe will continue to affect our business and results of operations in the future. These factors include the following:

- ***Strategic acquisitions and expansion***

Our Company has grown through our ability to develop, acquire, manage and integrate new healthcare facilities and expand or upgrade our existing facilities. We are constantly exploring appropriate greenfield locations for setting up new healthcare facilities and seeking acquisition opportunities to expand our network of healthcare facilities. We believe our operations have sufficient flexibility to successfully integrate these new projects. We also intend to expand our existing facilities which are nearing peak capacity utilization by increasing the number of beds and doctors and through strategic relocation to larger facilities.

Since 2010, we have made several notable acquisitions, including the multi-specialty Sanad Hospital in Saudi Arabia with 220 beds where we completed the acquisition of a majority stake in 2015, 32 pharmacies in the UAE acquired since 2011, a chain of 10 pharmacies and one central store in Kuwait acquired in 2014, and 11 pharmacies in Jordan acquired in 2014. Similarly in India, we have acquired majority stakes in hospitals in Hyderabad in 2014. We also acquired operations and management rights of Aster CMI Hospital Bengaluru in 2014. Our major greenfield projects include the Medcare Orthopaedics and Spine Hospital in UAE with 29 beds, which became operational in 2012 and Aster Medcity in Kochi, Kerala India, with 670 beds, which became operational in 2014. Our brownfield projects also include the strategic relocation of existing facilities to a premium location with larger space and better business opportunities.

- ***Patient volumes and case mix***

Inpatient and outpatient volumes at our healthcare facilities are driven by, amongst others, brand reputation, the competitive cost of treatment, the type of services offered, the economic and social conditions of local communities, the degree of competition from other healthcare facilities, seasonal illness cycles, climate and weather conditions, the clinical reputation of our doctors, doctor retention and attrition, negotiations or terminations of corporate contracts, insurance relationships or approved healthcare provider panels in respect of employee healthcare needs and spending ability. Our revenues from hospital operations are highly dependent on the occupancy rates at our healthcare facilities, which are critical to optimizing profitability at our facilities. Our

revenues from outpatient services at our clinics are highly dependent on the availability of doctors and our ability to provide a wide range of services. The occupancy rate of a healthcare facility is a function of conversions of outpatients to inpatients and of direct admissions.

Our inpatient volumes have grown significantly from 37,620 in fiscal 2013 to 125,498 in fiscal 2016. As a significant portion of inpatient income is derived from medical services provided in the initial two to three days of an inpatient visit (with the remaining patient stay generating primarily occupancy income), we seek to increase our average revenue per occupied bed by optimizing the length of patient stay, increasing capacity turnover, focusing on complex procedures and achieving higher operating efficiency through the adoption of advanced technology and through the provision of improved medical services. Our average revenue per occupied bed in the hospitals in the GCC states increased from ₹93,264 as of fiscal 2013 to ₹158,213 as of the nine months ended December 31, 2015. Further, our average revenue per occupied bed in hospitals in India increased from ₹8,130 to ₹18,287 during the same period.

The revenues from clinic operations and average realization per patient are determined by the volume of patients as well as the mix between specialist and super specialist doctors. Most of our clinics have basic diagnostic facilities while our larger clinics have advanced diagnostic and imaging facilities, which contributes to higher average realization per patient.

The revenues from retail pharmacies operations are dependent on the volume of customers and the average ticket size (sales expenditure per bill) per customer. The customer volume at our pharmacies which are located near to, and support, our clinics are dependent on the patient volumes at such clinics. The customer volume at our other retail pharmacies is dependent on, among others, the visibility of the outlet, brand reputation, aesthetics and ambience. The average customer expenditure in retail pharmacies is a function of mix between pharmaceutical and over-the-counter products and we strive to optimize the mix between over-the-counter and pharmaceutical products by conducting sales and marketing programs.

- *Source of Revenues*

Our revenues are comprised of the credit reimbursement that we receive from insurance companies and companies paying healthcare costs for their employees and payments made by individuals. The balance of our revenues comprise of payments made by individuals. The payments made by individuals are mainly attributable to uninsured patients who pay for our services in cash, or insured patients who are paying the excess costs which exceed their insurance policy limit. In the GCC states, most of our revenues consist of credit revenues, while in India most of our revenues consist of cash revenues.

The fees charged to insurance companies for outpatient and inpatient services vary depending on the services provided to the patient and the type of insurance policy availed by the patient. Basic policy holders generally have access to our Aster branded clinics and hospitals while premium policy holders have access to our Medcare branded clinics and hospitals. The fees charged to insurance companies are also based on negotiations with each insurance company and is normally at a discount to the fees payable by cash paying patients. The revisions of rates charged to insurance companies are typically conducted on an annual basis and depends on the scale, quality of medical services and reach of the healthcare provider. We estimate the likely claim rejections based on past experiences and make a provision for such anticipated rejection rates against trade receivables on our balance sheet and recognize the net provisions in our statement of profit and loss.

Following the lead of Saudi Arabia and the Emirate of Abu Dhabi, the Emirate of Dubai introduced mandatory health insurance for both nationals and residents in November 2013, respectively, with full implementation expected during 2016. With our healthcare facilities spread across the GCC states, we believe we are well positioned to take advantage of the implementation of health insurance reforms and we expect mandatory health insurance to be one of the key drivers of our business.

- *Employee costs*

Total employee benefit expense and compensation has historically comprised one of the largest segments of our operating expenditure, representing 28.74%, 30.67%, 32.96% and 34.04% of our total expenditure for fiscal 2013, 2014 and 2015 and the nine months ended December 31, 2015, respectively. We believe that our presence in the GCC states and India provides us with a unique opportunity allowing for movement of key medical professionals between these geographies, maintain low attrition rates and sharing know-how and experience.

When we set up a new or expand an existing healthcare facility, even if occupancy rates have yet to reach target levels, we strive to provide the full range of services and maintain the necessary doctors and medical staff to operate the facility in anticipation of increased patient volumes. As such, our doctors and medical staff cost will

constitute a higher proportion of expenditure and total income in respect of such newly set up or expanded facilities prior to maturity. Such proportion is expected to decline as operations are ramped up and patient volumes and manpower utilization rates increase. During the periods where recent acquisitions, expansions or greenfield comprise a substantial portion of our portfolio, we expect that such expenses will accordingly represent a higher percentage of our consolidated expenditure and total income.

- *Seasonality*

Our business in GCC is affected by seasonality such as the summer holidays and the month of Ramadan (Holy Festival), which falls in the first half of our financial year. During these holiday periods and in the summer months, there is usually an exodus of expatriates and locals out of the GCC states, therefore resulting in a lower level of patient volume. In addition, a large number of doctors may take vacations during these periods, thereby also affecting the number of patients our facilities can treat. As such, our quarterly financial statements and operating results may not be indicative of our full year results.

Our Critical Accounting Policies

Certain of our accounting policies require the application of judgment by our management in selecting appropriate assumptions for calculating financial estimates, which inherently contain some degree of uncertainty. Our management bases its estimates on historical experience and various other assumptions that are believed to be reasonable under the circumstances, the results of which form the basis for making judgments about the reported carrying values of assets and liabilities and disclosure of contingent liabilities and the reported amounts of revenues and expenses that may not be readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions.

We believe the following are the critical accounting policies and estimates used in the preparation of our financial statements. For more information on each of these policies, see the Restated Financial Statements included in this Draft Red Herring Prospectus.

Principles of Consolidation

Our consolidated financial statements include the financial statements of all of our subsidiaries in which our Company directly or indirectly has more than one-half of the voting power or controls the composition of the board of directors or its governing body. Most of our operations in the GCC states are conducted by subsidiaries for which we own a minority legal interest and which are consolidated on the basis of this control test. We have accounted for our proportionate share of interest in joint ventures by the proportionate consolidation method. Subsidiaries are fully consolidated from the date of acquisition, being the date on which we obtain control, and continue to be consolidated until the date when such control ceases. The financial statements of the subsidiaries are prepared for the same reporting period as the parent company, using consistent accounting policies. All intragroup balances, transactions, unrealized gains and losses resulting from intra-group transactions and dividend are eliminated in full.

Minority interests principally represent the interest in subsidiaries not held by us on economic basis and are presented separately in the consolidated statement of profit and loss and within equity in the consolidated balance sheet, separately from parent shareholders' equity.

Revenue Recognition

Revenue is derived primarily from rendering medical and healthcare services. Income from medical and healthcare services comprises of income from hospital and clinic services in the GCC states and India and sale of pharmaceutical and over-the-counter products in the GCC states.

Revenue from hospital services to patients is recognized as revenue when the related services are rendered unless significant future uncertainties exist. Revenue is also recognized 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 from sale of pharmaceutical products within hospital premises is recognized on sale of medicines and similar products to the buyer. The amount of revenue recognized is net of sales returns and exclusive of sales tax and discounts given to patients.

“Unbilled revenue” represents value of medical and healthcare services rendered in excess of amounts billed to the patients as at the balance sheet date.

Revenue from rendering of consultancy services is recognized as per the terms of the agreements with the customer. Interest income is recognized using the time proportionate method, based on the transactional interest rates. Dividend income is recognized in the statement of profit and loss when a right to receive payment is established. Rental income is accrued on a time basis by reference to the agreements entered.

Income Taxes

The current income tax charge is determined in accordance with the relevant tax regulations applicable to our Group.

Deferred tax charge or credit is recognized for the future tax consequences attributable to timing difference that result between the profit offered for income taxes and the profit as per the financial statements. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, when there is a brought forward loss or unabsorbed depreciation under taxation laws, deferred tax assets are recognized only if there is virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain to be realized.

Zakat are charges payable in accordance with the income tax regulations of Jordan, Qatar and Saudi Arabia.

Our Group offsets, on a year on year basis, the current tax assets and liabilities, where it has a legally enforceable right and where it intends to settle such assets and liabilities on a net basis.

Tangible Fixed Assets

Tangible fixed assets are carried at their cost of acquisition or construction less accumulated depreciation. The cost of tangible fixed assets includes freight, duties, taxes and other incidental expenses related to the acquisition of those tangible fixed assets. In respect of major projects involving construction, related directly attributable costs form part of the value of assets capitalized. Borrowing costs directly attributable to the acquisition / construction of those fixed assets which necessarily take a substantial period of time to get ready for their intended use is capitalized.

Advances paid towards the acquisition of fixed assets, outstanding at each balance sheet date are shown under long-term loans and advances. The costs of fixed assets not ready for their intended use before such date are disclosed as capital work-in-progress.

Depreciation on Tangible Fixed Assets

Depreciation on tangible fixed assets is provided on the straight-line method over the useful lives of the assets estimated by management. Depreciation for assets purchased / sold during a period is proportionately charged. Intangible assets are amortised over their respective individual estimated useful lives on a straight-line basis, commencing from the date the asset is available to the Company for its use. Leasehold improvements are amortized over the lease term or useful lives of assets, whichever is lower. Management estimates the useful lives for the fixed assets as under. Land is not depreciated.

Management's estimates of the useful lives for various categories of fixed assets are given below:

Class of assets	Years
Buildings	3 to 60
Plant and machinery*	5 to 15
Medical equipment*	10
Motor vehicles*	5 to 8
Computer equipments	3
Furniture and fittings*	5 to 10
Servers and Networks	6

**For these asset classes, the useful lives have been based on our internal assessment supported, where necessary, by technical advice, and differ from the useful lives as prescribed under Part C of Schedule II of the Companies Act, 2013*

Depreciation and amortisation methods, useful lives and residual values are reviewed periodically, including at each financial year end.

Foreign Currency Transactions and Balances

The reporting currency of our Group is Indian Rupee. The local currencies of the non-integral subsidiaries are different from the reporting currency of our Group. Our Group is exposed to currency fluctuations on foreign currency transactions. Transactions in foreign currency are recognized at the rate of exchange prevailing on the date of the transaction. Exchange difference arising on foreign exchange transactions settled during the year is recognized in the statement of profit and loss for the year. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date and the resultant exchange differences are recognized in the statement of profit and loss. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

Our Income

Revenue from Operations

Substantially all of our revenue from operations is derived from the provision of medical and healthcare services at our hospitals and the provision of medical and healthcare services in clinics in the GCC states and India, and the sale of pharmaceutical products and over-the-counter products in the GCC states.

Our revenue from operations is derived mainly from the following three business segments:

- *Revenue from hospitals*, which consist of collections from outpatient and inpatient hospital services including various diagnostic and investigation services, doctors' consultation charges, sale of medicines and consumables to patients, room rent from in-patients, and nursing charges. Revenue from hospitals are recognized on an accrual basis once the services are rendered.
- *Revenue from clinics*, which consist of collections from various services including diagnostic and investigation services, doctors' consultation charges and nursing charges. Revenue from clinics are recognized on an accrual basis once the services are rendered.
- *Revenue from retail pharmacies*, which consist of income from the sale of medicines and other non-medical consumables. Revenue from retail pharmacies is derived from pharmacy sales recognized at the point of sale, less any discounts and sales returns. We operate retail pharmacies only in the GCC states and our pharmacies located within our hospitals in the GCC states and India are accounted as part of our hospital segment.

Other Income

The key components of our other income are rent received, interest received, dividends from mutual funds, non-recurring profits on the sale of fixed assets, excess depreciation net and miscellaneous income from non-medical services rendered to patients.

Our Expenditure

Our expenses primarily consist of the following:

- *Purchase of medicines and consumables*, which consists of the purchase of medicines and consumables administered and sold to our patients in our hospitals, clinics and pharmacies;
- *Changes in inventories*, which reflect the movement in our inventories at the beginning and the end of the period;
- *Employee benefits expense*, which consist of salaries and allowances, contribution to provident and other funds, expenses on employee stock option scheme, staff recruitment and staff welfare expenses;
- *Finance cost*, which reflect the cost of interest and other borrowings;
- *Depreciation, amortisation and impairment*, which consists of depreciation on tangible assets, amortisation of intangible assets and impairment of goodwill; and
- *Other expenses*, which consists primarily of professional fees to doctors at our healthcare facilities, expenses related to rental, advertisement and sales promotion, provision for doubtful debts and loans/advances, legal professional and consultancy services, rates and taxes, repairs and maintenance, and power and fuel.

Our Tax Expenses

Elements of our tax expenses applicable to India are as follows:

- *Current tax / minimum alternate tax*. Our current tax in India primarily consists of income tax paid on the profits and other income the Company generated during a financial year / period, subject to minimum alternative tax. Our current tax also includes tax payable as per the income tax regulations of Jordan.
- *MAT credit entitlement (utilization)*. MAT credit entitlement is the excess of income tax computed under section 115JB of Income Tax Act over income tax computed under the normal provisions of the Income Tax Act.

- *Deferred tax charge / (benefit).* Deferred tax is the tax effect on timing differences such as depreciation and disallowance under Income Tax Act.

Elements of our tax expenses applicable to the GCC states are as follows:

- *Zakat Charges.* Zakat are charges payable in accordance with the income tax regulations of Saudi Arabia.

Our Results of Operations

The following table sets forth a breakdown of our consolidated results of operations for fiscal 2013, fiscal 2014, fiscal 2015 and the nine months ended December 31, 2015 and each item as a percentage of our total income for the periods indicated.

	Fiscal 2013		Fiscal 2014		Fiscal 2015		Nine months ended December 31, 2015	
	(in ₹ million)	(%)	(in ₹ million)	(%)	(in ₹million)	(%)	(in ₹ million)	(%)
INCOME								
Revenue from operations	19,217.42	99.12	28,711.45	99.36	38,758.43	99.42	37,315.16	99.68
Other income	170.18	0.88	184.16	0.64	227.83	0.58	121.53	0.32
Total revenues	19,387.60	100.00	28,895.61	100.00	38,986.26	100.00	37,436.69	100.00
EXPENDITURE								
Purchase of medicines and consumables	7,018.85	36.20	10,477.31	36.26	13,376.44	34.31	12,309.25	32.88
Changes in inventories	(381.55)	(1.97)	(423.29)	(1.46)	(1,154.74)	(2.96)	(1,103.27)	(2.95)
Employee benefits expense	5,138.19	26.50	7,911.17	27.38	11,589.03	29.73	11,986.17	32.02
Finance cost	449.03	2.32	478.42	1.66	659.18	1.69	593.60	1.59
Depreciation, amortisation and impairment	764.64	3.94	1,111.18	3.85	1,443.65	3.70	1,794.91	4.79
Other expenses	4,889.89	25.22	6,237.95	21.59	9,242.80	23.71	9,633.04	25.73
Total expenditure	17,879.05	92.22	25,792.74	89.26	35,156.36	90.18	35,213.70	94.06
Profit / (loss) before tax	1,508.55	7.78	3,102.87	10.74	3,829.90	9.82	2,222.99	5.94
Provision for tax	(55.28)	(0.29)	(267.18)	(0.92)	(341.54)	(0.88)	(405.75)	(1.08)
Profit/ (loss) after tax and before share of profit of associates and minority interest	1,453.27	7.50	2,835.69	9.81	3,488.36	8.95	1,817.24	4.85
Share of profit of associate companies	36.59	0.19	1.23	0.00	0.67	0.00	(6.46)	(0.02)
Profit/ (loss) before minority interest	1,489.86	7.68	2,836.92	9.82	3,489.03	8.95	1,810.78	4.84
Minority interest	(572.05)	(2.95)	(1,059.09)	(3.67)	(1,809.40)	(4.64)	(1,097.57)	(2.93)
Net profit/ (loss) for the year	917.81	4.73	1,777.83	6.15	1,679.63	4.31	713.21	1.91

Adjusted EBITDA

Our Adjusted EBITDA was ₹2,661.34 million, ₹4,642.35 million, ₹5,787.22 million and ₹4,575.58 million for fiscal 2013, 2014 and 2015 and the nine months ended December 31, 2015, respectively. Adjusted EBITDA is earnings before interest, income taxes, depreciation and amortization and investment income. It is calculated as total revenue subtracting total expenses but excluding finance cost, interest income, investment income and depreciation and amortization.

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Nine months ended December 31, 2015
	(in ₹ million)	(in ₹ million)	(in ₹ million)	(in ₹ million)
INCOME				
Revenue from operations	19,217.42	28,711.45	38,758.43	37,315.16
Other income	170.18	184.16	227.83	121.53
Total Income (A)	19,387.60	28,895.61	38,986.26	37,436.69
EXPENDITURE				
Purchase of medicines and consumables	7,018.85	10,477.31	13,376.44	12,309.25
Changes in inventories	(381.55)	(423.29)	(1,154.74)	(1,103.27)
Employee benefits expense	5,138.19	7,911.17	11,589.03	11,986.17
Other expenses	4,889.89	6,237.95	9,242.80	9,633.04
Total Operating Expenses (B)	16,665.38	24,203.14	33,053.53	32,825.19
Less: Interest income on bank deposits (C)	60.86	50.12	136.72	28.95
Interest income on income tax refund (D)	0.02	0.00	0.61	0.00
Less: Dividend from mutual fund (E)	0.00	0.00	8.18	6.97
Adjusted EBITDA (A-B-C-D-E)	2,661.34	4,642.35	5,787.22	4,575.58

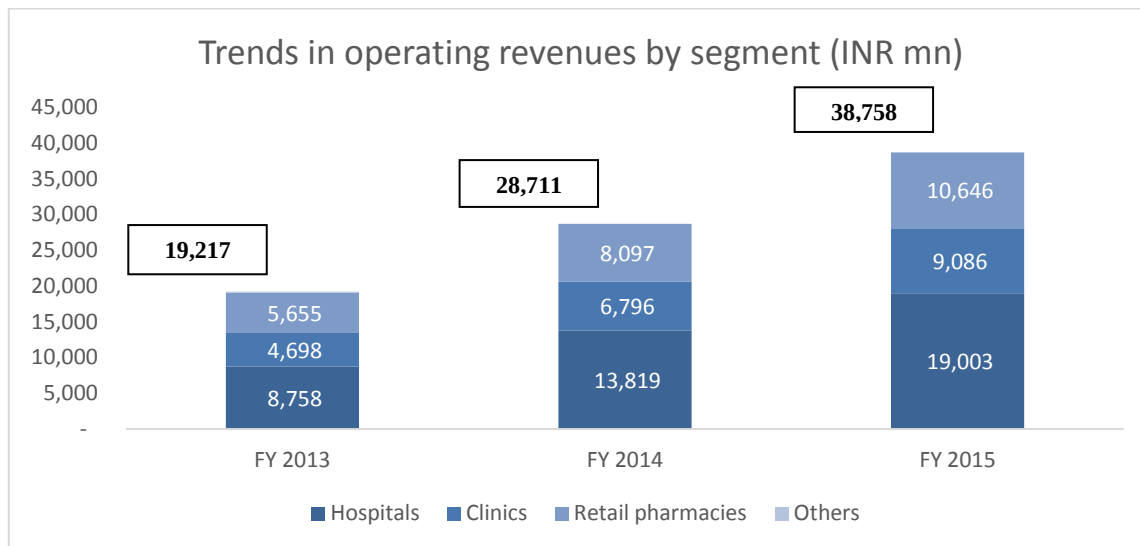
Adjusted EBITDA data is included as supplemental disclosure because we believe they are useful indicators of our operating performance. Adjusted EBITDA and derivations of Adjusted EBITDA are well-recognized performance measurements in the healthcare industry that are frequently used by companies, investors, securities analysts and other interested parties in comparing the operating performance of companies in our industry. We also believe Adjusted EBITDA is useful for evaluating performance of our senior management team. However, because Adjusted EBITDA is not determined in accordance with Indian GAAP, such measures are susceptible to varying calculations, and not all companies calculate the measures in the same manner. As a result, Adjusted EBITDA as presented may not be directly comparable to similarly titled measures presented by other companies.

These non-Indian-GAAP financial measures have limitations as an analytical tool. Some of these limitations are: they do not reflect our cash expenditures or future requirements for capital expenditures or contractual commitments; they do not reflect changes in, or cash requirements for, our working capital needs; they do not reflect the significant interest expense, or the cash requirements necessary to service interest or principal payments, on our debt; although depreciation and amortization are non-cash charges, the assets being depreciated and amortized will often have to be replaced in the future, and these measures do not reflect any cash requirements for such replacements; and other companies in our industry may calculate Adjusted EBITDA differently than we do, limiting their usefulness as a comparative measure. Because of these limitations, Adjusted EBITDA should not be considered in isolation or as a substitute for performance measures calculated in accordance with Indian GAAP.

Business and Geographic Segments

Our three business segments are hospitals, clinics and retail pharmacies, and our two primary geographic segments are the GCC states and India.

The chart below reflects the revenue from operations of our business segments for fiscal 2013, 2014 and 2015.



Total revenue from operations increased from ₹19,217.42 million in fiscal 2013 to ₹38,758.43 million in fiscal 2015, a CAGR of 42.02%. Revenue from our hospitals increased from ₹8,757.58 million in fiscal 2013 to ₹19,002.80 million in fiscal 2015, a CAGR of 47.30%. Revenue from our clinics increased from ₹4,697.96 million in fiscal 2013 to ₹9,085.70 million in fiscal 2015, a CAGR of 39.07%. Revenue from our retail pharmacies increased from ₹5,654.76 million in fiscal 2013 to ₹10,646.46 million in fiscal 2015, a CAGR of 37.21%.

Hospitals continue to be our most significant business segment, contributing 45.57% of total operational revenues in fiscal 2013, 49.03% in fiscal 2015 and 50.98% in the nine months ended December 31, 2015. Clinics contributed 24.45% of total operational revenues in fiscal 2013, 23.44% in fiscal 2015 and 23.85% in the nine months ended December 31, 2015. Retail pharmacies contributed 29.43% of total operational revenue in fiscal 2013, 27.47% in fiscal 2015 and 25.12% in the nine months ended December 31, 2015. We expect these trends to continue with our expansion plans and expected organic growth, with hospitals continuing to contribute an increased percentage of our total operational revenue.

The GCC states and India comprise our two primary geographic segments. We also have a “Others” geographic segment that has a negligible financial impact as it is comprised with a single clinic in the Philippines. Our revenue from operations in the GCC states increased from ₹18,867.06 million in fiscal 2013 to ₹34,478.46 million in fiscal 2015, representing 98.18% and 88.96% of total revenue from operations, respectively, and a CAGR of 35.18%. Our revenue from operations in India increased from ₹350.36 million in fiscal 2013 to ₹4,279.97 million in fiscal 2015, representing 1.82% and 11.04% of total revenue from operations, respectively, and a CAGR of 249.51%. For the nine months ended December 31, 2015, our revenue from operations in the GCC states was ₹32,644.66 million and our revenue from operations in India was ₹4,670.20 million, representing 87.48% and 12.52% of total revenue from operations, respectively. We expect our revenue from operations to continue to increase with our expansion plans and expected organic growth, with our operations in India continuing to contribute an increased percentage of our total operational revenue.

Nine months ended December 31, 2015

Total revenue. We had total income of ₹37,436.69 million in the nine months ended December 31, 2015.

- **Revenue from operations.** Our revenue from operations was ₹37,315.16 million in the nine months ended December 31, 2015, which primarily reflected revenue from hospital and medical services and sale of medicines.

During this period, our hospital segment revenue accounted for ₹19,025.13 million which reflect 50.98% of the total revenue from operations. Our clinics segment revenue accounted for ₹8,901.53 million which reflect 23.85% of the total revenue from operations and our pharmacy segment revenue accounted for ₹9,374.50 million which reflect 25.12% of the total revenue from operations.

- **Other income.** Our other income was ₹121.53 million in the nine months ended December 31, 2015, which primarily reflected rent received, interest received, dividends from mutual fund, non-recurring profit on sale of fixed assets/excess depreciation net and miscellaneous income from value-added services rendered to patients.

Total expenditure. Our expenditure totaled ₹35,213.70 million in the nine months ended December 31, 2015. As a percentage of our total income, our total expenses was 94.06% in the nine months ended December 31, 2015.

- **Purchase of medicines and consumables net of changes in inventories.** Our purchase of medicines and consumables net of changes in inventories totaled ₹11,205.98 million in the nine months ended December 31,

2015, primarily reflecting the purchase of medicines, consumables and other items necessary for the provision of medical services.

- *Employee benefits expense including professional fees paid to doctors.* Our employee benefits expense and compensation including professional fees paid to doctors totaled ₹14,497.46 million in the nine months ended December 31, 2015, primarily comprised of salaries and allowances, contribution to provident and other funds, expenses on employee stock option scheme, staff recruitment and staff welfare expenses.
- *Finance cost.* Our finance cost totaled ₹593.60 million in the nine months ended December 31, 2015, as a result of cost of interest cost and other borrowings.
- *Depreciation, amortization and impairment.* Depreciation, amortization and impairment totaled ₹1,794.91 million in the nine months ended December 31, 2015, which was primarily attributable to depreciation on tangible assets, amortization of intangible assets and impairment of goodwill.
- *Other expenses.* Our other expenses totaled ₹9,633.04 million in the nine months ended December 31, 2015, primarily reflecting expenses related to professional fees paid to doctors, rental, advertisement and sales promotion, provision for doubtful debts and advances, legal professional and consultancy services, rates and taxes, repairs and maintenance, and power and fuel.

Net profit / (loss) before tax. As a result of the factors outlined above, our net profit / (loss) before tax was ₹2,222.99 million in the nine months ended December 31, 2015. As a percentage of total income, our net profit / (loss) before tax was 5.94% in the nine months ended December 31, 2015.

Provision for tax.

- *Current tax / minimum alternate tax.* We recorded a current tax / minimum alternate tax of ₹404.46 million for the nine months ended December 31, 2015, reflecting income tax paid on the profits and other income the Company generated during the period and tax paid at GCC.
- *MAT credit entitlement (utilisation).* We recorded nil MAT credit entitlement (utilisation) for the nine months ended December 31, 2015.
- *Deferred tax charge / (benefit).* We recorded a deferred tax charge of ₹1.29 million for the nine months ended December 31, 2015, reflecting timing differences such as depreciation and disallowance under Income Tax Act.

Restated net profit after tax. As a result of the factors outlined above, our restated net profit after tax and before share of profit of associates and minority interest was ₹1,817.24 million and our restated net profit was ₹713.21 million in the nine months ended December 31, 2015.

Fiscal 2015 compared to Fiscal 2014

Total revenues. We had total income of ₹38,986.26 million in fiscal 2015, an increase of 34.92% over our total income of ₹28,895.61 million in fiscal 2014. This increase was mainly due to a 34.99% increase in revenue from operations in fiscal 2015 from fiscal 2014.

- *Revenue from operations.* Our revenue increased 34.99% from ₹28,711.45 million in fiscal 2014 to ₹38,758.43 million in fiscal 2015. This increase was due to an increase in revenue across all our business segments largely driven by organic growth, as well as the acquisition of three hospitals in fiscal 2015. The acquisition of three hospitals in fiscal 2015 increased our capacity by 227 beds. Further the commencement of operations at Aster Medcity, Kochi increased our capacity by 670 beds.

During this period, our hospital segment revenue increased 37.51% from ₹13,818.92 million to ₹19,002.8 million. The growth in our hospitals segment was driven by increase in patient volumes, favorable case mix and the acquisition of three hospitals during fiscal 2015 and the commencement of operations at Aster Medcity, Kochi. The out-patient volumes increased from 1.50 million in fiscal 2014 to 1.73 million in fiscal 2015.

During this period, our clinics segment revenue increased 33.70% from ₹ 6,795.81 million to ₹ 9,085.70 million, driven by organic growth through increased patient footfalls at our clinics from 2.22 million in fiscal 2014 to 3.05 million in fiscal 2015, as well as increased prices on services and procedures during fiscal 2015. The strategic relocation of Al Rafa Poly Clinic, and the stabilization of new clinics that had commenced operations in fiscal 2014 also contributed to the segment growth.

During this period, our retail pharmacies segment revenue increased 31.49% from ₹8,096.72 million to ₹10,646.46 million. The growth in our clinics segment had a favorable impact on our retail pharmacies supporting our clinics. The growth in our retail pharmacies segment was further driven by acquisition of pharmacies.

- *Other income.* Our other income increased 23.71% from ₹184.16 million in fiscal 2014 to ₹227.83 million in fiscal 2015. This increase was primarily due to value added services at our healthcare facilities and increase in interest income earned on account of fixed deposits.

Total expenditure. Our expenditure totaled ₹35,156.36 million in fiscal 2015, an increase of 36.30% over our total expenditure of ₹25,792.74 million in fiscal 2014. This increase was mainly due to an increase in Purchase of medicines and consumables cost and employee benefits expense. As a percentage of our total income, our total expenses increased from 89.26% in fiscal 2014 to 90.18% in fiscal 2015.

- *Purchase of medicines and consumables net of changes in inventories.* Our purchase of medicines and consumables net of changes in inventories totaled ₹12,221.70 million in fiscal 2015, an increase of 21.56% over ₹10,054.02 million in fiscal 2014. The increase is in line with the growth of our business segments and operations.
- *Employee benefits expense.* Our employee benefits expense and compensation including professional fees paid to doctors totaled ₹14,108.21 million in fiscal 2015, an increase of 39.73% over ₹10,096.81 million in fiscal 2014, primarily due to an increase in the number of employees to 10,244 employees at the end of fiscal 2015 from 7,006 employees at the end of fiscal 2014 and salary increment effected for the year which reflects the growth of our business segments and operations.
- *Finance cost.* Our finance cost totaled ₹659.18 million in fiscal 2015, an increase of 37.78% over our finance cost of ₹478.42 million in fiscal 2014, primarily due to the increase in borrowings and the commissioning of Aster Medcity, Kochi. Our average borrowings increased to ₹9,347.78 million in fiscal 2015 from ₹6,952.51 million in fiscal 2014. The borrowing cost of Aster Medcity was fully capitalized up to its commissioning.
- *Depreciation, amortisation and impairment.* Depreciation, amortisation and impairment totaled ₹1,443.65 million in fiscal 2015, an increase of 29.92% over Depreciation, amortisation and impairment of ₹1,111.18 million in fiscal 2014, reflecting the growth of our business segments and operations as well as the acquisition of three hospitals in fiscal 2015 and the commissioning of Aster Medcity, Kochi.
- *Other expenses.* Our other expenses totaled ₹9,242.80 million in fiscal 2015, an increase of 48.17% over other expenses of ₹6,237.95 million in fiscal 2014. This increase was primarily due to increases in professional fees paid to doctors, provision for doubtful debts and loans / advances as well as rental costs in line with the growth of our business segments and operations. Our professional fees paid to doctors increased to ₹2,519.18 million in fiscal 2015, an increase of 15.26% over our cost of ₹2,185.64 million in fiscal 2014. Our provision for doubtful debts and loans / advances increased to ₹1,576.89 million in fiscal 2015, an increase of 73.79% over our cost of ₹ 907.36 million in fiscal 2014. Provision for doubtful debts and loans / advances represented 4.04% and 3.14% of our total income in fiscal 2015 and 2014, respectively. This decrease in provision as percentage of our total income from fiscal 2014 to fiscal 2015 was primarily on account of higher growth rate of our Saudi Arabia business in fiscal 2015 compared to growth of total income. Our rental costs increased to ₹1,263.38 million in fiscal 2015, an increase of 37.95% over our rental costs of ₹ 915.80 million in fiscal 2014, which increase was primarily due to an increase in the number of clinics and pharmacies from 152 in fiscal 2014 to 235 in fiscal 2015, respectively.

Profit / (loss) before tax. As a result of the factors outlined above, our net profit before tax increased 23.43% from ₹3,102.87 million in fiscal 2014 to ₹3,829.90 million in fiscal 2015. As a percentage of total income, our net profit before tax decreased from 10.74% in fiscal 2014 to 9.82% in fiscal 2015, primarily as a result of tax deductions resulting from expenses incurred in the development of Aster Medcity.

Provision for tax.

- *Current tax / minimum alternate tax.* We recorded a current tax of ₹151.81 million for fiscal 2015 a decrease of 13.06% from ₹174.62 million for fiscal 2014, primarily due to a decrease in tax expenses resulting from a decrease in the dividend income of Affinity Holdings Private Limited, Mauritius.
- *MAT credit entitlement/utilisation.* We recorded a MAT credit utilisation of ₹8.43 million for fiscal 2015 as a result of excess of tax provision computed as per Income Tax Act over and above the tax provision computed under Section 115JB of Income Tax Act. We recorded a MAT credit entitlement of ₹8.43 million for fiscal 2014 as a result of excess of tax provision computed under Section 115JB of Income Tax Act over and above the normal tax provision computed as per the Income Tax Act.

- *Deferred tax charge / (benefit).* We recorded a deferred tax charge of ₹20.43 million for fiscal 2015 as compared to a deferred tax charge of ₹2.50 million for fiscal 2014. This was principally due to the deferred charge in MIMS.
- *Zakat.* We recorded Zakat charges of ₹160.87 million for fiscal 2015 as compared to Zakat charges of ₹98.49 million for fiscal 2014. This increase was primarily due to the increased net worth of our subsidiary in Saudi Arabia.

Profit/ (loss) after tax and before share of profit of associates and minority interest. As a result of the factors outlined above, our net profit after tax and before share of profit of associates and minority interest increased 23.02% from ₹2,835.69 million in fiscal 2014 to ₹3,488.36 million in fiscal 2015 and our net profit after tax for the year decreased 5.52% from ₹1,777.83 million in fiscal 2014 to ₹1,679.63 million in fiscal 2015.

Fiscal 2014 compared to Fiscal 2013

Total revenues. We had total income of ₹28,895.61 million in fiscal 2014, an increase of 49.04% over our total income of ₹19,387.60 million in fiscal 2013. This increase was mainly due to a 49.40% increase in revenue from operations in fiscal 2014 from fiscal 2013.

- *Revenue from operations.* Our revenue increased 49.40% from ₹19,217.42 million in fiscal 2013 to ₹28,711.45 million in fiscal 2014. This increase was due to an increase in revenue across all our business segments, most notably our hospital segment.

During this period, our hospital segment revenue increased 57.79% from ₹8,757.58 million to ₹13,818.92 million. The growth in our hospitals segment was driven by both increase in patient volumes, favorable case mix and the consolidation of the multi-specialty MIMS hospital in March 2013. Inpatient and outpatient volume at our GCC hospitals measured by patient visits and admissions increased from 607,549 in fiscal 2013 to 715,472 in fiscal 2014, and operational beds similarly increased from 401 to 418 beds, respectively.

During this period, our clinics segment revenue increased 44.65% from ₹4,697.96 million to ₹6,795.81 million, driven by organic growth through increased patient footfalls at our clinics from 1.83 million in fiscal 2013 to 2.22 million in fiscal 2014, as well as increase in prices on services and procedures. The strategic relocation of Al Rafa Poly Clinic, and the stabilization of new clinics that had commenced operations in fiscal 2013 also contributed to the segment growth.

During this period, our retail pharmacies segment revenue increased 43.18% from ₹5,654.76 million to ₹8,096.72 million. The growth in our clinics segment had a favorable impact on our retail pharmacies supporting our clinics. The growth in our retail pharmacies segment was further driven by acquisition of a pharmacy chain in Dubai, with standalone pharmacies located in shopping malls, during the third quarter of fiscal 2013.

- *Other income.* Our other income increased 8.21% from ₹170.18 million in fiscal 2013 to ₹184.16 million in fiscal 2014. This increase was mainly due to an increase in value added services at our healthcare facilities and increase in interest income earned on account of fixed deposits.

Total expenditure. Our expenditure totaled ₹25,792.74 million in fiscal 2014, an increase of 44.26% over our total expenditure of ₹17,879.05 million in fiscal 2013. This increase was mainly due to an increase in purchase of medicines and consumables cost and employee benefits expense and compensation including professional fees paid to doctors. As a percentage of our total income, our total expenses decreased from 92.22% in fiscal 2013 to 89.26% in fiscal 2014.

- *Purchase of medicines and consumables net of changes in inventories.* Our Purchase of medicines and consumables net of changes in inventories totaled ₹10,054.02 million in fiscal 2014, an increase of 51.48% over our Purchase of medicines and consumables cost of ₹6,637.30 million in fiscal 2013. The increase was in line with the growth of our business segments and operations.
- *Employee benefits expense.* Our employee benefits expense and compensation including professional fees paid to doctors totaled ₹10,096.81 million in fiscal 2014, an increase of 46.64% over our employee benefits expense of ₹6,885.32 million in fiscal 2013, primarily due to an increase in the number of employees to 7,006 employees at the end of fiscal 2014 from 5,808 employees at the end of fiscal 2013 and salary increment reflecting the growth of our business, as well as the acquisition of MIMS in March 2013.
- *Finance cost.* Our finance cost totaled ₹478.42 million in fiscal 2014, an increase of 6.55% over our finance cost of ₹449.03 million in fiscal 2013, primarily due to the increase in borrowings for the acquisition of MIMS in March 2013, which was partially offset by the repayment of certain loans taken by some of our subsidiaries. Our average borrowings increased to ₹6,952.51 million in fiscal 2014 from ₹4,178.34 million in fiscal 2013.

- *Depreciation, amortisation and impairment.* Depreciation, amortisation and impairment totaled ₹1,111.18 million in fiscal 2014, an increase of 45.32% over depreciation/amortisation of ₹764.64 million in fiscal 2013, reflecting the growth of our business segments and operations as well as the acquisition of MIMS in March 2013.
- *Other expenses.* Our other expenses totaled ₹6,237.95 million in fiscal 2014, an increase of 27.57% over other expenses of ₹4,889.89 million in fiscal 2013. This increase was primarily due to increases in professional fees paid to doctors, provision for doubtful debts and loans/advances and rental costs in line with the growth of our business segments and operations. Our professional fees paid to doctors increased to ₹2,185.64 million in fiscal 2014, an increase of 25.10% over our cost of ₹1,747.13 million in fiscal 2013. The increase was in line with the growth of our business segments and operations. Our provision for doubtful debts, loans / advances increased ₹907.36 million in fiscal 2014, an increase of 26.04% over our cost of ₹719.90 million in fiscal 2013. Provision for doubtful debts, loans and advances represented 3.14% and 3.71% of our total income in fiscal 2014 and 2013, respectively. This decrease in provision as a percentage of our total income from fiscal 2013 to fiscal 2014 was primarily due to the lower growth rate of our Saudi Arabia business in fiscal 2014 compared to growth of total income. Our rental costs increased to ₹915.80 million in fiscal 2014, an increase of 34.27% over our rental costs of ₹682.05 million in fiscal 2013, which increase was primarily due to an increase in the number of clinics and pharmacies from 139 in fiscal 2013 to 152 in fiscal 2014, respectively.

Profit / (loss) before tax. As a result of the factors outlined above, our net profit before tax increased 105.69% from ₹1,508.55 million in fiscal 2013 to ₹3,102.87 million in fiscal 2014. As a percentage of total income, our net profit before tax increased from 7.78% in fiscal 2013 to 10.74% in fiscal 2014.

Provision for tax.

- *Current tax / minimum alternate tax.* We recorded a current tax of ₹174.62 million for fiscal 2014, primarily due to the acquisition of MIMS and the consolidation of its tax expenses, as well as taxation on the dividend income received from a subsidiary. We recorded a negative tax charge of ₹8.43 million for fiscal 2013 as a result of reversal of tax provisions pursuant to Mauritius tax laws applicable to Affinity Holdings Private Limited, our Mauritius subsidiary which holds the shares of Aster DM Healthcare FZC which controls our subsidiaries in the GCC states.
- *Deferred tax charge / (benefit).* We recorded a deferred tax charge of ₹2.50 million for fiscal 2014 as compared to a deferred tax benefit of ₹0.48 million for fiscal 2013. This was principally due to the acquisition of MIMS and the consolidation of its tax expenses.
- *Zakat.* We recorded Zakat charges of ₹98.49 million for fiscal 2014 as compared to Zakat charges ₹ 64.19 million for fiscal 2013. This increase was due to increased taxable profits of our subsidiary in Saudi Arabia.

Profit/ (loss) after tax and before share of profit of associates and minority interest. As a result of the factors outlined above, our net profit after tax and before share of profit of associates and minority interest increased 95.12% from ₹1,453.27 million in fiscal 2013 to ₹2,835.69 million in fiscal 2014 and our net profit for the year increased 93.70% ₹ 917.81 million in fiscal 2013 to ₹1,777.83 million in fiscal 2014.

Liquidity and Capital Resources

Over the past three years, we have been able to finance our working capital requirements through cash generated from our operations and bank loans and facilities. We have relied on cash from internal resources and loans from banks to finance the expansion of our business and operations. Since commencement of our operations, we have expanded to 13 hospitals, 87 clinics and 180 retail pharmacies across the GCC states and India as on March 31, 2016. We believe that after taking into account the expected cash to be generated from our business and operations and the proceeds from our bank loans, we have sufficient working capital for our present requirements and anticipated requirements for capital expenditures and other cash requirements for 12 months following the date of this Draft Red Herring Prospectus. As of December 31, 2015, we had ₹1,798.47 million of cash and bank balances at a consolidated level.

The following table sets forth information on our investments and cash and bank balances as at the dates indicated:

	As at			
	(in ₹ million)			
	March 31, 2013	March 31, 2014	March 31, 2015	December 31, 2015
Cash and bank balances	2,008.72	3,247.36	3,041.75	1,798.47

The following table sets forth certain information concerning our cash flows for the periods indicated:

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Nine months ended December 31, 2015
	(in ₹ million)			
Net cash generated by/ (used in) operating activities	2,228.64	3,272.13	2,373.63	812.77
Net cash used in investing activities	(2,059.75)	(4,915.30)	(4,556.19)	(22,423.88)
Net cash generated by financing activities	479.40	2,333.82	2,082.93	20,518.50

Net Cash Generated by/ (Used In) Operating Activities

For the nine months December 31, 2015, our net cash generated from operating activities was ₹812.77 million, reflecting an increase in net profits during the period and increase in trade receivables and unbilled revenue. For fiscal 2015, our net cash generated from operating activities was ₹2,373.63 million, principally attributable to increase in net profits during the period. For fiscal 2014, our net cash generated by operating activities was ₹3,272.13 million, primarily due to an increase in net profits during the year, which was partially offset by an increase in net working capital balances. For fiscal 2013, our net cash generated by operating activities was ₹2,228.64 million, reflecting an increase in net profits during the year and decrease in net working capital balances.

The net increase in working capital was driven by increase in receivable balances during fiscal 2014 as compared to fiscal 2015. Although we witnessed an increase in receivable amounts driven by higher revenues in credit sales in fiscal 2015, our average receivable days also showed substantial improvements due to increased focus on collection during this period. Our average credit period is between 120 to 150 days, and we had an average receivable period of 145 days during the nine months ended December 31, 2015 compared to 175 days during fiscal 2013. Our average collection period is marginally higher than average credit period primarily due to our operations in Saudi Arabia, where majority of our contracts are with government institutions. Based on the credit terms with our suppliers, our payment period is on an average of 90 to 120 days.

Net Cash Used In Investing Activities

For the nine months December 31, 2015, our net cash used in investing activities was ₹22,423.88 million, principally attributable to acquisition of additional stake in subsidiaries and purchase of fixed assets. For fiscal 2015, our net cash used in investing activities was ₹4,556.19 million, principally attributable to the purchase of fixed assets and investments in subsidiaries. For fiscal 2014, our net cash used in investing activities was ₹4,915.30 million, mainly due to the purchase of fixed assets and the purchase of share in associates. For fiscal 2013, our net cash used in investing activities was ₹2,059.75 million, primarily attributable to the purchase of fixed assets and consideration paid for entities acquired during the year, net of cash acquired, which was partially offset by the proceeds from sale of investments.

Net Cash Generated by Financing Activities

For the nine months December 31, 2015, our net cash generated from financing activities was ₹20,518.50 million, principally attributable to proceeds from the issue of share capital and bank borrowings. For fiscal 2015, our net cash generated by financing activities was ₹2,082.93 million, principally attributable to proceeds from the issue of share capital and bank borrowings. For fiscal 2014, our net cash generated in financing activities was ₹2,333.82 million, mainly due to an increase in bank borrowings, which was partially offset by dividend and interest payments. For fiscal 2013, our net cash generated in financing activities was ₹479.40 million, as a result of an increase in bank borrowings, which was partially offset by dividend and interest payments and the refund of share application money.

Capital Expenditures

Our capital expenditures are mainly related to the construction and development of hospitals, clinics and pharmacies and purchase of equipment. The primary source of financing for our capital payments has been our cash from operations and bank loans.

The table below provides details of our net cash outflow on capital expenditures for the periods stated.

	Fiscal 2013	Fiscal 2014	Fiscal 2015	Nine months ended December 31, 2015
	(in ₹ million)			
Cash used in the purchase of fixed assets	2,093.01	3,626.54	4,178.90	4,908.22

Planned Capital Expenditures

We estimate our planned capital expenditures for the period between April 1, 2016 and March 31, 2017 to be in the range of 15% to 18% of our revenue which is planned to be used to construction and expansion of hospitals and clinics.

The anticipated source of funding for our planned capital expenditures is cash from our operations and proceeds from bank loans and proceeds from the fresh issue. The eventual sources of funding for our capital expenditure would depend on, among others, factors such as the cost and availability of financing and our available cash balances at any point in time.

Indebtedness

As of December 31, 2015, we had aggregate outstanding indebtedness of ₹14,439.60 million. Our borrowings are typically secured by a mortgage over the land and/or charge on the assets of the facility to which they relate and by a corporate guarantee. Our loan agreements generally contain covenants, including, among others, limitations on the use of proceeds and restrictions on indebtedness, liens, asset sales, dividends and distributions, investments, transfers of ownership interests and certain changes in business. These covenants limit our subsidiaries' ability to pay us dividends or make loans or advances to us. See "Financial Indebtedness" on page 426 for a description of our existing financing arrangements.

Our ability to incur additional debt in the future is subject to a variety of uncertainties including, among other things, the amount of capital that other entities with operations in the GCC states and India may seek to raise in the domestic and foreign capital markets, economic and other conditions in the GCC states and India or elsewhere that may affect investor demand for our securities, the liquidity of capital markets in India or elsewhere, our compliance with restrictive covenants included in our financing agreements and our financial condition and results of operations. We intend to continue to utilize long-term debt towards our financing requirements based on business requirements and prevailing market conditions, based on our ability to borrow at competitive rates.

Contractual Obligations

The table below sets forth, as of December 31, 2015, our contractual obligations with definitive payment terms. These obligations primarily relate to rent incurred under leases of our facilities across the GCC states and India and long-term borrowings.

	As of December 31, 2015			
	Total	Less than 1 year	1 to 5 years	After 5 years
	(in ₹ million)			
Lease rent	15,409.01	1,703.42	4,146.71	9,558.88
Long-term borrowings	9,483.28	1,475.91	4,337.70	2,854.54

Our long-term borrowing obligations with definitive payment terms which exceed one year amounted to ₹8,007.37 million as of December 31, 2015.

Contingent Liabilities

As of December 31, 2015, we had the following contingent liabilities that had not been provided for:

Estimated amount of contracts remaining to be executed on capital account (Net of capital advances) and not provided for: We have placed purchase orders amounting to ₹3,244.90 million with various vendors for capital goods for our healthcare facilities.

Claims against the Company not acknowledged as debt: There are claims by patients against Malabar Institute of Medical Science Private Limited amounting to ₹28.56 million.

Disputed income tax/wealth tax/Provident Fund demands pending before assessing/appellate authorities: There are demands against Malabar Institute of Medical Science Private Limited and Sri Sainatha Multispeciality Hospitals Private Limited raised and pending before income tax and wealth tax appellate authorities amounting to ₹6.46 million and an order raised by Provident Fund authorities amounting to ₹8.84 million.

Bank guarantees outstanding: We have bank guarantees amounting to ₹2,988.60 million relating to guarantees provided to various central and state government authorities in connection with export promotion capital goods scheme, electricity connection and various other empanelment.

Export commitments under Export Promotion Capital Goods (EPCG) Scheme. We have ₹832.59 million in export commitments under the EPCG scheme.

Our contingent liabilities may become actual liabilities. In the event that any of our contingent liabilities become non-contingent, our business, financial condition and results of operations may be adversely affected. Furthermore, there can be no assurance that we will not incur similar or increased levels of contingent liabilities in the current fiscal year or in the future.

Off-Balance Sheet Transactions

We do not have any off-balance sheet transactions.

Market Risks

Interest Rate Risk

We are exposed to interest rate risk on our bank borrowings and deposits with banks. The interest rate on our financial instruments is based on market rates. We monitor the movement of interest rates on an ongoing basis.

Exchange Rate Risk

We have business operations in the GCC states and India and a substantial amount of our business is transacted in several currencies, including the Rupee and Emirates Dirham. Consequently, we are exposed to foreign exchange rate risk through our revenue for services provided and sales of goods and purchases from overseas suppliers in various foreign currencies. Our exchange rate risk primarily arises from foreign exchange revenue, receivables, cash balances, forecasted cash flows, payables, foreign currency loans and borrowings.

Inflation

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

Seasonality

Our patient volumes and revenue at our hospitals, clinics and retail pharmacies in the GCC states are affected by the summer holidays, which fall in the first half of our financial year, and the month of Ramadan. During these holiday periods, patients are less likely to schedule or seek medical treatment except where necessary.

Credit Risk

We suffer the risk of financial loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Our exposure to credit risk arises principally from our receivables from customers and insurance companies.

For our hospital operations, we generally do not grant credit to non-corporate customers. Normally, a non-corporate customer is requested to place an initial deposit at the time of admission to the hospital. An additional deposit is requested from the customer when the hospital charges exceed a certain level.

Unusual or Infrequent Events or Transactions

Except as described in this Draft Red Herring Prospectus, there have been no events or transactions to our knowledge which may be described as “unusual” or “infrequent”.

Known Trends or Uncertainties

Other than as described in the sections “*Risk Factors*” and this “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 17 and 404, respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenues or income from continuing operations.

Future Relationships Between Expenditure and Income

Other than as described in the sections “*Risk Factors*” on page 17 and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 404, to our knowledge there are no known factors which will have a material adverse impact on our operations or finances.

New Product or Business Segments

Other than as described in the section “*Our Business – Our Strategy*” on page 137, there are no new products or business segments in which we operate.

Competitive Conditions

We expect competitive conditions in our industry to further intensify as new entrants emerge and as existing competitors seek to emulate our business model and offer similar products and services. For further details, please refer to the sections “*Risk Factors*” and “*Our Business*” beginning on pages 17 and 134, respectively, of this Draft Red Herring Prospectus.

Certain Observations Noted by Auditors

In connection with the audits of our Company’s unconsolidated financial statements, our Auditor noted certain qualifications with respect to matters specified in Companies (Auditors Report) Order, 2013, as amended, in the annexures to their audit reports for fiscal 2011, 2012 and 2013. Although these qualifications did not require any corrective adjustments in our financial statements, these observations were made in accordance with the requirements of the Companies (Auditors Report) Order, 2003, as amended. Based on these qualifications, there were the following deficiencies in certain aspects of our internal controls over financial reporting, and we have taken steps to address and remedy the deficiencies as described below:

Fiscal 2013:

- *Undisputed statutory dues of service tax have not been regularly deposited with the appropriate authorities with the delays ranging from 1 to 96 days.*

We had taken steps to remedy the deficiency and there have not been any delays in the deposit of statutory dues after fiscal 2013.

Fiscal 2012:

- *The terms and conditions of the loans to parties covered in the register maintained under section 301 of the Companies Act, 1956 were not prima facie prejudicial to the interest of the company, except for the terms and conditions on which interest free loans have been granted to other parties.*

The interest free loans which were given to subsidiaries have been repaid and there were no such loans and advances in fiscal 2013, 2014 or 2015. We have also taken steps to ensure that no such loans and advances will be granted in the future which will be prejudicial to the interests of the Company.

- *There have been delays in depositing amounts deducted in respect of sales tax and provident fund with appropriate authorities with the delays ranging from 25 to 270 days.*

We had taken steps to remedy the deficiency and there have not been any delays in the deposit of statutory dues after fiscal 2013.

Fiscal 2011:

- *The terms and conditions of the loans to parties covered in the register maintained under section 301 of the Companies Act, 1956 were not prima facie prejudicial to the interest of the company, except for the terms and conditions on which interest free loans have been granted to other parties.*

The interest free loans which were given to subsidiaries have been repaid and there were no such loans and advances in fiscal 2013, 2014 or 2015. We have also taken steps to ensure that no such loans and advances will be granted in the future which will be prejudicial to the interests of the Company.

- *The internal audit system of the Company needs to be strengthened in order to be commensurate with the size and nature of the Company's business.*

We have strengthened our internal audit system by introducing a robust internal audit department within the Group. Our internal audit department frequently conducts site visits covering all locations and reports directly to our Board of Directors. Moreover, the Company is in the process of implementing an Oracle based IT platform which will strengthen the internal control mechanism and reporting system. We have also appointed an external internal auditor from fiscal 2016.

- *There have been delays in depositing amounts deducted in respect of income tax with appropriate authorities with delays ranging from 2 to 151 days. Undisputed dues of professional tax aggregating to ₹0.01 million were in arrears as of March 31, 2011 for period exceeding 6 months.*

We had taken steps to remedy the deficiency and there have not been any delays in the deposit of statutory dues after fiscal 2013.

- *The Company has defaulted in payment of interest on loans due to a bank. Interest on the loans amounting to ₹1.47 million was due for payment on March 31, 2011 and subsequently had been paid by the Company on April 30, 2011.*

We had paid the equated monthly instalment on April 30, 2011 and there has been no action from the lender in this regard. There has been no such delay or default in repayment of interest or principal on loans to lenders since then.

Qualifications in the CARO reports for our Subsidiaries which were not made in our Company's CARO Reports are described below.

Fiscal 2015

a) Prerana Hospital Limited

- *Interest due on tax deducted at source of ₹0.22 million was outstanding as at March 31, 2015 for a period exceeding six months. The same has been subsequently deposited by the Company on May 25, 2015.*

As per the information provided by the management of the subsidiary, there were no delay in remittance of statutory dues. However interest for delayed remittance of statutory dues pertaining to prior years was provided and paid on May 25, 2015 on a conservative basis. They had taken steps to ensure that there are no such qualifications after fiscal 2015.

b) Medipoint Hospitals Private Limited

- *Undisputed statutory dues of income tax deducted at source, value added tax and service tax have not been regularly deposited with the appropriate authorities with delays ranging from 12 to 335 days. Undisputed amounts of service tax aggregating ₹0.01 million has been outstanding for a period of more than six months.*

We divested our entire stake in Medipoint Hospitals Private Limited on January 7, 2016 from which date it ceased to be our subsidiary.

c) Sri Sainatha Multispeciality Hospitals Private Limited

- *The Company has not maintained quantitative details and allocation of directly attributable costs for certain assets capitalised during earlier years, which the management is in the process of updating.*

As per the information provided by the management of the subsidiary, they are in the process of updating the fixed assets register.

- *There are weaknesses in internal control procedures with regard to issuing purchase orders, obtaining quotations and maintaining goods receipt notes for purchase of inventories and fixed assets. Management has instituted certain internal controls over the said items, but the same needs to be further strengthened to make it commensurate with the size of the Company and nature of its business.*

As per the information provided by the management of the subsidiary, they are in the process of strengthening their internal audit system with the support of Group internal audit department.

- *There have been delays ranging in depositing amounts deducted / accrued in respect of provident fund, employees' state insurance, income tax, service tax, luxury tax and professional tax with a delay of 1 to 330 days. Service tax amounting to ₹ 0.04 million have not been deposited with the appropriate authorities.*

As per the information provided by the management of the subsidiary, they had taken steps to regularize the statutory payments and we are assured that there will not be any such delays in future.

Fiscal 2014

a) Prerana Hospital Limited

- *Undisputed statutory dues of income tax deducted at source and sales tax / value added tax have not been regularly deposited with the appropriate authorities with delays ranging from 1 to 253 days. Sales tax/ value added tax of ₹0.06 million was outstanding as at March 31, 2014 for a period exceeding six months.*

As per the information provided by the management of the subsidiary, they had taken steps to regularize the statutory payments and there have been no delays in remittance of statutory dues after fiscal 2014.

b) Medipoint Hospitals Private Limited

- *Undisputed statutory dues of income tax deducted at source, sales tax, and service tax have not been regularly deposited with the appropriate authorities with delays ranging from 1 to 265 days. Income tax deducted at source aggregating ₹ 0.28 million has been outstanding for a period of more than six months.*

We divested our entire stake in Medipoint Hospitals Private Limited on January 7, 2016 from which date it ceased to be our subsidiary.

c) Indogulf Hospitals Private Limited

- *Undisputed statutory dues of income tax deducted at source and dividend distribution tax have not been regularly deposited with the appropriate authorities with delays ranging from 1 to 273 days. Dividend distribution tax of ₹0.01 million was outstanding as at March 31, 2014 for a period exceeding six months.*

We had taken steps to regularize the statutory payments and there are no delays in remittance of statutory dues after fiscal 2014.

Fiscal 2013

a) Prerana Hospital Limited

- *The company has not maintained quantitative details and allocation of directly attributable costs for certain assets capitalised during earlier years, which the management is in the process of updating.*

As per the information provided by the management of the subsidiary, they had taken steps to update the fixed assets registers with quantitative details and there have been no qualifications after fiscal 2013.

- *In our opinion, the internal audit system of the company needs to be further strengthened in order to be commensurate with the size and nature of its business.*

As per the information provided by the management of the subsidiary, they are in the process of strengthening their internal audit system with the support of Group internal audit department.

- *Undisputed statutory dues of income tax deducted at source have not been regularly deposited with the appropriate authorities with delays ranging from 1 to 522 days. Undisputed dues of income tax deducted at source of ₹0.88 million were outstanding as at March 31, 2013 for a period exceeding six months.*

As per the information provided by the management of the subsidiary, they had taken steps to regularize the statutory payments and there have been no delays in remittance of statutory dues after fiscal 2014.

- *According to the information and explanations given to us and the records of the Company examined by us, the Company has delayed the repayment of dues to financial institutions and banks below:*

Name of the bank	Nature of dues	Amount Due (₹ million)	Due date of Remittance	Date of remittance
Punjab National Bank	Principal	3.7	April 30, 2012	June 30 2012
	Principal	3.5	May 31, 2012	June 30, 2012
	Interest	3.7	May 31, 2012	June 30, 2012

As per the information provided by the management of the subsidiary, they had taken steps to regularize the repayment of borrowings and there have been no delays in dues repayment of dues to financial institutions after fiscal 2013.

b) Medipoint Hospitals Private Limited

- *The Company has not maintained quantitative details, particulars and the description of certain individual assets and allocation of directly attributable costs for certain assets capitalised during earlier years, which the management is in the process of updating.*
- *There are weaknesses in internal control procedures with regard to obtaining quotations and maintaining goods receipt notes for purchase of fixed assets and inventories. Management has instituted certain internal controls over those items, but the same need to be further strengthened to make it commensurate with the size of the company and nature of its business.*
- *In our opinion, the internal audit system of the Company needs to be further strengthened in order to be commensurate with the size and nature of its business.*
- *Undisputed statutory dues of income tax have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases. According to the information and explanations given to us, income tax deducted at source aggregating ₹0.19 million has been outstanding for a period of more than six months.*

We divested our entire stake in Medipoint Hospitals Private Limited on January 7, 2016 from which date it ceased to be our subsidiary.

Fiscal 2012

a) Prerana Hospital Limited

- *The Company has not maintained quantitative details for certain fixed assets purchased in earlier years. Management is in the process of updating the records.*

As per the information provided by the management of the subsidiary, they had taken steps to update the fixed assets registers with quantitative details and there have been no qualifications after fiscal 2013.

- *In our opinion, the internal audit system of the company needs to be further strengthened in order to be commensurate with the size and nature of its business.*

As per the information provided by the management of the subsidiary, they are in the process of strengthening their internal audit system with the support of Group internal audit department.

- *Undisputed statutory dues of income tax, sales tax, and professional tax have not been regularly deposited with the appropriate authorities and there have been serious delays in a large number of cases.*

As per the information provided by the management of the subsidiary, they had taken steps to regularize the statutory payments and there have been no delays in remittance of statutory dues after fiscal 2014.

- According to the information and explanations given to us and the records of the Company examined by us, the Company has delayed the repayment of dues to financial institutions and banks below:

Name of the bank	Nature of dues	Amount Due (₹ million)	Due date of Remittance	Date of remittance
Punjab National Bank	Principal	3.5	March 31, 2012	June 7, 2012
	Interest	3.6	March 31, 2012	June 7, 2012
LIC Housing Finance Limited	Principal	0.09	November 15, 2011	January 17, 2012
	Interest	0.04	November 15, 2011	January 17, 2012
	Principal	0.10	January 15, 2012	February 24, 2012
	Interest	0.04	January 15, 2012	February 24, 2012

As per the information provided by the management of the subsidiary, they had taken steps to regularize the repayment of borrowings and there have been no delays in dues repayment of dues to financial institutions after fiscal 2013.

- According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we are of the opinion that the funds raised on short-term basis amounting to ₹ 91.83 million have been used for long term investments.

As per the information provided by the management of the subsidiary, they had taken steps to regularize the deficiency and there have been no qualifications after fiscal 2012.

b) Medipoint Hospitals Private Limited

- The Company has not maintained a proper fixed asset register. Although all the fixed assets purchased during the year have been duly recorded in the books of accounts, quantitative details are not maintained. As explained to us, physical verification of the major portion of the fixed assets as at March 31, 2012 was not conducted by the management during the year. Since no report is available we are unable to opine to comment on any discrepancies if any in this regard.
- Inventory was not verified and accordingly the procedures of physical verification of inventory followed by management cannot be commented upon. Since physical verification was not carried out, the discrepancies noticed on physical verification as compared to the book records were not available on record and hence have not been properly dealt with in the books of accounts. The amount of stock has been ascertained on the basis of the records maintained and value of inventory is considered on reasonable valuation principles.
- The company does not have an internal audit system commensurate with its size and the nature of its business.
- There has been instances of delayed payments in few cases with respect to undisputed statutory dues including provident fund, employee's state insurance, income tax, sales tax, wealth tax, custom duty, excise duty, TDS, cess and other statutory dues.

We divested our entire stake in Medipoint Hospitals Private Limited on January 7, 2016 from which date it ceased to be our subsidiary.

Fiscal 2011

a) Prerana Hospital Limited

- The Company has not maintained quantitative details for certain fixed assets purchased in earlier years. Management is in the process of updating the records. The physical verification should be more frequent and the coverage should be increased given the size of the company and nature of fixed assets.

As per the information provided by the management of the subsidiary, they had taken steps to update the fixed assets registers with quantitative details and there have been no qualifications after fiscal 2013.

- *There have been delays in depositing sales tax, professional tax and income tax deducted at source with the appropriate authorities with the delays ranging from 1 day to 114 days.*

As per the information provided by the management of the subsidiary, they had taken steps to regularize the statutory payments and there have been no delays in remittance of statutory dues after fiscal 2014.

Significant Developments after December 31, 2015

To our knowledge, except as disclosed below and otherwise disclosed in this Draft Red Herring Prospectus, there is no subsequent development after the date of our financial statements contained in this Draft Red Herring Prospectus which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

- *DM Wayanad Institute of Medical Sciences.* DMERF operates a 535 bed multi-specialty hospital and nursing college in Wayanad, Kerala. On March 4, 2016, we entered into an Operations and Management Services and Medical Services agreement with DMERF to provide operation and management services and provide medical services at the cardiac and neurosciences specialty centres in its hospital, DM WIMS starting from April 1, 2016 for a fee payable to us.
- On March 31, 2016, we acquired a 0.27% stake in Dr. Ramesh Cardiac and Multispecialty Hospital Pvt. Ltd. (“Dr. Ramesh Hospitals”). Dr. Ramesh Hospitals operates 560 beds across 2 hospitals at Vijaywada, Andhra Pradesh and 1 hospital at Guntoor, Andhra Pradesh. Subsequently, we increased our stake in Dr. Ramesh Hospitals and as of the date of this Draft Red Herring Prospectus we own a 29.97% stake. Subject to certain conditions, we intend to further increase our stake in Dr. Ramesh Hospitals to 51% by July 2016.
- On April 26, 2016, we have entered into a memorandum of understanding with a potential partner to lease a hospital in Nagpur. The definitive agreement in respect of this memorandum of understanding is likely to be signed by July 26, 2016.
- On January 7, 2016, we sold the Company’s entire investment in Medipoint Hospitals Private Limited and the entity ceased to become a subsidiary of the Company.

FINANCIAL INDEBTEDNESS

Our Company and our Subsidiaries, avail loans in the ordinary course of business for the purposes of funding of acquisition of new hospitals, expansion of existing hospitals, purchase of medical equipment and meeting working capital requirements. Our Company provides a guarantee in relation to these loans as and when required.

Set forth below is a brief summary of our aggregate borrowings as April 30, 2016:

(₹ In Million)

Nature of Borrowing	Amount Sanctioned	Amount outstanding
Funded Borrowings		
Company		
Working Capital Loans		
Secured Borrowings	-	-
Unsecured Borrowings	-	-
Term Loan		
Secured Borrowings	4,547.55	4,004.62
Unsecured Borrowings	-	-
Overdraft Facilities	120.00	112.05
Total Funded Borrowings	4,667.55	4,116.67
Subsidiaries		
Working Capital Loan		
Secured Borrowings	50.00	35.50
Unsecured Borrowings	-	-
Term Loan		
Secured Borrowings	35,501.58	9,066.47
Unsecured Borrowings	-	-
Overdraft facilities	5,342.87	4,557.96
Equipment Finance	444.90	233.30
Vehicle Loans	128.64	50.68
Total Funded Borrowings	41,467.98	13,943.92
Non-Funded Borrowings		
Company		
Letter of Credits	794.28	794.28
Bank Guarantees	308.17	223.47
Bank Guarantees against fixed deposits	11.84	11.84
Total Non-Funded Borrowings	1,114.29	1,029.59
Subsidiaries		
Letter of Credits	20.00	-
Bank Guarantees	5.50	1.00
Bank Guarantees against fixed deposits	16.59	16.59
Total Non-Funded Borrowings	42.09	17.59

Principal terms of the borrowings availed by us:

1. **Interest:** In terms of the loans availed by us, the interest rate is typically the base rate of a specified lender and spread per annum. The spread varies between different loans for different banks.
2. **Tenor:** The tenor of the term loans availed by us typically ranges from 12 months to 13 years.
3. **Security:** In terms of our borrowings where security needs to be created, we are typically required to:
 - a) Create security by way of hypothecation of our present and future fixed assets including plant, machinery, furniture fixtures and other movable assets, bank accounts including the trust and retention account, escrow account and debt service reserve accounts, fixed deposits, operating cash flows, receivables, commissions, revenues of whatsoever nature, intangibles, goodwill, book debts, stock and vehicles;
 - b) Create equitable mortgage over some of our properties;
 - c) Provide corporate guarantees and personal guarantees by directors, Promoters and other individuals;
 - d) Execute demand promissory notes for a specified amount in the form approved by the relevant lender;
 - e) Create a *pari passu* or sole and exclusive charge by way of hypothecation of medical equipment;
 - f) Assign our insurance policies, and proceeds from certain points of sale and merchant contracts; and

- g) Provide indemnities.

This is an indicative list and there may be additional requirements for creation of security under the various borrowing arrangements entered into by us.

4. **Re-payment:** The working capital facilities are typically repayable on demand. Some of our lenders typically have a right to modify or cancel the facilities without prior notice and require immediate repayment of all outstanding amounts. The repayment period for term loans typically range from 12 months to 36 quarters.
5. **Events of Default:** Borrowing arrangements entered into by us contain standard events of default, including:
- a) Change in capital structure of the borrower without prior permission of the lender;
 - b) Change in management or control of the relevant Subsidiary, reduction in promoter shareholding below 51%, or in certain cases, below a lower prescribed limit;
 - c) Creation of any further charge on the secured assets or providing any guarantees to other lenders without prior approval of the lender;
 - d) Violation of any term of the relevant agreement or any other borrowing agreement;
 - e) Undertaking or permitting any re-organisation, re-capitalisation, liquidation, dissolution, merger, de-merger, consolidation, scheme or arrangement or compromise with its creditors or shareholders or effect any scheme of amalgamation or reconstruction without the consent of the lender;
 - f) Declaration of dividend or distribution of profits without the consent of the lender;
 - g) Amending charter documents without the prior consent of the lender;
 - h) Invalidity of any material license;
 - i) Entering into any profit sharing or royalty agreement whereby our income or profits may be shares with any other entity or person without the prior consent of the bank; and
 - j) Utilisation of funds for purposes other than the sanctioned purpose.
6. **Restrictive Covenants:** Certain borrowing arrangements entered into by us contain restrictive covenants, including:
- a) Requirement of prior consent in order to avail third party vendor finance up to a specified limit;
 - b) Requirement of maintaining the debt to equity ratio above a certain specified limit;
 - c) Right of the lender to convert debt into equity, at a time felt appropriate by the lender, at a mutually acceptable formula;
 - d) Business being confined to such activity as has been notified to the lender and for which the lender has sanctioned the credit facilities;
 - e) Requirement of our Promoters holding at least 40% of our issued and paid-up capital;
 - f) Right of the lender to suspend, terminate or recall the existing credit facilities without any reason; and
 - g) Right to appoint nominee director upon the occurrence of an event of default.

This is an indicative list and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

SECTION VI: LEGAL AND OTHER INFORMATION

OUTSTANDING LITIGATION AND MATERIAL DEVELOPMENTS

Except as stated in this section, there are no (i) outstanding criminal proceedings, (ii) actions taken by statutory or regulatory authorities, (iii) material litigation, in each case involving our Company, our Subsidiary(ies), our Promoter(s), our Directors, or our Group Company(ies), and (iv) any litigation involving Company, our Promoters, our Directors, our Subsidiaries or our Group Companies or any other person whose outcome could have a material adverse effect on the position of our Company.

For the purpose of material litigation in (iii) above, our Board has considered and adopted the following policy on materiality with regard to outstanding litigation to be disclosed by our Company in the Draft Red Herring Prospectus:

- (a) Criminal, tax proceedings and actions by statutory authorities/ regulatory authorities: All criminal and tax proceedings, and actions by statutory/ regulatory authorities involving the the Company, its Subsidiaries/ Directors/ Promoters/ Group Companies, as the case may be ("**Relevant Parties**") shall be deemed to be material;
- (b) Pre-litigation notices: Notices received by the Relevant Parties, from third parties (excluding statutory/ regulatory authorities or notices threatening criminal action) shall, in any event, not be evaluated for materiality until such time that the Relevant Parties are impleaded as defendants in litigation proceedings before any judicial forum;
- (c) De minimis monetary threshold for civil litigation: Civil litigation against any of the Relevant Parties or having any bearing on the Company or any of its subsidiaries before any judicial forum and having a monetary impact not exceeding 0.10% of the revenue of the Company, on a consolidated basis as at the end of March 31 of a given financial year, shall not be considered material. However, in the event of civil litigation wherein a monetary liability is not quantifiable, such litigation shall be considered as material only in the event that the outcome of such litigation has a bearing on the operations or performance of the Company or any of its subsidiaries.

Further, except as stated in this section, there are no (i) inquiry, inspections or investigations initiated or conducted under the Companies Act against our Company or Subsidiaries, (ii) fines imposed or compounding of offences against our Company or Subsidiaries, (iii) material frauds committed against our Company, in each case in the preceding five years from the date of this Draft Red Herring Prospectus; (iv) proceedings initiated against our Company for economic offences, (v) defaults or non-payment of statutory dues; (vi) outstanding dues to material creditors and material small scale understandings; (vii) material frauds committed against the Company in the last five years; and (viii) pending proceedings initiated against our Company for economic offences.

Litigation involving our Company

Civil Litigation

1. A writ petition bearing W.P.(C). No. 3410/2015 has been filed by our Company and another petitioner before the High Court of Kerala, Ernakulam against the Kerala Lok Ayukta and Antony Rejoy. The second respondent had earlier filed a writ petition bearing W.P. (C). No. 19635/2013 before the High Court of Kerala, Ernakulam challenging the permissions granted to our Company for building Aster Medcity, a multispeciality hospital at Cheranalloor village, Kochi, Kerala. This writ petition was dismissed by the High Court on January 15, 2015. Subsequently, the second respondent filed a petition before the first respondent, being Kerala Lok Ayukta. The present writ petition, dated January 31, 2015, has been filed by our Company alleging that the proceeding before the first respondent is without jurisdiction, and that the proceedings before the first respondent amount to an abuse of process of the court. Our company has further alleged that the procedure adopted by the first respondent in directing investigation into the complaint without any preliminary enquiry is *ultra vires* the provisions of the Kerala Lok Ayukta Act, 1999; and that the proceedings are in the violation of natural justice as no notice of the proceedings have been issued to our Company. The matter is pending before the High Court of Kerala, Ernakulam.
2. A writ petition bearing W.P.(C) No. 11399/2015 has been filed by our Company and P.P. Noushique before the High Court of Kerala, Ernakulam against the Kerala Lok Ayukta, Antony Rejoy and the Additional Director General of Police, Vigilance and Anti-Corruption Bureau, Thiruvananthapuram. Pursuant to instructions of the first respondent, the third respondent had started an investigation on our Company in relation to the allegations made by the first respondent in complaint no. 1300/2014 filed before the first respondent. Aggrieved, our Company had filed an interim application bearing I.A. No. 377 of 2015 before the first respondent, being the Kerala Lok Ayukta. However, the Kerala Lok Ayukta, pursuant to its order dated March 25, 2015, came to the conclusion that the proceedings before it cannot be dropped at the stage of preliminary enquiry. Aggrieved by this order, our Company filed the present writ petition before the High Court of Kerala, Ernakulam. Subsequently, pursuant to its order dated April 10, 2015, the High Court of Kerala, Ernakulam has ordered the third respondent or any other officer acting under him or at his instructions be directed to not summon our Company or any officer of our Company in

connection with the complaint without getting further orders from the High Court. The matter is currently pending before the High Court of Kerala, Ernakulam.

Notices

3. A notice dated April 28, 2016 has been issued by the Karnataka State Pollution Control Board (“**Karnataka State PCB**”) to our Company as occupier of Aster CMI Hospital, Bangalore. An inspection of the Aster CMI Hospital was carried out by the chairman of the Karnataka State PCB and other officers on April 27, 2016 in order to verify compliance with the BMW Rules. Pursuant to the inspection, the notice has been issued to our Company in relation to failure to communicate to the Karnataka State PCB that the management of the hospital has been taken over by our Company from Cauvery Medical Centre Limited and was operating with a different bed strength. The notice also states, *inter alia*, that the segregation for storage of different wastes at the final waste storage area needs to be improved. In response to the notice, CMCL sent a letter dated May 6, 2016 to the Karnataka State PCB stating that there has only been a rebranding exercise in relation to the Aster CMI hospital and that immediate action has been initiated to ensure compliance with all observations of the Karnataka State PCB listed in the notice and a plan of action to upgrade the facility beyond the 350-bed requirement in due course.
4. Two notices, each dated April 1, 2016, have been issued to our Company by the Employees’ State Insurance Corporation, SRO – Ernakulam (“**ESIC**”) in relation to payment of interest on delayed contributions. Pursuant to these notices, the ESIC has stated that our Company failed to pay contributions in respect of certain employees within the stipulated period for certain months during the period from March, 2015 to January, 2016, and that our Company is therefore required to pay damages aggregating to ₹1,879 and interest aggregating to ₹4,505 on the delayed contributions. The ESIC also issued a show cause notice to Dr. Azad Moopen as the employer of the establishment in relation to this matter. In response to the notices, our Company has sent a letter dated May 20, 2016 to the ESIC stating that for some of the months listed in the ESIC notice, payments were made within the prescribed time limits. Further, our Company also stated that the amounts in question were debited from our Company’s bank account on time in certain of the cases. Our Company has requested the ESIC to refrain from levying interest and damages as proposed in the notices. The matter is currently pending.
5. A notice dated January 8, 2016 has been issued to our Company by the Assistant Provident Fund Commissioner, SRO – Kochi (“**APFC**”) in relation to alleged belated payments of contributions and administrative charges by our Company in terms of the Employees Provident Funds Scheme, 1952, the Employees’ Pension Scheme, 1995 and the Employees’ Deposit Linked Insurance Scheme, 1976. Pursuant to this notice, the APFC has stated that our Company is liable to pay an aggregate of ₹1,388 as interest for belated payments made for the month of June, 2014 and an aggregate amount of ₹1,967 was payable by our Company. Subsequently, a notice dated February 26, 2016 has been issued to our Company by the APFC in relation to belated remittances of provident fund contributions made during the period between December 1, 2014 and April 30, 2015. Pursuant to this notice, the APFC has stated that our Company is liable to pay penalty and interest aggregating to ₹8,418 in respect of such belated payments. On March 29, 2016, the APFC has issued an order against our Company stating that ₹579 are payable as damages by our Company in respect of belated payments made for the month of June, 2014. In response, our Company has sent a letter dated April 4, 2016 to the APFC stating that the Company was not provided with an opportunity to be heard, and requested that the order against our Company be rescinded. The matter is currently pending.

Material frauds committed against our Company

There have been no material frauds committed against our Company in the last five years.

Litigation involving our Subsidiaries

Criminal Litigation

Litigation involving MIMS

1. MIMS has filed a complaint dated March 26, 2014 against Azeez K.M.A. before the Judicial First Class Magistrate Court III, Kozhikode bearing CC. No. 937 of 2014 under section 190 (1) of the Code of Criminal Procedure, 1973 and sections 138 and 142 of the Negotiable Instruments Act, 1882. The wife of the defendant was admitted to MIMS as an inpatient and the total treatment for the hospital services amounted to ₹1,350,209. While some part of the bill was cleared by the accused through cash advance, the defendant wrote a cheque in favour of MIMS towards an amount of ₹412,202 towards balance payment. This cheque was dishonoured due to insufficiency of funds in the account of the defendant, and after issuing a statutory notice dated February 12, 2014, MIMS has filed this complaint. The matter is currently pending before the Judicial First Class Magistrate Court III, Kozhikode.

Litigation involving DM Med City

1. Two separate complaints bearing M.P. Nos. CC.928/15 and CC.929/15 dated October 15, 2014 each have been filed by Treesa Joseph and Molly Antony before the Judicial First Class Magistrate Court – II, Ernakulam against DM Med City and P.P. Noushik. The complaints have been filed under of sections 190 and 200 of the Code of Criminal Procedure, 1973 for alleged offences punishable under sections 420, 463, 464 and 468 of the Indian Penal Code, 1860. Each complainant has alleged that she is the joint owner of 40 cents of property which is covered by sale deed no. 515/1965 of S.R.O. Ernakulam in Survey No. 524 at Cheranalloor village. In their respective complaints, the complainants have alleged that the accused submitted a sale agreement dated March 8, 2012 with the High Court of Kerala, Ernakulam which was forged with the name of the respective complainant. Further, each complainant has alleged that she never entered into such an agreement and was not aware of the existence of such agreement. Each complainant has alleged, inter alia, that the agreement is forged by the accused in order to deceive the complainant, and exclude her from the ownership and possession of the said property. The complainants have also alleged that the accused influenced and obtained undue favours from local and revenue authorities. On November 18, 2015, the Judicial First Class Magistrate Court – II, Ernakulam passed an order directing the police to return the arrest warrant issued against the accused since the accused are on bail. The matter is currently pending before the Judicial First Class Magistrate Court – II, Ernakulam.

Civil Litigation

Litigation involving DM Med City

1. A writ petition bearing W.P. (C) No. 14906/2014 has been filed by Molly Antony before the High Court of Kerala, Ernakulam, against the Village Officer, Cheranalloor and others, with DM Med City having been impleaded as a respondent. The writ petition has been filed challenging the refusal of the Village Officer, Cheranalloor in accepting the land tax paid by the petitioner for certain property, admeasuring 40 cents (0.4 acres), situated in Cheranalloor village. The petitioner had requested for DM Med City to be impleaded as a party since the Village Officer, Cheranalloor claimed that the petitioner and seven of her family members had conveyed the property, over which land tax is being sought to be paid by the petitioner, to DM Med City in pursuance of an agreement dated July 1, 2011 and therefore, the title to the property is in dispute. DM Med City, in its counter affidavit, has prayed that the writ petition be dismissed *in limine* since the existence of land is in question, which is a factual adjudication, and therefore may not be possible in such proceedings under Article 226 of the Constitution of India. Pursuant to its order dated September 24, 2014, the High Court of Kerala, Ernakulam, directed the Thasildar, Kanayannur Taluk, Kochi, who is one of the respondents in the writ petition, to identify the property of the petitioner based on the underlying sale deed, and also state who is in possession of the property covered by the said sale deed. The impugned property was inspected on November 18, 2014 and December 21, 2015, following which an interim report dated April 6, 2016 was filed by the advocate commissioner before the High Court of Kerala, Ernakulam seeking additional time. The matter is currently pending before the High Court of Kerala, Ernakulam.
2. A writ petition bearing W.P. (C) No. 36906/2015 has been filed by N.P. Joseph before the High Court of Kerala, Ernakulam against the District Collector, Ernakulam, the Sub Collector, Ernakulam, the Village Officer, Cheranalloor village and D M Med City. The petitioner has alleged that in spite of him being only a co-owner of the land in Sy. No. 523 and Sy. No. 628/28 of Cheranalloor village, he has received notices from the District Collector, Ernakulam in relation to the illegal filling of land and dumping of waste. Further, the Sub Collector of Fort Kochi has passed an order dated November 16, 2015 whereby the additional Thahasildar, Kanayannoor has been ordered to take further proceedings to restore the illegally filled paddy land good for paddy cultivation in survey number 628/28, 29. The petitioner has claimed that the unauthorized filling of land has been undertaken by D M Med City, and that the order has been passed against the petitioner without providing him with an opportunity to be heard. Hence, this writ petition has been filed for the quashing of the order dated October 30, 2013 passed by the District Collector, Ernakulam and the order November 16, 2015 passed by the Sub Collector of Fort Kochi. The petitioner has also prayed for a declaration that the expenses for removing the unauthorized fillings as per these orders should not be realized from the petitioner. The matter is currently pending before the High Court of Kerala, Ernakulam.

Litigation involving Dr. Ramesh Hospital

3. A plaint bearing O.S. No. 736/2013 has been filed by P. Sudarshana Deva Karuna Kumari, Nannepaga Prabhakar Rao and Gera Suvarna Raju before the Court of the Senior Civil Judge, Guntur against the Andhra Evangelical Lutheran Church, the Central Guntur Synod, the West Parish Church, Lakshmana Hotels Private Limited and the Guntur Municipal Corporation. The plaintiffs have alleged that certain church properties situated in Guntur district, belonging to the Andhra Evangelical and Lutheran Church and the Central Guntur Synod, have been leased to Lakshmana Hotels Private Limited in an illegal and fraudulent manner. Dr. Ramesh Hospital has not been impleaded as a party in this plaint. However, the property on which the Guntur hospital of Dr. Ramesh Hospital is situated may come under dispute as a result of the proceedings. This matter is currently pending. Subsequently, a

petition bearing S.O.P. no. 155/2014 has been filed by Chinnam David Williams before the Court of the II District Judge, Guntur against the Andhra Evangelical and Lutheran Church, the Andhra Christian College, Lakshmana Hotels Private Limited and Dr. Ramesh Hospital. The petitioner, who has claimed to be a member of the first respondent church, has filed the petition under Section 23 of the Andhra Pradesh Societies Registration Act, 2001. The petitioner has alleged that the respondents, including Dr. Ramesh Hospital, have acted in a sham and collusive manner to deal in, and construct buildings on, properties which belong to the first respondent. The petitioner has prayed before the court for any affairs and management between the respondents to be set aside and cancelled as void, and pass prohibitory orders restraining the men, workers, followers, managers, directors, etc. belonging to Lakshmana Hotels Private Limited and Dr. Ramesh Hospital from entering the disputed property. The matter is currently pending before the Court of the II District Judge, Guntur.

Labour Proceedings

Litigation involving MIMS

1. The Regional Provident Fund Commissioner, Kozhikode (“**RPFC**”) has issued a summons dated July 21, 2015 to MIMS in relation to non-remittance of provident fund dues in respect of MIMS Hospital, Kozhikode. The summons has been issued pursuant to the inspection report dated July 14, 2015. On inspection of the premises and records of MIMS Hospital, Kozhikode, the Enforcement Officer, Employees Provident Fund Organization, Sub Regional Office, Kozhikode held in his inspection report that provident fund dues to the tune of ₹2,987,293 have not been paid by MIMS on the training allowance paid to 314 trainees at MIMS Hospital, Kozhikode. Pursuant to a letter dated August 17, 2015, MIMS has replied to the summons and the inspection report stating that the trainees fall within the purview of the Industrial Employment (Standing Orders) Act, 1946 and not within the purview of the Employee Provident Fund and Miscellaneous Provisions Act, 1952. Pursuant to an order dated September 18, 2015, the RPFC held that the 314 trainees fell within the definition of ‘employees’ under the Employee Provident Fund and Miscellaneous Provisions Act, 1952, and that MIMS had failed to enroll 314 employees to the membership of the fund for the period between February, 2014 and June, 2015. Further, the RPFC directed MIMS to remit an amount of ₹2,987,293 within 15 days of the order towards provident fund contributions for such trainees. Aggrieved by this order, MIMS has filed an appeal bearing A.T.A. No. 1285(7)2015 before the Employees Provident Fund Appellate Tribunal, New Delhi (“**EPFAT**”). Pursuant to an order dated November 4, 2015, the EPFAT has declared the appeal adjourned. The matter is currently pending.
2. An appeal bearing ATA no. 1315 (7) of 2014 dated December 15, 2014 has been filed by MIMS before the Employees Provident Fund Appellate Tribunal (“**EPFAT**”) against the order of the Regional Provident Fund Commissioner, Kozhikode (“**RPFC**”) bearing order no. KR/KK/17623/ENF1(4)/2014/7395 dated October 31, 2014 (“**RPFC Order**”). MIMS had engaged trainees at MIMS Hospital, Kozhikode who were paid a stipend during their one year period of training. A team of inspectors of the Employees Provident Fund Organization (“**EPFO**”) inspected the records of MIMS on January 3, 2014, and on the basis of the inspection report, the RPFC initiated an enquiry under section 7A of the Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“**EPF Act**”). Subsequently, MIMS filed its written statement dated June 24, 2014 and additional written statement dated August 12, 2014 in relation to the hearing before the RPFC. On October 31, 2014, the RPFC passed the aforementioned order and held that the trainees fall within the purview of the EPF Act and that MIMS is liable to remit provident fund contribution of ₹4,690,603 in respect of the period from April, 2011 until January, 2014. Subsequently, on December 9, 2014, the Assistant Provident Fund Commissioner, Kozhikode issued an order to MIMS for submitting 75% of the amount determined by the RPFC. In response, MIMS informed the APFC through letter dated December 17, 2014 that the said appeal is pending before the EPFAT and requested for no further action to be taken until the appeal is disposed off. MIMS also filed a writ petition bearing W.P. (C) no. 860 of 2015 – F before the High Court of Kerala, Ernakulam and prayed for a stay on the RPFC Order until the disposal of the writ petition. On January 13, 2015, the said writ petition was disposed off by the High Court of Kerala, Ernakulam with the condition that 25% of the amount determined by the RPFC be submitted with the relevant authorities. Subsequently, the EPFO issued a notice bearing no. KR/KKD/17623/squad/2014/6773 dated January 21, 2014 to MIMS, Kozhikode enquiring why registers in respect of trainees engaged at MIMS, Kozhikode have not been supplied in order to determine their eligibility under the Employee Provident Fund Scheme, 1952 (“**EPF Scheme**”). MIMS has submitted 25% of the amount determined by the RPFC on January 29, 2015, and pursuant to a letter dated February 12, 2014, has provided the EPFO with the trainee stipend statement of MIMS Hospital, Kozhikode for the period from April 2011 and January 2014. The appeal filed by MIMS before the EPFAT against the RPFC Order is currently pending.
3. The Regional Provident Fund Commissioner, Kozhikode has passed an order dated December 10, 2013 under section 7A of the Employee Provident Fund & Miscellaneous Provisions Act, 1952 (“**EPF Act**”) read with paragraph 26-B of the Employee Provident Fund Scheme, 1952 (“**EPF Scheme**”) against MIMS, Kotakkal for failing to enroll 453 employees to the membership of the employees’ provident fund. The Regional Provident Fund Commissioner rejected the contention of MIMS that the alleged personnel involved were trainees and not ‘employees’ and their emoluments were stipend and not ‘salary’ in terms of the EPF Act and the EPF Scheme.

Pursuant to this order, Dr. Mohana Krishnan, CEO of MIMS, Kottakkal, was directed to remit an amount of ₹4,151,220 to the respective heads of account within 15 days of the order. Subsequently, the Assistant Provident Fund Commissioner, Kozhikode issued an attachment order dated January 24, 2014 under section 8(f) of the EPF Act attaching the overdraft bank account of MIMS with Dhanalakshmi Bank, Malappuram Branch, Kerala for recovering the aforesaid provident fund contribution amount. Aggrieved, MIMS filed a writ petition bearing number W.P.(C) No. 2806 of 2014 before the High Court of Kerala on January 24, 2014 pursuant to which the High Court of Kerala passed an order dated January 28, 2014 for the interim stay of the operation of the attachment order for one month. Subsequently, MIMS filed an appeal bearing number A.T.A. No. 84(7)/2014 before the EPF Appellate Tribunal, New Delhi (“**EPFAT**”) against the orders of the provident fund authorities in Kerala. Pursuant to its order dated February 12, 2014, the EPFAT directed MIMS to deposit 40% of the determined amount within eight weeks of the order, subject to which the appeal would be submitted for consideration. MIMS complied with this order through its letter dated April 2, 2014 by depositing a demand draft for ₹1,665,000 in favour of the Regional Provident Fund Commissioner, Calicut. The matter is currently pending before the EPFAT.

Notices

4. The District Labour Officer, Kozhikode (“**DLO**”) has issued notice bearing no. I.R. (1) 4491/14 dated January 1, 2015 to MIMS, Kozhikode for appearance before the DLO on February 5, 2015 in relation to dismissal of ward attendant Sreejesh. Pursuant to its letter dated January 19, 2015, MIMS has clarified to the DLO that there is no employer employee relation between MIMS and the ward attendant, and that he has been engaged by the independent contractor who is responsible for all statutory compliances. The matter is currently pending.
5. The District Labour Officer, Kozhikode (“**DLO**”) has issued a notice bearing no. I.R. (1) 4019/14 dated November 20, 2014 in relation to a complaint filed by the General Secretary, Kozhikode Jilla Private Hospital and Medical Shop Workers Union (“**Union**”). The Union has alleged that Balasubrahmanian, who was an employee at MIMS since 2008, was terminated from his employment illegally without any allegation against him or any disciplinary action against him. Subsequently, MIMS has received a notice dated December 3, 2014 for appearance before the DLO on December 17, 2014. In response, MIMS sent a letter dated December 9, 2014 to the DLO stating that Balasubrahmanian was a daily wage worker and not a permanent employee of MIMS. Further, MIMS has stated that Balasubrahmanian had been absenting himself from the assigned work and abandoned the employment without reason. The matter is currently pending.

Litigation involving PHL

1. Five ex-employees of PHL, namely, Rohit More, Dilip Vasekar, Santosh Patil and Rahul Dongale, have filed revision applications bearing Revn. (ULP) no. 23, 24, 25, 26 and 27 of 2016 before the Industrial Court, Maharashtra, at Kolhapur. The applicants had filed separate complaints bearing Complaint (ULP) nos. 80, 81, 82, 83 and 84 of 2015 before the Judge, Ist Labour Court, Kolhapur against Aster Aadhar Hospital (PHL). The complainants, all members of a trade union called “Bhartiya Kamgar Sena”, were also parties to proceedings (complaint ULP Nos. 19, 20, 21, 22 and 23 of 2015) where the Judge, Ist Labour Court, Kolhapur, pursuant to his order dated April 6, 2015, had directed the management of PHL not to award punishment of dismissal but granted PHL the liberty to award any other punishment as per the standing orders. Pursuant to their complaints, the complainants each alleged that in spite of the order of the Judge, Ist Labour Court, Kolhapur, they were dismissed from services by PHL in violation of item 1(b) of Schedule IV to the Maharashtra Recognition of Trade Unions and Prevention of Unfair Labour Practices Act, 1971. On December 15, 2015, the Judge, Ist Labour Court, Kolhapur dismissed all the complaints filed by the complainants. Aggrieved, the present revision applications have been filed, praying for the order to be set aside. The matter is currently pending.

Litigation involving Aster Trivandrum

Notices

1. A summons dated May 1, 2015 has been issued to Aster Trivandrum (under its erstwhile name, DM Eyecare (Delhi) Private Limited) by the Employees Provident Fund Organisation, Kochi (“**EPFO**”) in relation to enrolment of eligible employees under the Employees Provident Fund Scheme, 1952 (“**EPF Scheme**”) read with the Employees Provident Fund and Miscellaneous Provisions Act, 1952 (“**EPF Act**”), and remittance of contributions in terms of the EPF Scheme, the Employees Pension Scheme and the Employees Deposit Linked Insurance Scheme. Earlier, pursuant to a letter dated October 27, 2014 sent by Aster Trivandrum to the EPFO, Aster Trivandrum had stated that it was unable to ensure timely compliance with certain provisions of the EPF Act and EPF Scheme as the establishment code was not issued to it until August 31, 2013 and it had received the communication allotting the code number only on September 6, 2013. Further, Aster Trivandrum stated that it had not deducted the employees’ share of the contribution from their wages, and that on account of losses the establishment was shut down on March 31, 2014 following which the employees had left the organisation. Pursuant to this letter, Aster Trivandrum had requested the EPFO to waive the employees share of contribution

aggregating to ₹192,730 due for the pre-discovery period from October, 2010 to September, 2014. Further, Aster Trivandrum had stated that it has initiated the process of making the payment of employer's share of ₹219,468. On December 31, 2014, the Enforcement Officer issued an inspection report stating that amounts aggregating to ₹773,441 for the period between October, 2010 and September, 2014 had not been remitted by Aster Trivandrum. Pursuant to a letter dated January 5, 2015, the EPFO rejected the request for waiver made by Aster Trivandrum, and directed it to the outstanding amount of ₹192,730. Subsequently, on January 21, 2015, another prosecution notice was issued by the EPFO to Aster Trivandrum and Dr. Azad Moopen in his capacity as the person responsible for the establishment to appear before the EPFO with returns including initial return in F9, specimen signature card, monthly returns and copy of challans for the period from October, 2010 onward, annual returns for the Fiscals 2011 and 2012 and copy of ECR challan for the period March, 2012 wage month onwards. In response, pursuant to letters dated January 28, 2015 and February 3, 2015, Aster Trivandrum submitted the requisite documents with the EPFO and requested the EPFO to close the prosecution proceedings accordingly. On February 11, 2015, Aster Trivandrum also sent a letter to the Enforcement Officer, Ernakulam stating that the assessment amount of ₹773,441 imposed as dues payable for the period from October 1, 2010 to September 30, 2014 in the inspection report is incorrect. Pursuant to this letter, Aster Trivandrum has stated that dues in respect of excluded employees have also been computed by the Enforcement Officer, and stated that the actual dues payable by Aster Trivandrum aggregate to ₹411,521, which have already been paid. Following this letter, the present summons have been issued to Aster Trivandrum. Following the summons, the EPFO has also issued a letter dated March 3, 2016 to Aster Trivandrum, pursuant to which Aster Trivandrum has been directed to appear with attendance registers, membership eligibility register, cash book and ledgers, payment register and bills and details of payment of wages and salary before the EPFO. Pursuant to this letter, the EPFO has also alleged that Aster Trivandrum failed to produce the documents within the desired timelines and has also not remitted the dues. The matter is currently pending.

Litigation involving our GCC Subsidiaries

Criminal Litigation

1. A criminal complaint bearing Criminal Complaint No. 40392/2014 has been filed by Ahmed Hammouda before the Second Circuit of the Dubai Court of Misdemeanours against our Subsidiary, Medcare Hospital LLC which operates our Medcare Hospital, Dubai and two surgeons working with Medcare Hospital, namely Shadi Nejm and Suhail Mohamed Ahmed Kazim. The complainant is the brother of a patient who was admitted at Medcare Hospital and who was declared dead post-surgery. The complainant has filed a complaint for committing a misdemeanour resulting in the death of a person which is punishable under Articles 28/2, 43, 65 and 342/2 of the UAE Penal Code (Federal Law No. 3 of 1987, as amended by Federal Law No. 34 of 2005), Law No. 52 of 2006, as well as Article (1) of Federal Law No. 9 of 2003. Medcare hospital LLC has stated in its response that the hospital was never summoned by the prosecution for the hearing nor has Medcare Hospital been heard by the Dubai prosecution. Further, Medcare Hospital LLC has stated in its response that there is no report which has specified that Medcare Hospital possesses any liability in this matter. Pursuant to a judgment dated May 17, 2015, the court ordered Medcare hospital LLC and Dr. Kazim to jointly pay AED 210,000 as blood money. An appeal has been filed by Medcare Hospital LLC and the concerned doctors. The matter is currently pending.

Civil Litigation

1. A civil claim bearing civil claim no. 18/2016 has been filed by Ehssan Ali Mahmoud Obeid before the Court of First Instance, Dubai against Medcare Orthopaedics & Spine Hospital, Dubai ("MOSH"), a hospital which is operated by a branch of our Subsidiary Medcare Hospital LLC, and Dr. Imtiaz Ahmed Hashem, a doctor working at the MOSH. The claimant was admitted to the MOSH for a surgery which was performed by the second defendant doctor. In her complaint, the claimant has alleged that the two surgeries performed by the second defendant on her have adversely affected her ability to walk without relying on a wheelchair, and caused her other discomforts as well. Prior to filing the civil claim, the claimant had also filed a complaint with the DHA, which concluded that a medical error was committed by the medical team at MOSH. Citing the DHA's findings, the claimant has requested the Court of First Instance, Dubai to direct the defendants to pay damages aggregating to AED 5 million, as well as 9% interest per annum from the date of issuing the claim until complete payment. The matter is currently pending.

Labour Proceedings

1. A labour case bearing no. 437/2013 was filed by Dr. Hamzeha Tarabeshi, former Head of Histopathology & Lab at Medcare Hospital, a hospital owned and administered by Medcare Hospital LLC. Dr. Tarabeshi's employment was terminated by Medcare Hospitals when he was reluctant to accept the revised terms and conditions at the time of renewal of his employment contract. Aggrieved by his termination, Dr. Tarabeshi lodged a complaint with the Labour Department, Ministry of Labour. When conciliation failed at the Labour Department, Dr. Tarabeshi filed

the aforementioned labour case before the Court of First Instance, Dubai requesting an expert committee to be formed to review his file and quantify the damages. Based on report submitted by the audit firm appointed by it, the Court of First Instance awarded AED 1,756,664 to Dr. Tarabeshi towards unpaid salary, incentives and commission for five months, gratuity and other end of service benefits. Both Dr. Tarabeshi and Medcare Hospitals have filed appeals bearing nos. 845/ 2014 and 881/ 2014 before the Dubai Court of Appeal. Pursuant to its order dated March 24, 2016, the Dubai Court of Appeal ordered Medcare Hospitals to pay legal interest at 9% to Dr. Tarabeshi from the date of the filing of suit and further upheld the Court of First Instance's decision. Aggrieved, Medcare Hospitals filed an appeal bearing no. 41/2016 before the Court of Cassation and Dr. Tarabeshi also cross-appealed before the Court of Cassation. Pursuant to a judgment dated May 24, 2016, the Court of Cassation allowed the appeal of Medcare Hospitals and remitted the case to the Dubai Court of Appeal to reconsider the commissions and benefits payable for the period between November, 2012 and March, 2013. Further, Court of Cassation dismissed the appeal filed by Dr. Tarabeshi. Subsequently, in the interim, Dr. Tarabeshi has opened an execution file bearing no. 229/2016 and Medcare Hospitals has filed its objection bearing no. 47/2016 to the said execution. Pursuant to its order dated April 4, 2016, the court rejected Medcare Hospital's objection and Medcare Hospitals deposited the sum of AED 1,756,664 and AED 67,040 towards the execution. The matter is currently pending before the Dubai Court of Appeal.

Inquiries, inspections or investigations under the Companies Act

There are no inquiries, inspections or investigations under the Companies Act or any previous company law against our Company or Subsidiaries in the past five years.

Fines imposed or compounding of offences

Compounding involving MIMS

1. A compounding application has been filed by our Subsidiary, MIMS, before the RoC and the Company Law Board, Southern Region, Chennai in relation to certain instances of issuance and allotment of equity shares by MIMS which were not in compliance with Section 67(3) of the Companies Act, 1956. Under the first proviso to Section 67(3) of the Companies Act, 1956, any offer or invitation for subscription of shares or debentures made to more than 49 persons was deemed to be a public offer. Between 2001 and 2013, MIMS issued and allotted equity shares to more than 49 persons pursuant to private placements and rights issues (including allotments made under any unsubscribed portions of the rights issue) pursuant to the identified allotments. Pursuant to a press release dated November 30, 2015 and circular no. CIR/CFD/DIL3/18/2015 dated December 31, 2015 (the press release and the circular, the "**SEBI Circular**"), the SEBI provided that companies involved in issuance of securities to more than 49 persons but up to 200 persons in a financial year may avoid penal action subject to fulfilment of certain conditions. Such conditions include providing an option to the current holders of the securities allotted to surrender such securities at an exit price not less than the amount of subscription money paid along with 15% interest per annum or such higher return as promised to investors. In accordance with the directions in the SEBI Circular, the board of directors of MIMS approved an exit offer to the shareholders who had been allotted shares pursuant to the Identified Allotments and requested our Company, being a majority shareholder, to provide a refund to the eligible shareholders. Subsequently, MIMS has filed the present compounding application before the Company Law Board, Southern Region, Chennai stating that the non-compliance with the provisions of Section 67(3) of the Companies Act, 1956 was due to inadvertence on its part. Following the constitution of the National Company Law Tribunal with effect from June 1, 2016, this matter has been transferred to the National Company Law Tribunal, Chennai Bench. The matter is currently pending. For further details, see "*Risk Factors – One of our Subsidiaries, MIMS, has filed a compounding application before the Company Law Board ("CLB"), Chennai in respect of past violations of Section 67(3) of the Companies Act, 1956.*" on page 23.
2. A compounding application dated July 27, 2015 had been filed by our Subsidiary, MIMS, before the Foreign Exchange Department, RBI in relation to (a) contravention of Regulation 10A(b)(i) read with paragraph 10 of schedule 1 to the FEMA Regulations due to non-submission of FC-TRS on transfer of shares from a resident to a non-resident, (b) the contravention of Regulation 10B(2) read with paragraph 10 of schedule 1 to the FEMA Regulations due to non-submission of FC-TRS on transfer of shares from a non-resident to a resident, and (c) the contravention of Regulation 4 of the FEMA Regulations pertaining to taking on record transfer of shares by investee company in the absence of certified FC-TRS. In the compounding application, MIMS stated that while making its initial investment into the Company, our Promoter, UIPL, did not file FC-TRS for 10 transfers in relation to purchase of shares of MIMS from resident shareholders. MIMS has further stated that at the time of transfer of MIMS shares from UIPL to our Company, the FC-TRS was not filed due to inadvertence. Pursuant to a letter dated August 25, 2015, the RBI intimated MIMS that the impugned transactions referred to in the compounding applications had not been regularized and therefore, the administrative action not yet completed. Therefore, the RBI has advised MIMS to complete the administrative action by approaching the RBI Regional Office, Kochi to regularize the transaction and file a fresh compounding application. The matter is currently pending.

Except as disclosed above, there are no compounding applications which have been filed by our Company or our Subsidiaries. Further, there are no fines that have been imposed on our Company or our Subsidiaries in the past.

Litigation involving our Promoter

Criminal Litigation

1. A criminal petition bearing C.M.P. No. 1184/2012 had been filed by P.G. Hari before the Enquiry Commissioner and Special Judge, Kozhikode against the Secretary, Department of Health, Government of Kerala and Dr. Azad Moopen, in his capacity as the Chairman and Managing Trustee of the DM Education and Foundation Trust. The petitioner had alleged that the Secretary, Department of Health had abused her position as a public servant in order to obtain valuable things and pecuniary advantage by forging documents and wrongly granting an essentiality certificate for the establishment of a medical college by the DM Education and Foundation Trust. The petitioner further alleged that the Secretary, Department of Health had entered into a criminal conspiracy to this effect with Dr. Azad Moopen. Therefore, the petitioner alleged that the Secretary, Department of Health and Dr. Azad Moopen were guilty of offences under the Prevention of Corruption Act, 1988 and the Indian Penal Code, 1860. The Enquiry Commissioner and Special Judge, Kozhikode, by order dated March 7, 2013 held that there were no materials to show that there was any criminal conspiracy. Therefore, it was held that further action in the complaint would be dropped. Subsequently, the petitioner filed a criminal revision petition bearing C.R.P. No. 2468/2013 and a petition for condonation of delay in filing the criminal revision petition bearing C.M.A. No. 5340/2013 before the High Court of Kerala, Ernakulam against the order of the Enquiry Commissioner and Special Judge, Kozhikode dated March 7, 2013. The matter is currently pending before the High Court of Kerala, Ernakulam.

Civil Litigation

1. A writ petition bearing W.P. (C) No. 33964/2008 was filed by Sri Kumaran before the High Court of Kerala, Ernakulam against, amongst others, our Promoter, Dr. Azad Moopen, in relation to the illegal encroachment and reclamation of about 70 acres of wetland included in the rock well paddy field including about 12 acres of government streams and public ponds. The writ petition was disposed off on May 30, 2013, and the District Collector, being one of the respondents in the writ petition, was directed to take a decision in the matter after hearing the concerned. In the proceedings before the District Collector, Ernakulam, the petitioners alleged that the reclamation was not permitted by the municipality or the revenue authorities and that the illegal reclamation had led to flooding. The respondents contended that the said property was reclaimed land and not agricultural land. Further, the respondents relied on the judgment of the High Court of Kerala, Ernakulam in writ petitions bearing nos. W.P. (C) No. 13181/2008, 16957/2008, 28542/2008 and 32645/2008 and contended that there is permission from the court to develop the land and the development carried out is subject to the judgment of the court. In addition to this, the respondents also submitted before the District Collector that the reclamation and development of the property in the said area was carried out before the implementation of the Conservation of Paddy Land and Wet Land Act, 2008. The District Collector, Ernakulam, directed the senior superintendent of his office to submit a report after local inspection. After examining the facts, and the inspection report submitted on October 11, 2013, the District Collector, Ernakulam has, pursuant to his order bearing no. L 10-47354/13 dated August 27, 2014, restrained the respondents from changing the nature of the land referred to in the petition. Further, the Additional Tahsildar, Kanyannur, the Secretary, Kalamassery Municipality, the RDO, Fort Kochi and the Secretary, GCDA have been directed to conduct their own enquiries and submit reports within 30 days of the order. The matter is currently pending.
2. A writ petition bearing W.P. (C) No. 27033/2012 has been filed by P.G. Hari before the High Court of Kerala, Ernakulam against Dr. Azad Moopen and the Secretary, Department of Health, Government of Kerala. The petition has been filed challenging the essentiality certificate issued by the Secretary, Department of Health, Government of Kerala for the establishment of a medical college on 50 acres of land situated at Survey No. 64/2, Mooppainad Village, Wayanad. The petitioner has alleged that the essentiality certificate contains false information with regard to the existence of a hospital on the site. The petitioner has prayed for the essentiality certificate to be quashed. The matter is currently pending before the High Court of Kerala, Ernakulam.
3. A civil appeal bearing Civil Appeal No. 301/2015 has been filed by Amita Sambat Shetty against our Promoter, Dr. Azad Moopen, in his capacity as the managing director of DM Healthcare LLC, Medcare Hospital LLC, Aster IVF & Women Clinic LLC (formerly Al Rafa Hospital for Maternity & Surgery LLC) (“**Aster IVF**”) and DM Healthcare LLC. The plaintiff consulted Dr. Deba Jalal from Aster IVF while she was allegedly suffering from skin rashes and fever during her early pregnancy. The plaintiff delivered a baby boy who was found to have certain abnormalities, which were allegedly a result of the plaintiff having contracted Rubella infection while she was pregnant. The Dubai Health Authority (“**DHA**”) found medical mistake/ negligence on the part of Dr. Deba Jalal in misdiagnosing Rubella in the plaintiff in spite of apparent symptoms, failing to do necessary examinations and

failure to discuss with the option of abortion with the plaintiff and her husband. However, the DHA made no adverse findings against Medcare Hospital or the other doctors at Aster IVF or Medcare Hospital. Based on the order of the DHA, the plaintiff filed a petition before the Dubai Court of First Instance claiming AED 15,716,238 along with 9% legal interest from the date of filing the claim until full payment as compensation to be paid jointly by Medcare Hospital LLC, Aster IVF, Dr. Deba Jalal, Dr. Shiva Harikrishnan, Dr. Shahid Gauhar, DM Healthcare LLC and Dr. Azad Moopen. The Court of First Instance, Dubai has appointed a committee of doctors for verification and has asked the plaintiff to pay the expert fee of AED 10,000 before May 19, 2014. The UAE Higher Committee on Medical Malpractice, pursuant to its order dated December 23, 2014, held that there was no malpractice or negligence on the part of Aster IVF and Medcare Hospital. On the basis of this order, the Dubai Court of First Instance has, pursuant to its judgment dated March 12, 2015, dismissed the petition filed by the plaintiffs. Aggrieved, the plaintiffs have filed the present appeal before the Dubai Court of Appeal. The matter is currently pending.

Litigation or legal action against our Promoter taken by any Ministry, Department of Government or any statutory authority

Except as disclosed above, there is no litigation or legal action pending or taken by any Ministry or Department of the Government or a statutory authority against the Promoter of our Company during the last five years immediately preceding the year of the issue of this Draft Red Herring Prospectus.

Litigation involving our Directors

Criminal Litigation

1. For details in relation to C.R.P. No. 2468/2013 against, amongst others, our Director Dr. Azad Moopen, please see “*Litigation involving our Promoter – Criminal Litigation*” on page 435.
2. Ten separate complaints have been filed against Marico Limited alleging violations of the Prevention of Food Adulteration Act, 1954. Of these, four cases were filed in 1993, five cases were filed in 2006 and one case was filed in 2007. One of our directors, Harsh C. Mariwala, is the chairman of Marico Limited. These complaints have been filed before the relevant forums (court of the Chief Judicial Magistrate/First Class Judicial Magistrate/Additional Chief Judicial Magistrate, as applicable) in Malegaon, Pune, Aurangabad, Pethwadgaon and Kolhapur in Maharashtra, Gwalior and Jabalpur in Madhya Pradesh and Barbil in Odisha. All ten complaints have been filed under Section 7(i) of the Prevention of Food Adulteration Act, 1954, which prohibits the manufacture for sale, or storage, selling or distribution of any adulterated food by any person. No separate allegation has been made against Mr. Mariwala or prayer sought against Harsh C. Mariwala by the complainants in any of the complaints for the alleged offences. If these cases are decided against Marico Limited, it may result in the imposition of criminal liability on Marico Limited and the relevant persons proven to be responsible for such liability under the Prevention of Food Adulteration Act, 1954. In respect of seven out of the ten complaints, Marico Limited has filed applications before the relevant High Court for quashing of the complaint pending at the district level. In three other matters, the prosecution is yet to take action. All ten matters are currently pending before their respective forums.
3. A search was conducted by Income Tax department on October 23, 1997 at Marico Limited. The Income Tax department was not in agreement with the methodology followed by Marico Limited for allocation of certain expenses to unit claiming benefit under section 80IA of the Income Tax Act, 1961. In this regard, Marico Limited has made full disclosure while filing the return of income for the period under consideration. The matter is pending before Income Tax Appellate Tribunal (“ITAT”) in relation to this. Further, Marico Limited has challenged the legality of the above stated search by filing a writ petition bearing W.P. no. 745/2009 before the High Court of Bombay. The High Court of Bombay has granted interim stay vide order dated July 27, 2009 directing the ITAT not to proceed with the pending appeal till the disposal of writ petition. Moreover, the same order has also stayed the prosecution proceedings launched by the Income Tax department against the then directors of Marico Limited, which is pending before the Additional Chief Metropolitan Magistrate’s Court, Mumbai. The matter is currently pending.

Labour Proceedings

1. Three separate labour proceedings are pending against Marico Limited in relation to contributions or payments to be made in terms of the Employee State Insurance Act, 1948. One of our Directors, Harsh C. Mariwala, is the chairman of Marico Limited. These proceedings are pending before the High Court of Bombay, Aurangabad bench, ESIC Court, Jalgaon and Employees Insurance Court, Palakkad, Trichur. In the case bearing First Appeal No. 1368 of 2009 against Civil Application No. 6075 of 2009 pending before the High Court of Bombay, Aurangabad Branch, Marico Limited is contesting an ESIC order to pay ESIC component of the salary of contract workmen employed at a third party location. The aggregate monetary claim in this case is ₹850,000. Further, in the

proceedings bearing ESIC Case No. 01/2013 pending before the ESIC Court, Jalgaon, Marico Limited is contesting an ESIC notice to pay the fine where the ESIC has recovered the notice amount through a prohibitory order. The aggregate monetary claim in this case is ₹750,000. Also, in the proceedings bearing IC No. 42 of 2012 pending before the Employees Insurance Court, Palakkad, Trichur, Marico Limited is contesting a demand notice issued by the ESIC department for the recovery of an amount which has been paid. The aggregate monetary claim in this case is ₹538,780. All three matters are currently pending before their respective forums.

Civil Litigation

1. For details in relation to W.P.(C) No. 27033/ 2012 against, amongst others, our Director Dr. Azad Moopen, please see “*Litigation involving our Promoter – Civil Litigation*” on page 435.
2. For details in relation to W.P.(C) No. 33964/2008 against, amongst others, our Director Dr. Azad Moopen, please see “*Litigation involving our Promoter – Civil Litigation*” on page 435.

Litigation involving our Group Companies

Labour Proceedings

Litigation involving WIPL

1. The Assistant Provident Fund Commissioner, Calicut has, pursuant to an order under section 14B of the Employees’ Provident Fund and Miscellaneous Provisions Act, 1952, dated May 19, 2014, directed WIPL to pay damages to the extent of ₹70,307 for making belated payments towards provident fund contribution for the period from August 2012 to January 2014. Pursuant to this order, WIPL was directed to make the payment within 15 days of the receipt of the order. Subsequently, the Assistant PF Commissioner, Sub Regional Office, Eranhipalam, Kozhikode passed an order dated May 23, 2014 directing WIPL to pay interest for the aforementioned period to the extent of ₹47,386. In response to these orders, WIPL notified the Regional Provident Fund Commissioner that it proposes to file an appeal before the EPF Appellate Tribunal, New Delhi and that the limitation period for filing such appeal is until July 22, 2014. Hence, the authorities were requested not to take any further steps to recover the amount during this period. Thereafter, WIPL filed an appeal bearing number ATA No. 529(07)2014 before the EPF Appellate Tribunal, New Delhi. The EPF Appellate Tribunal passed an order dated July 9, 2014 admitting the appeal and directing the relevant authorities not to take any coercive measure till the disposal of the appeal. Subsequently, WIPL has made the interest payment through a remittance dated June 2, 2014. The appeal is currently pending before the EPF Appellate Tribunal.

Litigation involving DMERF

1. The Regional Provident Fund Commissioner, Calicut has, pursuant to an order under section 14B of the Employees’ Provident Fund and Miscellaneous Provisions Act, 1952, dated May 7, 2014, directed DMERF to pay damages to the extent of ₹325,540 for making belated payments towards provident fund contribution for the period from August 2012 to January 2014. Pursuant to this order, DMERF was directed to make the payment within 15 days of the receipt of the order. Subsequently, the Assistant PF Commissioner, Sub Regional Office, Eranhipalam, Kozhikode passed an order dated May 19, 2014 directing DMERF to pay interest for the aforementioned period to the extent of ₹227,092. In response to these orders, DMERF notified the Regional Provident Fund Commissioner that it proposes to file an appeal before the EPF Appellate Tribunal, New Delhi and that the limitation period for filing such appeal is until July 6, 2014. Hence, the authorities were requested not to take any further steps to recover the amount during this period. Thereafter, DMERF filed an appeal bearing number ATA No. 421(07)2014 before the EPF Appellate Tribunal, New Delhi. The EPF Appellate Tribunal passed an order dated May 28, 2014 admitting the appeal and directing the relevant authorities not to take any coercive measure till the disposal of the appeal. Subsequently, DM Education has made the interest payment through a remittance dated June 2, 2014. The appeal is currently pending before the EPF Appellate Tribunal.
2. The Industrial Tribunal & Employees Compensation Commissioner, Kozhikode, (“**Employee Compensation Commissioner**”) has issued a notice dated December 29, 2014 to the managing director, WIMS and Periyar Techno Constructions, Kozhikode, being the contractor hired by MIMS for the construction of the DM WIMS hospital. A labourer succumbed to injuries sustained within the premises of WIMS hospital. Pursuant to sections 10(a) and 4(a) of the Employees Compensation Act, 1923, WIMS was required to report such accidents by submitting Form FE and Form A before the Employee Compensation Commissioner. The Wayanad Deputy Labour Officer, pursuant to his letter dated December 10, 2014 reported that the forms had not been submitted with the concerned authorities within the prescribed timelines. Hence, the Employee Compensation Commissioner has issued the present notice. The matter is pending before the Employee Compensation Commissioner.

- For details in relation to W.P.(C) No. 27033/ 2012 against, amongst others, DMERF, see “*Litigation involving our Promoter – Civil Litigation*” on page 435.
- For details in relation to C.M.P. No. 1184/ 2012 against, amongst others, DMERF, see “*Litigation involving our Promoter – Criminal Litigation*” on page 435.

Tax proceedings

A summary of tax proceedings involving our Company, our Subsidiary(ies), our Promoter(s), our Directors, or our Group Company(ies) are stated below:

Nature of case	Number of cases	Amount involved (in ₹ million)
Company		
Direct Tax		
(i) Income tax	13	0.50
Indirect Tax		
(i) Service tax	Nil	Nil
(ii) VAT	6*	1.52
Subsidiaries		
Direct Tax		
(i) Income tax	16	44.78
Indirect Tax		
(i) Sales tax	1*	0.37
Promoters		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil
Directors		
Direct Tax	1	NA**
Indirect Tax	Nil	Nil
Group Companies		
Direct Tax	Nil	Nil
Indirect Tax	Nil	Nil

*Certain tax proceedings against the Company and the Subsidiaries are still at the pre-litigation notice stage, and the amount involved is not quantifiable.

**The amount is not quantifiable

Medicolegal proceedings and notices involving our Company, our Subsidiaries, our GCC Subsidiaries, our Promoters, our Directors or our Group Companies

By virtue of being in the healthcare services providers, our Company, our Subsidiaries and our GCC Subsidiaries are parties to proceedings resulting from complaints and claims of compensation filed by patients or their kin before consumer forums, civil courts and other regulatory authorities, alleging, *inter alia* medical negligence, deficiency of services and misdiagnosis. In certain instances, particularly in the GCC states, notices may have been issued by regulatory authorities to our GCC Subsidiaries as a result of such complaints and claims. In accordance with our policy of materiality, we do not evaluate any claims or notices for materiality until such time that our Company, our Subsidiaries, our GCC Subsidiaries, our Promoters, our Directors or our Group Companies are impleaded as defendants in proceedings before any judicial forum. Further, any complaint which is filed against doctors employed at our hospitals or which is filed against our hospitals, may also, in certain cases, implead our Company, our Subsidiaries, our Promoters, our Group Companies or our Directors, as the case may be, as a defendant. As of the date of this Draft Red Herring Prospectus, there are 45 medicolegal proceedings and notices pending before or issued by various judicial and regulatory forums against our Company, our Subsidiaries, our GCC Subsidiaries, our Promoters, our Directors and our Group Companies.

Proceedings initiated against our Company for economic offences

There are no proceedings initiated against our Company for any economic offences.

Defaults in respect of dues payable

Except as disclosed below, our Company has no outstanding defaults in relation to statutory dues payable, dues payable to holders of any debentures (including interest) or dues in respect of deposits (including interest) or any defaults in repayment of loans from any bank or financial institution (including interest):

- TDS demand from our Company for Financial Year 2016 aggregating to ₹346,560.
- TDS demand from our Company for Financial Years 2009, 2010 and 2011, aggregating to ₹139,508.

3. Excess CENVAT claimed in service tax for our Company to be reversed for the Financial Years 2013 and 2014 aggregating to ₹216,858.
4. ESI dues of our Company aggregating to ₹6,384.
5. PF dues of our Company aggregating to ₹8,418.

Material developments since December 31, 2015

Other than as disclosed in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on page 404, in the opinion of the Board, there has not arisen, since the date of the last restated financial statements included in this Draft Red Herring Prospectus, any circumstance that materially and adversely affects or is likely to affect the trading or profitability of our Company taken as a whole or the value of its consolidated assets or its ability to pay its liabilities over the next 12 months.

Outstanding dues to Creditors

Our Board does not consider capital creditors and revenue creditors of the Company having a monetary value not exceeding 5% of the total liabilities of the Company as at the end of March 31 of a given financial year, on a consolidated basis, and creditors in the nature of retention money received from capital creditors, as material.

The material dues owed to small scale undertakings and other creditors as at December 31, 2015, is set out below:

Material Creditors	Number of cases	Amount involved (in ₹ million)
Small scale undertakings	Nil	Nil
Other Creditors	Nil	Nil

The details pertaining to net outstanding dues towards our creditors are available on the website of our Company at asterdmhealthcare.com/Sundry_Creditors_Dec_15.pdf. It is clarified that such details available on our website do not form a part of this Draft Red Herring Prospectus. Anyone placing reliance on any other source of information, including our Company’s website, www.dmhealthcare.com, would be doing so at their own risk.

GOVERNMENT APPROVALS

Our Company and our Subsidiaries have received the necessary consents, licenses, permissions, registrations and approvals from the Government, various governmental agencies and other statutory and/ or regulatory authorities, required for carrying out its present business and except as mentioned below, no further material approvals are required by our Company and our Subsidiaries for carrying out their respective existing businesses. The objects clause and matters which are necessary for furtherance of the objects of the memoranda of association of our Company and our Subsidiaries enable our Company and our Subsidiaries to undertake their respective existing activities.

A. *Incorporation Details of our Company*

1. Certificate of incorporation dated January 18, 2008 issued by the RoC to our Company, in its former name, being DM Healthcare Private Limited.
2. Fresh certificate of incorporation dated November 29, 2013 issued by the RoC to our Company consequent upon change of name to Aster DM Healthcare Private Limited.
3. Fresh certificate of incorporation dated January 1, 2015 issued by the RoC to our Company consequent upon conversion into a public company and consequent upon change of our Company's name to Aster DM Healthcare Limited.
4. Our Company was allotted a corporate identity number U85110KL2008PLC021703.

B. *Approvals in relation to our business operations in India*

Our Company and our Subsidiaries are required to obtain various approvals and licenses under various laws, rules and regulations in order to operate our ten hospitals in India in the states of Kerala, Karnataka, Maharashtra, Andhra Pradesh and Telangana and three clinics in the states of Karnataka and Kerala. These approvals and/ or licenses include, among others, registrations under local medical establishment laws, central and state tax legislation, Air Act, Water Act, Narcotics Act and land and building permits, occupancy certificates from local gram panchayats and town planning authorities. We are also required to obtain approvals from several government departments including the Atomic Energy Regulatory Board, state specific Drugs Control Departments, state specific labour departments, District Medical Officers, State PCB and State Level Environment Impact Assessment Authorities.

We have obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate our hospitals. Certain approvals may have lapsed in their normal course and our Company and/ or our Subsidiaries have either made applications to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

Our Company has entered into an operations and management agreement dated May 12, 2014 with Cauvery Medical Center Limited pursuant to which we have been granted the rights to operate and manage Aster CMI Hospital, Bangalore for a period of 24 years from the date of the agreement. As per this agreement, our Company is required to obtain all necessary approvals required to operate Aster CMI Hospital.

Our Company has entered into operations and management services and medical services agreements, each dated March 4, 2016 and effective from April 1, 2016, with DM Education and Research Foundation pursuant to which we have been granted the rights to operate and manage DM Wayanad Institute of Medical Sciences for a period of five years and 10 years respectively. As per these agreements, DM Education and Research Foundation is required to maintain all necessary approvals required to operate the DM Wayanad Institute of Medical Sciences including for providing medical services and in connection with the super-speciality centres.

C. *Approvals in relation to our Oman based Subsidiaries*

We currently have two Subsidiaries in Oman. In order to carry out their operations in Oman, which include operating and maintaining two hospitals, four clinics and four pharmacies, our Subsidiaries in Oman require various approvals and/ or licenses under various laws, rules and regulations. These approvals and/ or licenses include licenses from the Ministry of Commerce, Oman Chamber of Commerce and Industry, Ministry of Health, Oman and various municipality licenses as applicable. Our Subsidiary has obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate its business. Certain approvals may have lapsed in their normal course and our Subsidiary has either made an application to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

D. *Approvals in relation to our Qatar based Subsidiaries*

We currently have two Subsidiaries in Qatar. In order to carry out their operations in Qatar, which include operating and maintaining seven clinics and six pharmacies, our Subsidiaries in Qatar require various approvals

and/ or licenses under various laws, rules and regulations. These approvals and/ or licenses include licenses from the Ministry of Economy and Commerce, Ministry of Finance, Qatar Chamber of Commerce and Industry, Ministry of Interior and customs authorities as applicable. Our Subsidiaries have obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate their business. Certain approvals may have lapsed in their normal course and our Subsidiaries have either made an application to the appropriate authorities for renewal of such licenses and/ or approvals or are in the process of making such applications.

E. *Approvals in relation to our KSA based Subsidiary*

We currently have one Subsidiary in the Kingdom of Saudi Arabia. In order to carry out its operations in KSA, which includes operating and maintaining our hospital in KSA, our Subsidiary in KSA requires various approvals and/ or licenses under various laws, rules and regulations. These approvals and/ or licenses include licenses from the Ministry of Municipal and Rural Affairs, Ministry of Health, Ministry of Commerce and Industry, Ministry of Labour and Department of Zakat and Income Tax as applicable. Our Subsidiaries have obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate their business. Certain approvals may have lapsed in their normal course and our Subsidiary has either made an application to the appropriate authorities for renewal of such licenses and/ or approvals or are in the process of making such applications.

F. *Approvals in relation to our UAE based Subsidiaries*

We currently have 35 Subsidiaries in the UAE. In order to carry out their operations in the UAE, which include operating and maintaining three hospitals, 71 clinics and 147 pharmacies, our Subsidiaries in the UAE require various approvals and/ or licenses under various laws, rules and regulations. These approvals and/ or licenses include licenses from the department of economic development and the health authorities as applicable. Our Subsidiaries have obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate their business. Certain approvals may have lapsed in their normal course and our Subsidiaries have either made an application to the appropriate authorities for renewal of such licenses and/ or approvals or are in the process of making such applications.

G. *Approvals in relation to our Kuwait based Subsidiary*

We currently have one Subsidiary in Kuwait. Our Subsidiary is registered and licensed to operate a general trading company in Kuwait. Our Subsidiary's current operations in Kuwait include the management of 10 pharmacies. In order to carry out its operations in Kuwait, our Subsidiary requires various approvals and/or licenses under various laws, rules and regulations. However, under Kuwait law only Kuwait nationals licensed in the State of Kuwait by the Ministry of Health may own, operate and manage pharmacies. Consequently, our Subsidiary does not have, nor can it currently obtain the necessary licenses under the law to operate and manage the pharmacies it currently manages. In addition, certain approvals required to operate its business may have lapsed in their normal course and our Subsidiary has either made an application to the appropriate authorities for renewal of such licenses and/ or approvals or are in the process of making such applications.

H. *Approvals in relation to our Jordan based Subsidiary*

We currently have one Subsidiary in Jordan. In order to carry out its operations in Jordan, which includes operating and maintaining 12 pharmacies we require various approvals and/ or licenses under various laws, rules and regulations. These approvals and/ or licenses include licenses under the Drug and Pharmacy Law no. (13) of 2013 and the Regulation for licensing pharmaceutical establishments No. (75) of 2014, from municipal authorities, where applicable. Our Subsidiary has obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate its business. Certain approvals may have lapsed in their normal course and our Subsidiary has either made an application to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

I. *Approvals in relation to our Philippines based Subsidiary*

We currently have one Subsidiary in Philippines. In order to carry out its operations in Philippines, which includes operating and maintaining one clinic, we require various approvals and/ or licenses under various laws, rules and regulations. These approvals and/ or licenses include license issued by the Health Facilities and Services Regulatory Bureau of the Department of Health. Our Subsidiary has obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate its business. Certain approvals may have lapsed in their normal course and our Subsidiary has either made an application to the appropriate authorities for renewal of such licenses and/ or approvals or is in the process of making such applications.

J. *Approvals in relation to our Bahrain based Subsidiary*

We currently have one Subsidiary in Bahrain. In order to carry out its operations in Bahrain, which includes

operating and maintaining one clinic, we require various approvals and/or licenses under various laws, rules and regulations. These approvals and/or licenses include licenses issued by the Ministry of Industry and Commerce, the National Health Regulatory Authority (“**NHRA**”), Municipality Affairs and Ministry of Interior. Our Subsidiary has obtained the necessary permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate its business. Certain approvals may have lapsed in their normal course and our Subsidiary has either made an application to the appropriate authorities for renewal of such licenses and/ or approvals or are in the process of making such applications.

K. *Approvals in relation to our DIFC based Subsidiaries*

We currently have two subsidiaries in the DIFC. In order to carry out their operations in the DIFC, which include holding and proprietary investment, our subsidiaries in the DIFC require various approvals and (or licenses under various laws, rules and regulations. These approval and/or licenses include licenses from the DIFC Registrar of Companies. Our Subsidiaries have obtained the necessary permits, licenses and approval from the appropriate regulatory and governing authorities required to operate their business. Certain approvals may have lapsed in their normal course and our Subsidiaries have either made an application to the appropriate authorities for renewal of such licenses and/ or approvals or are in the process of making such applications.

OTHER REGULATORY AND STATUTORY DISCLOSURES

Authority for the Offer

Our Board has approved the Offer pursuant to the resolution passed at their meeting held on May 18, 2016 and our Shareholders have approved the Offer pursuant to a resolution passed at the EGM held on May 27, 2016.

IVF and UIPL have authorised the offer of up to 4,800,000, and 12,058,000 Equity Shares in the Offer, respectively, by way of board resolutions dated June 13, 2016 and June 17, 2016 respectively. Olympus has authorised the offer of up to 19,212,800 Equity Shares pursuant to a letter dated June 23, 2016

The Equity Shares being offered by the Selling Shareholders in the Offer have been held by them for a period of at least one year prior to the filing of this Draft Red Herring Prospectus with SEBI and are eligible for being offered for sale in the Offer.

Our Company received in-principle approvals from the BSE and the NSE for the listing of the Equity Shares pursuant to letters dated [●] and [●], respectively.

Each of the Selling Shareholders have severally and on their own account confirmed that they have not been prohibited from dealings in the securities market and the Equity Shares proposed to be offered and sold by each of them are free from any lien, encumbrance, transfer restrictions or third party rights (other than such rights as set out under the various shareholder agreements) further details of which are set out in “*History and Certain Corporate Matters*” on page 176. Olympus and UIPL have also confirmed that each of them is the legal and beneficial owner of the Equity Shares being offered by them under the Offer for Sale. IVF has further confirmed that it is the legal owner of the Equity Shares being offered by it under the Offer for Sale and that it is holding such shares for and on behalf of India Value Fund III A of which it is the sole trustee.

Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoters, our Directors, the members of the Promoter Group, the Group Entities, the persons in control of our Company, the natural persons in control of the corporate Promoter and the Selling Shareholders have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

The companies, with which our Promoter, Directors or persons in control of our Company are or were associated as promoter, directors or persons in control have not been prohibited from accessing or operating in capital markets or restrained from buying, selling or dealing in securities under any order or direction passed by SEBI or any other regulatory or governmental authority.

Except for Suresh M. Kumar, who is a director of ICICI Prudential Asset Management Company Limited, none of our Directors or the entities that our Directors are associated with are engaged in securities market related business and are registered with SEBI. There has been no action taken by SEBI against our Directors or any of the entities in which our Directors are involved in as promoters or directors.

Prohibition with respect to wilful defaulters

Neither our Company, nor our Promoters, relatives (as defined under the Companies Act, 2013) of our Promoters, Directors, Group Entities, nor the Selling Shareholders have been identified as a wilful defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI. There are no violations of securities laws committed by them in the past or are pending against them.

Eligibility for the Offer

Our Company is eligible for the Offer in accordance with the Regulation 26(1) of the SEBI ICDR Regulations as explained under the eligibility criteria calculated in accordance with the restated financial information prepared in accordance with the Companies Act and restated in accordance with the SEBI ICDR Regulations:

- Our Company has had net tangible assets of at least ₹30,000,000 in each of the preceding three full years (of 12 months each), of which not more than 50 % are held in monetary assets;
- Our Company has a minimum average pre-tax operating profit of ₹150,000,000 calculated on a restated and consolidated basis, during the three most profitable years out of the immediately preceding five years;
- Our Company has a net worth of at least ₹10,000,000 in each of the three preceding full years (of 12 months each);
- The aggregate size of the proposed Offer and all previous issues made in the same financial year is not expected to

exceed five times the pre-Offer net worth as per the audited balance sheet of the Company for the year ended March 31, 2015; and

- Our Company has not changed its name in the preceeding one year.

Our Company's pre-tax operating profit, net worth, net tangible assets, monetary assets, monetary assets as a percentage of the net tangible assets derived from the restated consolidated financial information included in this Draft Red Herring Prospectus as at, and for the last five years ended Fiscal 2015 are set forth below:

(₹ in Million, unless otherwise stated)

Particulars	Fiscal				
	2011	2012	2013	2014	2015
Net tangible assets, as restated	1,317.99	12,180.60	16,582.55	22,662.96	29,973.92
Monetary assets, as restated	91.13	2,308.28	2,012.52	3,265.73	3,097.73
Monetary assets, as restated as a % of net tangible assets, as restated	6.91	18.95	12.14	14.41	10.33
Pre-tax operating profit, as restated	(36.58)	1,035.02	1,787.40	3,397.13	4,261.25
Net worth, as restated	935.59	6,704.15	7,793.30	9,105.40	13,523.80

Source: Restated consolidated financial statements, Summary consolidated statement of assets and liabilities, as restated and Summary consolidated statement of profit and loss, as restated of our Company for the respective periods.

- Net tangible assets are defined as the sum of total assets excluding intangible assets as defined in Accounting Standard 26 issued by Institute of Chartered Accountants of India and deferred tax assets deducted by total non-current liabilities and current liabilities excluding deferred tax liabilities, long term borrowings, short term borrowings and current maturities of long term borrowings.
- Monetary assets include cash on hand and bank balances, including non-current portion of fixed deposits with banks, margin deposits with banks and interest accrued but not due thereon.
- 'Pre-tax operating profit', has been calculated as net profit before the tax excluding finance costs and other income.
- Net worth has been defined as the aggregate of share capital and reserves and surplus (excluding revaluation reserves) as reduced by the aggregate of miscellaneous expenditure and debit balance of profit and loss account, if any.

Fiscal 2013, 2014 and 2015 are the three most profitable years out of the immediately preceding five financial years in terms of our restated consolidated summary statements.

Further, in accordance with Regulation 26(4) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Our Company is in compliance with the conditions specified in Regulation 4(2) of the SEBI ICDR Regulations, to the extent applicable.

DISCLAIMER CLAUSE OF SEBI

AS REQUIRED, A COPY OF THE DRAFT RED HERRING PROSPECTUS HAS BEEN SUBMITTED TO SEBI. IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE MANAGERS, KOTAK MAHINDRA CAPITAL COMPANY LIMITED, DSP MERRILL LYNCH LIMITED, GOLDMAN SACHS INDIA (SECURITIES) PRIVATE LIMITED, JM FINANCIAL INSTITUTIONAL SECURITIES LIMITED, EDELWEISS FINANCIAL SERVICES LIMITED, SBI CAPITAL MARKETS LIMITED AND ICICI SECURITIES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009 IN FORCE FOR THE TIME BEING. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.

IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE MANAGERS ARE EXPECTED TO EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE,

THE MANAGERS HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED JUNE 24, 2016 WHICH READS AS FOLLOWS:

WE, THE MANAGERS TO THE ABOVE MENTIONED FORTHCOMING OFFER, STATE AND CONFIRM AS FOLLOWS:

1. WE HAVE EXAMINED VARIOUS DOCUMENTS INCLUDING THOSE RELATING TO LITIGATION LIKE COMMERCIAL DISPUTES, PATENT DISPUTES, DISPUTES WITH COLLABORATORS, ETC. AND OTHER MATERIAL DOCUMENTS IN CONNECTION WITH THE FINALISATION OF THE DRAFT RED HERRING PROSPECTUS PERTAINING TO THE SAID OFFER;
2. ON THE BASIS OF SUCH EXAMINATION AND THE DISCUSSIONS WITH THE COMPANY, ITS DIRECTORS AND OTHER OFFICERS, OTHER AGENCIES, AND INDEPENDENT VERIFICATION OF THE STATEMENTS CONCERNING THE OBJECTS OF THE OFFER, PRICE JUSTIFICATION AND THE CONTENTS OF THE DOCUMENTS AND OTHER PAPERS FURNISHED BY THE COMPANY AND THE SELLING SHAREHOLDERS, WE CONFIRM THAT:
 - (A) THE DRAFT RED HERRING PROSPECTUS FILED WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") IS IN CONFORMITY WITH THE DOCUMENTS, MATERIALS AND PAPERS RELEVANT TO THE OFFER;
 - (B) ALL THE LEGAL REQUIREMENTS RELATING TO THE OFFER AS ALSO THE REGULATIONS, GUIDELINES, INSTRUCTIONS, ETC. FRAMED/ISSUED BY SEBI, THE CENTRAL GOVERNMENT AND ANY OTHER COMPETENT AUTHORITY IN THIS BEHALF HAVE BEEN DULY COMPLIED WITH; AND
 - (C) THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE TRUE, FAIR AND ADEQUATE TO ENABLE THE INVESTORS TO MAKE A WELL INFORMED DECISION AS TO THE INVESTMENT IN THE PROPOSED OFFER AND SUCH DISCLOSURES ARE IN ACCORDANCE WITH THE REQUIREMENTS OF THE COMPANIES ACT, THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2009, AS AMENDED (THE "SEBI (ICDR) REGULATIONS") AND OTHER APPLICABLE LEGAL REQUIREMENTS.
3. WE CONFIRM THAT BESIDES OURSELVES, ALL THE INTERMEDIARIES NAMED IN THIS DRAFT RED HERRING PROSPECTUS ARE REGISTERED WITH SEBI AND THAT TILL DATE SUCH REGISTRATIONS ARE VALID.
4. WE HAVE SATISFIED OURSELVES ABOUT THE CAPABILITY OF THE UNDERWRITERS TO FULFIL THEIR UNDERWRITING COMMITMENTS. - NOTED FOR COMPLIANCE
5. WE CERTIFY THAT WRITTEN CONSENT FROM THE PROMOTERS HAS BEEN OBTAINED FOR INCLUSION OF THEIR EQUITY SHARES AS PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN AND THE EQUITY SHARES PROPOSED TO FORM PART OF PROMOTER'S CONTRIBUTION SUBJECT TO LOCK-IN SHALL NOT BE DISPOSED/SOLD/TRANSFERRED BY THE PROMOTERS DURING THE PERIOD STARTING FROM THE DATE OF FILING THIS DRAFT RED HERRING PROSPECTUS WITH THE SEBI TILL THE DATE OF COMMENCEMENT OF LOCK-IN PERIOD AS STATED IN THE DRAFT RED HERRING PROSPECTUS.
6. WE CERTIFY THAT REGULATION 33 OF THE SEBI (ICDR) REGULATIONS, WHICH RELATES TO EQUITY SHARES INELIGIBLE FOR COMPUTATION OF PROMOTERS' CONTRIBUTION, HAS BEEN DULY COMPLIED WITH AND APPROPRIATE DISCLOSURES AS TO COMPLIANCE WITH THE SAID REGULATION HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS. COMPLIED WITH AND NOTED FOR COMPLIANCE
7. WE UNDERTAKE THAT SUB-REGULATION (4) OF REGULATION 32 AND CLAUSE (C) AND (D) OF SUB-REGULATION (2) OF REGULATION 8 OF THE SEBI (ICDR) REGULATIONS SHALL BE COMPLIED WITH. WE CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE RECEIVED AT LEAST ONE DAY BEFORE THE OPENING OF THE OFFER. WE UNDERTAKE THAT AUDITORS' CERTIFICATE TO THIS EFFECT SHALL BE DULY SUBMITTED TO SEBI. WE FURTHER CONFIRM THAT ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT PROMOTERS' CONTRIBUTION SHALL BE KEPT IN AN ESCROW ACCOUNT WITH A SCHEDULED COMMERCIAL BANK AND SHALL BE RELEASED TO THE COMPANY ALONG WITH THE PROCEEDS OF THE PUBLIC OFFER. NOT APPLICABLE

8. WE CERTIFY THAT THE PROPOSED ACTIVITIES OF THE COMPANY FOR WHICH THE FUNDS ARE BEING RAISED IN THE PRESENT OFFER FALL WITHIN THE 'MAIN OBJECTS' LISTED IN THE OBJECT CLAUSE OF THE MEMORANDUM OF ASSOCIATION OR OTHER CHARTER OF THE COMPANY AND THAT THE ACTIVITIES WHICH HAVE BEEN CARRIED OUT UNTIL NOW ARE VALID IN TERMS OF THE OBJECT CLAUSE OF ITS MEMORANDUM OF ASSOCIATION.
9. WE CONFIRM THAT NECESSARY ARRANGEMENTS HAVE BEEN MADE TO ENSURE THAT THE MONEYS RECEIVED PURSUANT TO THE OFFER ARE KEPT IN A SEPARATE BANK ACCOUNT AS PER THE PROVISIONS OF SUB SECTION (3) OF SECTION 73 OF THE COMPANIES ACT, 1956 AND THAT SUCH MONEYS SHALL BE RELEASED BY THE SAID BANK ONLY AFTER PERMISSION IS OBTAINED FROM ALL THE STOCK EXCHANGES MENTIONED IN THE PROSPECTUS. WE FURTHER CONFIRM THAT THE AGREEMENT ENTERED INTO BETWEEN THE BANKERS TO THE OFFER, THE COMPANY, AND THE SELLING SHAREHOLDERS SPECIFICALLY CONTAINS THIS CONDITION. - NOTED FOR COMPLIANCE. ALL MONIES RECEIVED OUT OF THE OFFER SHALL BE CREDITED/TRANSFERRED TO A SEPARATE BANK ACCOUNT AS REFERRED TO IN SUB-SECTION (3) OF SECTION 40 OF THE COMPANIES ACT, 2013.
10. WE CERTIFY THAT A DISCLOSURE HAS BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS THAT THE INVESTORS SHALL BE GIVEN AN OPTION TO GET THE SHARES IN DEMAT OR PHYSICAL MODE. NOT APPLICABLE. UNDER SECTION 29 OF THE COMPANIES ACT, 2013, EQUITY SHARES IN THE OFFER HAVE TO BE ISSUED IN DEMATERIALISED FORM ONLY.
11. WE CERTIFY THAT ALL THE APPLICABLE DISCLOSURES MANDATED IN THE SEBI (ICDR) REGULATIONS HAVE BEEN MADE IN ADDITION TO DISCLOSURES WHICH, IN OUR VIEW, ARE FAIR AND ADEQUATE TO ENABLE THE INVESTOR TO MAKE A WELL INFORMED DECISION.
12. WE CERTIFY THAT THE FOLLOWING DISCLOSURES HAVE BEEN MADE IN THE DRAFT RED HERRING PROSPECTUS:
- (A) AN UNDERTAKING FROM THE COMPANY THAT AT ANY GIVEN TIME, THERE SHALL BE ONLY ONE DENOMINATION FOR THE EQUITY SHARES OF THE COMPANY; AND
- (B) AN UNDERTAKING FROM THE COMPANY THAT IT SHALL COMPLY WITH SUCH DISCLOSURE AND ACCOUNTING NORMS SPECIFIED BY SEBI FROM TIME TO TIME.
13. WE UNDERTAKE TO COMPLY WITH THE REGULATIONS PERTAINING TO ADVERTISEMENT IN TERMS OF THE SEBI (ICDR) REGULATIONS WHILE MAKING THE OFFER. - COMPLIED WITH AND NOTED FOR COMPLIANCE
14. WE ENCLOSE A NOTE EXPLAINING HOW THE PROCESS OF DUE DILIGENCE HAS BEEN EXERCISED BY US IN VIEW OF THE NATURE OF CURRENT BUSINESS BACKGROUND OF THE COMPANY, SITUATION AT WHICH THE PROPOSED BUSINESS STANDS, THE RISK FACTORS, PROMOTERS' EXPERIENCE, ETC.
15. WE ENCLOSE A CHECKLIST CONFIRMING REGULATION-WISE COMPLIANCE WITH THE APPLICABLE PROVISIONS OF THE SEBI (ICDR) REGULATIONS, CONTAINING DETAILS SUCH AS THE REGULATION NUMBER, ITS TEXT, THE STATUS OF COMPLIANCE, PAGE NUMBER OF THE DRAFT RED HERRING PROSPECTUS WHERE THE REGULATION HAS BEEN COMPLIED WITH AND OUR COMMENTS, IF ANY.
16. WE ENCLOSE STATEMENT ON 'PRICE INFORMATION OF PAST ISSUES HANDLED BY THE MANAGERS (WHO ARE RESPONSIBLE FOR PRICING THE OFFER), AS PER FORMAT SPECIFIED BY SEBI THROUGH CIRCULAR.
17. WE CERTIFY THAT PROFITS FROM RELATED PARTY TRANSACTIONS HAVE ARISEN FROM LEGITIMATE BUSINESS TRANSACTIONS. - COMPLIED WITH TO THE EXTENT OF THE RELATED PARTY TRANSACTIONS REPORTED, IN ACCORDANCE WITH ACCOUNTING STANDARD 18, IN THE FINANCIAL STATEMENTS OF THE COMPANY INCLUDED IN THE DRAFT RED HERRING PROSPECTUS
18. WE CERTIFY THAT THE ENTITY IS ELIGIBLE UNDER 106Y(1)(a) OR (b) (AS THE CASE MAY BE) TO LIST ON THE INSTITUTIONAL TRADING PLATFORM UNDER CHAPTER XC OF THESE REGULATIONS (IF APPLICABLE) - NOT APPLICABLE

The filing of this Draft Red Herring Prospectus does not, however, absolve any person who has authorised the issue of this

Draft Red Herring Prospectus from any liabilities under Section 34 or Section 36 of the Companies Act, 2013 or from the requirement of obtaining such statutory and/or other clearances as may be required for the purpose of the Offer. SEBI further reserves the right to take up at any point of time, with the Managers, any irregularities or lapses in this Draft Red Herring Prospectus.

The filing of this Draft Red Herring Prospectus does not absolve the Selling Shareholders from any liability to the extent the statements made by them in respect of the Equity Shares being offered by them under the Offer for Sale, under Section 34 and Section 36 of the Companies Act, 2013.

All legal requirements pertaining to the Offer will be complied with at the time of filing of the Red Herring Prospectus with the RoC in terms of Section 32 of the Companies Act, 2013. All legal requirements pertaining to the Offer will be complied with at the time of registration of the Prospectus with the RoC in terms of Sections 26 and 30 of the Companies Act, 2013.

Caution - Disclaimer from our Company, the Selling Shareholders and the Managers

Our Company, the Directors, the Selling Shareholders and the Managers accept no responsibility for statements made otherwise than in this Draft Red Herring Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website www.asterdmhealthcare.com or the respective websites of our Subsidiaries, Promoters, Promoter Group, Associate Companies or Group Entities, would be doing so at his or her own risk.

The Managers accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement to be entered into between the Underwriters, the Selling Shareholders and our Company.

All information shall be made available by our Company, the Selling Shareholders and the Managers to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in downloading the Bids due to faults in any software/ hardware system or otherwise.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not issue, sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The Managers and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

Disclaimer in respect of Jurisdiction

This Offer is being made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with the SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and to FIIs, Eligible NRIs and FPIs (including FIIs) and other eligible foreign investors including registered multilateral and bilateral development financial institutions. This Draft Red Herring Prospectus does not, however, constitute an invitation to subscribe to or purchase shares offered hereby in any jurisdiction other than India to any person to whom it is unlawful to make an offer or invitation in such jurisdiction. Any person into whose possession this Draft Red Herring Prospectus comes is required to inform himself or herself about, and to observe, any such restrictions. Any dispute arising out of this Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai only.

No action has been, or will be taken to permit a public offering in any jurisdiction where action would be required for that purpose, except that this Draft Red Herring Prospectus had been filed with the SEBI for its observations. Accordingly, the Equity Shares represented thereby may not be offered or sold, directly or indirectly, and this Draft Red Herring Prospectus may not be distributed, in any jurisdiction, except in accordance with the legal requirements applicable in such jurisdiction.

Neither the delivery of this Draft Red Herring Prospectus nor any sale hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of our Company, our Subsidiaries, our Associate Companies, our Group Entities or the Selling Shareholders since the date hereof or that the information contained herein is correct as of any time subsequent to this date.

The Equity Shares have not been and will not be registered under the Securities Act or any other applicable law of the United States and, unless so registered, and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in reliance on Regulation S under the Securities Act.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the Securities Act.

Equity Shares Offered and Sold within the United States

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of the Draft Red Herring Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with the Company and the Managers that it has received a copy of the Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (3) the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it is being made in a transaction exempt from or not subject to the registration requirements of the Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a qualified institutional buyer with respect to which it exercises sole investment discretion;
- (4) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (5) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;
- (6) the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;
- (7) the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the Securities Act;

- (8) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the Securities Act in the United States with respect to the Equity Shares;
- (9) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

- (10) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
- (11) the purchaser acknowledges that the Company, the Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

All Other Equity Shares Offered and Sold in this Offer

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of the Draft Red Herring Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with the Company and the Managers that it has received a copy of the Draft Red Herring Prospectus and such other information as it deems necessary to make an informed investment decision and that:

- (1) the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
- (2) the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act;
- (3) the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the Securities Act;
- (4) the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;
- (5) the purchaser is not an affiliate of the Company or a person acting on behalf of an affiliate;
- (6) if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until the Company determines, in its sole discretion, to remove them;

- (7) the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the Securities Act in the United States with respect to the Equity Shares;
- (8) the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless the Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.

- (9) the Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
- (10) the purchaser acknowledges that the Company, the Managers, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify the Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

In relation to each EEA State that has implemented the Prospectus Directive (Directive 2003/71/EC) (each, a “Relevant Member State”), an offer to the public of any Equity Shares may be made at any time under the following exemptions under the Prospectus Directive, if they have been implemented in that Relevant Member State:

- (a) to any legal entity which is a qualified investor as defined under the Prospectus Directive;
- (b) to fewer than 100 or, if the Relevant Member State has implemented the relevant provisions of the 2010 PD Amending Directive, 150 natural or legal persons (other than qualified investors), subject to obtaining the prior consent of the Underwriters; or
- (c) in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Equity Shares shall result in a requirement for the Company or any Underwriter to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive and each person who receives any communication in respect of, or who acquires any Equity Shares under, the offers contemplated in this Draft Red Herring Prospectus will be deemed to have represented, warranted and agreed to with the Underwriter and the Company that it is a qualified investor within the meaning of the law in that Relevant Member State implementing Article 2(1)(e) of the Prospectus Directive.

For the purposes of this provision, the expression an “offer to the public” in relation to any of the Equity Shares in any Relevant Member States means the communication in any form and by any means of sufficient information on the terms of the offer and the Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for the Equity Shares, as the same may be varied in that Relevant Member State by any measure implementing the Prospectus Directive in that Relevant Member State.

In the case of any Equity Shares acquired by it as a financial intermediary, as that term is used in Article 3(2) of the Prospectus Directive, each such financial intermediary will be deemed to have represented, acknowledged and agreed that the Equity Shares acquired by it in the offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in circumstances which may give rise to an offer of any Equity Shares to the public in a Relevant Member State prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the competent authority in that relevant member state or, where appropriate, approved in another Relevant Member State and notified to the competent authority in the Relevant Member State, all in accordance with the Prospectus Directive, other than their offer or resale to qualified investors or in circumstances in which the prior consent of the Underwriters has been obtained to each such proposed offer or resale.

The Company, the Underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement and agreement.

Disclaimer Clause of BSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Disclaimer Clause of the NSE

As required, a copy of this Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company, post scrutiny of this Draft Red Herring Prospectus, shall be included in the Red Herring Prospectus prior to the RoC filing.

Filing

A copy of this Draft Red Herring Prospectus has been filed with SEBI at Corporate Finance Department, Plot No. C4-A, 'G' Block, Bandra Kurla Complex, Bandra (East), Mumbai, India - 400 051.

A copy of the Red Herring Prospectus, along with the documents required to be filed under Section 32 of the Companies Act, 2013 would be delivered for registration to the RoC and a copy of the Prospectus to be filed under Section 26 of the Companies Act, 2013 would be delivered for registration with RoC at the Office of the Registrar of Companies, 1st Floor, Company Law Bhavan, B.M.C. Road, Thrikkara P.O., Kakkanad, Kochi, Kerala, India - 682 021.

Listing

Applications have been made to the Stock Exchanges for permission to deal in and for an official quotation of the Equity Shares. [●] will be the Designated Stock Exchange with which the Basis of Allotment will be finalised.

If the permissions to deal in, and for an official quotation of, the Equity Shares are not granted by any of the Stock Exchanges mentioned above, our Company and the Selling Shareholders will forthwith repay without interest, all moneys received from the applicants in pursuance of the Red Herring Prospectus as required by applicable law. If such money is not repaid within the prescribed time, then our Company, the Selling Shareholders and every officer in default shall be liable to repay the money, with interest, as prescribed under applicable law.

Our Company shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at all the Stock Exchanges mentioned above are taken within six Working Days from the Bid/Offer Closing Date. Further, the Selling Shareholders confirm that it shall extend all reasonable co-operation required by our Company, the Managers for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other timeline as prescribed by law.

The fees and expenses relating to the Offer shall be shared, upon successful completion of the Offer, in the proportion mutually agreed among the Company and the Selling Shareholders, in accordance with applicable law. However in the event that the Offer is withdrawn by the Company for any reason whatsoever, all the Offer related expenses will be borne by the Company.

Price information of past issues handled by the Managers

A. Kotak

1. Price information of past issues handled by Kotak

Sr. No.	Issue Name	Issue Size (₹ Cr.)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Parag Milk Foods Limited ⁽¹⁾	750.54	215	May 19, 2016	217.50	+17.07%[+4.97%]	-	-
2.	Ujjivan Financial Services Limited	882.50	210	May10, 2016	231.90	+72.38%[+4.88%]	-	-
3.	Healthcare Global Enterprises Limited	649.64	218	March 30, 2016	210.20	-15.32%[+1.45%]	-	-
4.	Dr. Lal PathLabs Limited ⁽²⁾	631.91	550	December 23, 2015	720.00	+32.54%[-7.49%]	+66.95% [-2.06%]	+63.13% [+3.87%]
5.	S H Kelkar and Company Limited	508.17	180	November 16, 2015	223.70	+21.69%[-1.35%]	+20.78%[-10.58%]	+24.97% [+0.11%]
6.	Interglobe Aviation Limited ⁽³⁾	3,008.50	765	November 10, 2015	855.80	+32.39%[-2.20%]	+7.76%[-5.09%]	+40.59% [-0.64%]
7.	Coffee Day Enterprises Limited	1,150.00	328	November 2, 2015	317.00	-21.42%[-1.19%]	-19.73%[-6.05%]	-20.98% [-2.50%]
8.	Sadbhav Infrastructure Project Limited	491.66	103	September 16, 2015	111.00	-2.28% [+3.55%]	-5.63%[-3.15%]	-12.67% [-4.92%]
9.	Power Mech Projects Limited	273.22	640	August 26, 2015	600.00	-9.36% [+0.98%]	-4.63% [+0.74%]	-10.65% [-7.15%]
10.	Manpasand Beverages Limited	400.00	320	July 9, 2015	300.00	+23.20% [+2.83%]	+36.53% [-2.11%]	+58.34% [-6.45%]
11.	Adlabs Entertainment Limited ⁽⁴⁾	374.59	180	April 6, 2015	162.20	-18.36% [-3.87%]	-12.08% [-2.02%]	-38.39% [-8.19%]
12.	Ortel Communications Limited	173.65	181	March 19, 2015	160.05	-3.67% [-0.33%]	-5.91% [-6.80%]	+12.21% [-8.83%]

Source: www.nseindia.com

Notes:

1. In Parag Milk Foods Limited , the issue price to retail individual investor and employees was ₹ 203 per equity share after a discount of ₹ 12 per equity share. The Anchor Investor Issue price was ₹ 227 per equity share.
2. In Dr. Lal PathLabs Limited, the issue price to retail individual investor was ₹ 535 per equity share after a discount of ₹ 15 per equity share. The Anchor Investor Issue price was ₹ 550 per equity share.
3. In Interglobe Aviation Limited, the issue price to employees was ₹ 688.50 per equity share after a discount of ₹ 76.5 per equity share. The Anchor Investor Issue price was ₹ 765 per equity share.
4. In Adlabs Entertainment Limited, the issue price to retail individual investor was ₹ 168 per equity share after a discount of ₹ 12 per equity share. The Anchor Investor Issue price was ₹ 221 per equity share.
5. In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.
6. Nifty is considered as the benchmark index.

2. Summary statement of disclosure

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-2017*	2	1633.03	-	-	-	1	-	1	-	-	-	-	-	-
2015-2016	9	7487.69	-	-	5	-	2	2	-	1	3	1	1	1
2014-2015	1	173.65	-	-	1	-	-	-	-	-	-	-	-	1

*The information is as on the date of this Draft Red Herring Prospectus

B. Merrill Lynch

1. Price information of past issues handled by Merrill Lynch

Sr. No.	Issue name	Issue size (₹ in Million)	Issue price (₹)	Listing date	Opening price on listing date (in ₹)	% Change in closing price, (% change in closing benchmark) - 30th calendar day from listing ^{(2) (3) (4)}	% Change in closing price, (% change in closing benchmark) - 90th calendar day from listing ^{(2) (3) (5)}	% Change in closing price, (% change in closing benchmark) - 180th calendar day from listing ^{(2) (3) (6)}
1.	Inox Wind Limited ⁽¹⁾	10,205.27	325.00	April 9, 2015	400.00	+28.54%[-6.68%]	+42.42%[-3.05%]	+11.20%[-7.51%]

Notes:

1. In Inox Wind Limited, price for retail individual bidders and eligible employees was ₹ 310.00 per equity share.
2. Benchmark index is CNX Nifty.
3. In case 30th day, 90th day or 180th day is not a trading day, closing price on NSE of next trading day is considered.
4. 30th listing day has been taken as listing date plus 29 calendar days.
5. 90th listing day has been taken as listing date plus 89 calendar days.
6. 180th listing day has been taken as listing date plus 179 calendar days.

2. Summary statement of price information of past issues handled by Merrill Lynch

Financial year	Total no. of IPOs	Total funds raised (₹ in Million)	No. of IPOs trading at discount – 30 th calendar day from listing			Nos. of IPOs trading at premium – 30 th calendar day from listing			Nos. of IPOs trading at discount – 180 th calendar day from listing			Nos. of IPOs trading at premium – 180 th calendar day from listing		
			Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%	Over 50%	Between 25%-50%	Less than 25%
April 1, 2016 to June 8, 2017	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-2016	1	10,205.27	-	-	-	-	1	-	-	-	-	-	-	1
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-

C. Edelweiss

1. Price information of past issues handled by Edelweiss

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1	Thyrocare Technologies Limited	4,792.14	446.00	May 9, 2016	665.00	36.85%[5.09%]	NA	NA
2	Equitas Holdings Limited	21,766.85	110.00	April 21, 2016	145.10	34.64%[-2.05%]	NA	NA
3	Healthcare Global Enterprises Limited	6,496.40	218.00	March 30, 2016	210.20	-15.3%[1.45%]	NA	NA
4	Alkem Laboratories Limited [@]	13,477.64	1,050.00	December 23, 2015	1,380.00	30.34%;[-7.49%]	28.60% [-2.06%]	31.91%[4.74%]
5	Coffee Day Enterprises Limited	11,500.00	328.00	November 2, 2015	317.00	-21.42%;[-1.19%]	-20.76%;[-6.15%]	-20.98%[-2.50%]
6	Prabhat Dairy Limited [^]	3,561.88	115.00	September 21, 2015	113.00	11.78% ; [3.57%]	30.83% [-1.79%]	-5.48%[-4.67%]
7	Sadbhav Infrastructure Project Limited	4,916.57	103.00	September 16, 2015	111.00	-2.28%, [3.55%]	-5.63%;[-3.15%]	-14.56%[-4.56%]
8	Navkar Corporation Limited	6,000.00	155.00	September 9,2015	152.00	0.97%, [3.97%]	26.00% [-0.68%]	6.29% [-4.26%]
9	Inox Wind Limited*	10,205.34	325.00	April 9, 2015	400.00	28.54%;[-6.68%]	42.42%;[-3.05%]	11.20%;[-7.51%]
10	Monte Carlo Fashions Limited	3,504.30	645.00	December 19, 2014	584.00	-26.20%, [3.96%]	-23.57%, [5.60%]	-20.88%;[-2.16%]

Source: www.nseindia.com

[@] Alkem Laboratories Limited - Discount of ₹100 per equity share offered to eligible employees. All calculations are based on offer price of ₹1,050.00 per equity share

*Inox Wind Ltd - Discount of ₹15 per equity share offered to retail investors and eligible employees. All calculations are based on issue price of ₹325.00 per equity share

[^] Prabhat Dairy Ltd - Discount of ₹5 per equity share offered to retail investors. All calculations are based on issue price of ₹115.00 per equity share

Notes

- Based on date of listing.
- % of change in closing price on 30th/ 90th / 180th calendar day from listing day is calculated vs Issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30th/ 90th / 180th calendar day from listing day.
- Wherever 30th/ 90th / 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.
- The Nifty 50 index is considered as the Benchmark Index

- (e). Not Applicable. – Period not completed
(f). Disclosure in Table-1 restricted to 10 issues.

2. Summary statement of price information of past issues handled by Edelweiss

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016 - 17^	2	26,558.99	-	-	-	-	2	-	-	-	-	-	-	-
2015 -2016	7	56,157.83	-	-	3	-	2	2	-	-	3	-	1	2
2014 -2015	3	8,835.40	-	1	-	2	-	-	-	-	1	2	-	-

^The information is as on the date of the document

1. Based on date of listing.
2. Wherever 30th and 180th calendar day from listing day is a holiday, the closing data of the next trading day has been considered.
3. The Nifty 50 index is considered as the Benchmark Index

For the financial year 2016-17 – none of the issues completed 180 days

For the financial year 2015-16 – 180 days period completed for 6 issues

For the financial year 2014-15 total 3 issues were completed. However, disclosure under Table-1 is restricted to 10 issues.

D. GS

1. Price information of past issues handled by GS:

Sr. No.	Issue Name	Issue Size (₹ Cr.)	Issue Price (₹)	Listing Date	Opening Price on listing date (₹)	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180th calendar days from listing
1.	Healthcare Global Enterprises Limited	649.64	218	March 30, 2016	210.20	-15.32%[+1.45%]	-	-

Source: www.nseindia.com

2. Summary statement of price information of past issues handled by GS:

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Cr.)	No. of IPOs trading at discount - 30th calendar days from listing			No. of IPOs trading at premium - 30th calendar days from listing			No. of IPOs trading at discount - 180th calendar days from listing			No. of IPOs trading at premium - 180th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2015-2016	1	694.64	-	-	1	-	-	-	-	-	-	-	-	-

E. I Sec

1. Price information of past issues handled by I Sec

Sr. No.	Issue Name	Issue Size (₹ Mn.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date	+/- % change in closing price, [+/- % change in closing benchmark]- 30 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 90 th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]- 180 th calendar days from listing
1.	Ujjivan Financial Services Limited	8,824.96	210.00	May 10, 2016	231.90	+72.38%, [+4.88%]	-	-
2.	Thyrocare Technologies Limited	4,792.14	446.00	May 9, 2016	665.00	+36.85%, [+5.09%]	-	-
3.	Equitas Holdings Limited	21,766.85	110.00	April 21, 2016	145.10	+34.95%, [-1.63%]	-	-
4.	Quick Heal Technologies Limited	4,512.53	321.00	February 18, 2016	305.00	-31.56%, [+5.74%]	-20.05%, [+9.72%]	-
5.	Teamlease Services Limited	4,236.77	850.00	February 12, 2016	860.00	+15.34%, [+7.99%]	+5.38, [+12.43]	-
6.	Sadbhav Infrastructure Project Limited	4,916.57	103.00	September 16, 2015	111.00	-2.28%, [+3.55%]	-5.63, [-3.15]	-14.56%, [-4.56%]
7.	Manpasand Beverages Limited	4,000.00	320.00	July 9, 2015	300.00	+23.20%, [+2.83%]	+36.53%, [-2.11%]	+58.34%, [-6.45%]
8.	PNC Infratech Limited	4,884.41	378.00	May 26, 2015	387.00	+0.32%, [+0.26%]	+14.66%, [-6.36%]	+42.72%, [-5.88%]
9.	VRL Logistics Limited	4,678.78	205.00	April 30, 2015	288.00	+50.90%, [+3.08%]	+85.49%, [+1.90%]	+100.90%, [+0.97%]
10.	Shemaroo Entertainment Limited	1,200.00	170.00 ⁽¹⁾	October 1, 2014	180.00	-5.74%, [+2.81%]	-5.88%, [+3.79%]	+5.85%, [+6.88%]
11.	Wonderla Holidays Limited	1,812.50	125.00	May 9, 2014	160.00	+72.92%, [+11.60%]	+78.96%, [+11.86%]	+162.32%, [+21.57%]

(1) Discount of ₹17 per equity share offered to retail investors. All calculations are based on Issue Price of ₹170.00 per equity share

Notes:

1. All data sourced from www.nseindia.com
2. Benchmark index considered is NIFTY
3. 30th, 90th, 180th calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30th, 90th, 180th calendar day is a holiday, in which case we have considered the closing data of the next trading day

2. Summary statement of price information of past issues handled by I Sec

Financial Year	Total no. of IPOs	Total amount of funds raised (₹ Mn.)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-17	3	35,383.95	-	-	-	1	2	-	-	-	-	-	-	-
2015-16	6	27,229.06	-	1	1	1	-	3	-	-	1	2	1	-
2014-15	2	3,012.50	-	-	1	1	-	-	-	-	-	1	-	1

F. JM Financial

1. Price information of past issues handled by JM Financial

Sr. No.	Issue Name	Issue Size (₹ in Cr.)	Issue Price (₹)	Listing Date	Opening Price on Listing Date (₹) ⁽²⁾	+/- % change in closing price ⁽³⁾ , [+/- % change in closing benchmark] ⁽⁴⁾ - 30 th calendar days from listing	+/- % change in closing price ⁽³⁾ , [+/- % change in closing benchmark] ⁽⁴⁾ - 90 th calendar days from listing	+/- % change in closing price ⁽³⁾ , [+/- % change in closing benchmark] ⁽⁴⁾ - 180 th calendar days from listing
1	Parag Milk Foods Limited	750.54	215 ⁽¹⁾	May 19, 2016	217.50	+17.07% [+4.97%]	NA	NA
2	Thyrocare Technologies Limited	479.21	446	May 9, 2016	665.00	+36.85% [+5.09%]	NA	NA
3	S H Kelkar and Company Limited	508.17	180	November 16, 2015	223.70	+21.69% [-1.35%]	+20.78% [-10.58%]	+24.97% [+0.11%]

Source: www.nseindia.com for price information and prospectus/ basis of allotment for issue details

Notes:

1. Issue Price for Anchor Investors was ₹227 per Equity Share and a discount of ₹12 per Equity Share had been offered to Eligible Employees and Retail Individual Bidders
2. Opening Price information as disclosed on the website of NSE
3. Change in closing price over the issue/offer price as disclosed on NSE
4. Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50
5. In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.
6. 30th calendar day has been taken as listing date plus 29 calendar days; 90th calendar day has been taken as listing date plus 89 calendar days; 180th calendar day has been taken as listing date plus 179 calendar days.

2. Summary statement of price information of past issues handled by JM Financial

Financial Year	Total no. of IPOs	Total amount of funds raised (□ in Cr.)	No. of IPOs trading at discount - 30 th calendar days from listing			No. of IPOs trading at premium - 30 th calendar days from listing			No. of IPOs trading at discount - 180 th calendar days from listing			No. of IPOs trading at premium - 180 th calendar days from listing		
			Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%	Over 50%	Between 25-50%	Less than 25%
2016-2017	2	1,229.75	-	-	-	-	1	1	-	-	-	-	-	-
2015-2016	1	508.17	-	-	-	-	-	1	-	-	-	-	-	1
2014-2015	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Source: www.nseindia.com

G. SBICap

1. Price information of past issues handled by SBICap

Sr. No.	Issue Name	Issue Size (₹ in million)	Issue price (₹)	Listing date	Opening price on listing date	+/- % change in closing price, [+/- % change in closing benchmark]- 30th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-90th calendar days from listing	+/- % change in closing price, [+/- % change in closing benchmark]-180th calendar days from listing
1.	Monte Carlo Fashions Limited	3,504.30	645.00	December 19, 2014	585.00	-26.53% [+3.25%]	-23.37% [+4.57%]	-21.01% [-2.50%]
2.	Navkar Corporation Limited	6,000.00	155.00	September 9, 2015	152.00	+0.71% [+4.38%]	+25.81%[-0.74%]	+6.13% [-4.12%]
3.	Prabhat Dairy Limited	3,561.88	115.00	September 21, 2015	115.00	+11.78% [+3.57%]	+30.83%[-1.79%]	-5.48% [-4.67%]
4.	Precision Camshafts Limited	4101.90	186.00	February 8, 2016	163.10	-14.68% [+1.53%]	-9.26% [+5.77%]	NA
5	Infibeam Incorporation Limited	4,500.00	432.00	April 4, 2016	458.00	+13.54%[-0.67%]	NA	NA

Note:

1. The 30th, 90th and 180th calendar day computation includes the listing day. If either of the 30th, 90th or 180th calendar days is a trading holiday, the next trading day is considered for the computation. We have taken the Issue price to calculate the % change in closing price as on 30th, 90th and 180th day. We have taken the closing price of the applicable benchmark index as on the listing day to calculate the % change in closing price of the benchmark as on 30th, 90th and 180th day.
2. The Designated Exchange for the Issue has been considered for the price, benchmark index and other details.

2. Summary statement of price information of past issues handled by SBICap

Financial year	Total no. Of IPOs	Total funds raised (₹Mn)	Number of IPOs trading at a discount as on 30th calendar day from listing day			Number of IPOs trading at a premium as on 30th calendar day from listing day			Number of IPOs trading at a discount as on 180th calendar day from listing day			Number of IPOs trading at a premium as on 180th calendar day from listing day		
			Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%	Over 50%	Between 25% and 50%	Less than 25%
2016-17	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2015-16	4	18,163.78	-	-	1	-	-	3	-	-	1	-	-	1
2014-15	1	3,504.30	-	1	-	-	-	-	-	-	1	-	-	-

Note:

The 30th and 180th calendar day computation includes the listing day. If the 30th and 180th calendar day is a trading holiday, the next trading day is considered for the computation.

Track record of past issues handled by the Managers

For details regarding the track record of the Manager, as specified in Circular reference CIR/MIRSD/1/2012 dated January 10, 2012 issued by SEBI, please see the websites of the Managers as set forth in the table below:

Sl. No	Name of the Managers	Website
1.	Kotak	http:// investmentbank.kotak.com/track-record/Disclaimer.html
2.	Merrill Lynch	http:// www.dspml.com
3.	GS	http://www.goldmansachs.com/worldwide/india/track-record.html
4.	Edelweiss	http://www.edelweissfin.com
5.	I-Sec	http://www.icicisecurities.com
6.	JM Financial	http:// www.jmfl.com
7.	SBICap	http://www.sbicaps.com/index.php/track-record-of-public-issue

Consents

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, our Chief Financial Officer, our Statutory Auditors, Indian Legal Counsel to our Company, Indian Legal Counsel to the Managers, International Legal Counsel to the Managers, GCC Counsel to our Company, Banker/ Lenders to our Company and our Subsidiaries, the Managers, the Syndicate Members, the Escrow Collection Banks and the Registrar to the Offer to act in their respective capacities, will be obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents shall not be withdrawn up to the time of delivery of the Red Herring Prospectus for registration with the RoC.

In accordance with the Companies Act, 2013 and the SEBI ICDR Regulations, our Statutory Auditors, BSR and Associates, Chartered Accountants, have given their written consent for inclusion of their reports dated June 13, 2016 on the Restated Financial Statements of our Company, report dated June 13, 2016 in relation to the proforma financial information and the statement of tax benefits dated June 21, 2016 in the form and context, included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus for filing with SEBI.

Expert to the Offer

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors namely, BSR and Associates, Chartered Accountants, to include its name as an expert under Section 26 of the Companies Act, 2013 in this Draft Red Herring Prospectus in relation to the report dated June 13, 2016 on the Restated Financial Statements of our Company, report dated June 13, 2016 on the proforma financial statements and the statement of tax benefits dated June 21, 2016 included in this Draft Red Herring Prospectus and such consent has not been withdrawn up to the time of delivery of this Draft Red Herring Prospectus.

Offer Expenses

The expenses of this Offer include, among others, underwriting and management fees, selling commissions, printing and distribution expenses, legal fees, statutory advertisement expenses, registrar and depository fees and listing fees. For further details of Offer expenses, see “*Objects of the Offer*” on page 99.

The fees and expenses relating to the Offer shall be shared, upon successful completion of the Offer, in the proportion mutually agreed among the Company and the Selling Shareholders in accordance with Applicable Law. However, in the event that the Offer is withdrawn by the Company for any reason whatsoever, all the Offer related expenses will be borne by the Company. The Selling Shareholders shall reimburse the Company for all expenses incurred by the Company in relation to the Offer for Sale on each of their behalf.

Fees Payable to the Registrar to the Offer

The fees payable by our Company and the Selling Shareholders to the Registrar to the Offer for processing of applications, data entry, printing of Allotment Advice/CAN/refund order, preparation of refund data on magnetic tape, printing of bulk mailing register will be as per the agreement dated June 23, 2016 entered into, between our Company, the Selling Shareholders and the Registrar to the Offer a copy of which is available for inspection at the Registered and Corporate Office.

The Registrar to the Offer will be reimbursed for all out-of-pocket expenses including cost of stationery, postage, stamp duty and communication expenses. Adequate funds will be provided to the Registrar to the Offer to enable it to send refund orders or Allotment advice by registered post/ speed post/ under certificate of posting.

The Selling Shareholders will reimburse our Company a part of the expenses incurred proportionately.

IPO grading

The Company may appoint an IPO grading agency registered with SEBI in respect of obtaining grading for the Offer. Such an IPO grading agency may be appointed prior to filing of the Red Herring Prospectus with the RoC.

Particulars regarding public or rights issues by our Company during the last five years

Our Company has not made any public or rights issues during the five years preceding the date of this Draft Red Herring Prospectus.

Previous issues of Equity Shares otherwise than for cash

Except as disclosed in “*Capital Structure*” on page 82, our Company has not issued any Equity Shares for consideration

otherwise than for cash.

Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares

Since this is the initial public issue of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares since our Company's inception.

Previous capital issue during the previous three years by listed Group Entities, Subsidiaries and Associate Companies of our Company

None of our Group Entities, Subsidiaries and Associate Companies of our Company have undertaken a capital issue in the last three years preceding the date of this Draft Red Herring Prospectus.

Performance vis-à-vis objects – Public/ rights issue of our Company and/ or listed Group Entities, Subsidiaries and Associate Companies of our Company

Our Company has not undertaken any previous public or rights issue. None of our Group Entities, Subsidiaries or Associate Companies of our Company have undertaken any public or rights issue in the last ten years preceding the date of this Draft Red Herring Prospectus.

Outstanding Debentures or Bonds

There are no outstanding debentures or bonds as of the date of filing this Draft Red Herring Prospectus.

Outstanding Preference Shares or convertible instruments issued by our Company

Except the CCPS and RAR CCPS issued by our Company which shall be converted to Equity Shares prior to filing of the Red Herring Prospectus with the RoC and options granted by our Company under ESOP 2013, there are no outstanding instruments as on the date of this Draft Red Herring Prospectus. For further details in relation to the CCPS and RAR CCPS issued and options granted by our Company, see "*Capital Structure*" and "*History and Certain Corporate Matters*" on pages 82 and 176 respectively.

Partly Paid-up Equity Shares

Our Company does not have any partly paid-up Equity Shares as on the date of this Draft Red Herring Prospectus.

Stock Market Data of Equity Shares

This being an initial public offer of our Company, the Equity Shares are not listed on any stock exchange.

Fees Payable to the Syndicate

The total fees payable to the Syndicate (including underwriting commission and selling commission and reimbursement of their out-of-pocket expense) will be as per the fee/engagement letter dated June 23, 2016.

For details of the Offer expenses, see "*Objects of the Offer*" on page 99.

Commission payable to SCBSs, Registered Brokers, RTAs and CDPs

For details of the commission payable to SCBSs, Registered Brokers, RTAs and CDPs see "*Objects of the Offer*" on page 99.

Redressal of Investor Grievances

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least three years from the last date of despatch of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

Our Company has appointed a Stakeholders' Relationship Committee comprising Rajagopal Sukumar, Anoop Moopen and T. J. Wilson as members. For details, see "*Our Management*" on page 217.

Our Company has also appointed Rajesh A., Company Secretary of our Company as the Compliance Officer for the Offer. For details, see "*General Information*" on page 74.

There are no listed companies under the same management as our Company.

Changes in Auditors

There has been no change in the statutory auditors in the last three years

Capitalisation of Reserves or Profits

Our Company has not capitalised its reserves or profits at any time during the last five years, except as stated in "*Capital Structure*" on page 82.

Revaluation of Assets

Our Company has not re-valued its assets at any time in the last five years.

SECTION VII: OFFER INFORMATION

TERMS OF THE OFFER

The Equity Shares being issued and transferred pursuant to this Offer shall be subject to the provisions of the Companies Act, SEBI ICDR Regulations, SCRA, SCRR, the Memorandum and Articles of Association, the terms of the Red Herring Prospectus, the Prospectus, the Abridged Prospectus, Bid cum Application Form, the Revision Form, the CAN/Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advices and other documents/certificates that may be executed in respect of the Offer. The Equity Shares shall also be subject to laws as applicable, guidelines, rules, notifications and regulations relating to the issue of capital and listing and trading of securities issued from time to time by SEBI, the Government of India, the Stock Exchanges, the RBI, RoC and/or other authorities, as in force on the date of the Offer and to the extent applicable or such other conditions as may be prescribed by the SEBI, the RBI, the Government of India, the Stock Exchanges, the RoC and/or any other authorities while granting its approval for the Offer.

Offer for Sale

The Offer comprises an Offer for Sale by the Selling Shareholders. All Offer related expenses shall be borne *pro-rata* as agreed amongst our Company and the Selling Shareholders in proportion to the respective Equity Shares offered by each of them in the Offer in accordance with applicable law. However, in the event that the Offer is withdrawn by the Company for any reason whatsoever, all the Offer related expenses will be borne by our Company. The Selling Shareholders shall reimburse our Company for all expenses incurred by the Company in relation to the Offer for Sale on each of their behalf.

Ranking of the Equity Shares

The Equity Shares being issued and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, the Memorandum of Association and Articles of Association and shall rank *pari-passu* in all respects with the existing Equity Shares including in respect of the right to receive dividend. The Allottees upon Allotment of Equity Shares under the Offer, will be entitled to dividend and other corporate benefits, if any, declared by our Company after the date of Allotment. For further details, see “*Main Provisions of Articles of Association*” on page 511.

Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to the Shareholders in accordance with the provisions of Companies Act, the Memorandum and Articles of Association and provisions of the Listing Regulations. For further details, in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 243 and 511, respectively.

Face Value and Offer Price

The face value of each Equity Share is ₹10 and the Offer Price at the lower end of the Price Band is ₹[●] per Equity Share and at the higher end of the Price Band is ₹[●] per Equity Share. The Anchor Investor Offer Price is ₹[●] per Equity Share.

The Price Band and the minimum Bid Lot size for the Offer will be decided by our Company in consultation with the Selling Shareholders and the Managers and advertised in [●] edition of the English national newspaper [●], [●] edition of the Hindi national newspaper [●] and [●] edition of the Malayalam newspaper [●], each with wide circulation, at least five Working Days prior to the Bid/Offer Opening Date and shall be made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, shall be pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges.

At any given point of time there shall be only one denomination of Equity Shares.

Compliance with disclosure and accounting norms

Our Company shall comply with all disclosure and accounting norms as specified by SEBI from time to time.

Rights of the Equity Shareholders

Subject to applicable laws, rules, regulations and guidelines and the Articles of Association, our equity Shareholders shall have the following rights:

- Right to receive dividends, if declared;
- Right to attend general meetings and exercise voting rights, unless prohibited by law;

- Right to vote on a poll either in person or by proxy, in accordance with the provisions of the Companies Act;
- Right to receive offers for rights shares and be allotted bonus shares, if announced;
- Right to receive surplus on liquidation, subject to any statutory and preferential claim being satisfied;
- Right of free transferability, subject to applicable laws including any RBI rules and regulations; and
- Such other rights, as may be available to a shareholder of a listed public company under the Companies Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Articles of Association of our Company.

For a detailed description of the main provisions of the Articles of Association of our Company relating to voting rights, dividend, forfeiture and lien, transfer, transmission and/or consolidation/splitting, see “*Main Provisions of Articles of Association*” on page 511.

Market Lot and Trading Lot

Pursuant to Section 29 of the Companies Act, 2013 the Equity Shares shall be allotted only in dematerialised form. As per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form. In this context, two agreements have been signed amongst our Company, the respective Depositories and the Registrar to the Offer:

- Agreement dated December 16, 2014 amongst NSDL, our Company and the Registrar to the Offer; and
- Agreement dated November 21, 2014 amongst CDSL, our Company and the Registrar to the Offer.

Since trading of the Equity Shares is in dematerialised form, the tradable lot is one Equity Share. Allotment in this Offer will be only in electronic form in multiples of one Equity Share subject to a minimum Allotment of [●] Equity Shares.

Joint Holders

Where two or more persons are registered as the holders of the Equity Shares, they shall be entitled to hold the same as joint tenants with benefits of survivorship.

Jurisdiction

Exclusive jurisdiction for the purpose of this Offer is with the competent courts/authorities in Mumbai.

Nomination facility to investors

In accordance with Section 72 of the Companies Act, 2013 the sole Bidder, or the first Bidder along with other joint Bidders, may nominate any one person in whom, in the event of the death of sole Bidder or in case of joint Bidders, death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest. A person, being a nominee, entitled to the Equity Shares by reason of the death of the original holder(s), shall be entitled to the same advantages to which he or she would be entitled if he or she were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to equity share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale/transfer/alienation of equity share(s) by the person nominating. A buyer will be entitled to make a fresh nomination in the manner prescribed. Fresh nomination can be made only on the prescribed form available on request at our Registered Office or to the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of the provisions of Section 72 of the Companies Act, 2013 shall upon the production of such evidence as may be required by the Board, elect either:

- a) to register himself or herself as the holder of the Equity Shares; or
- b) to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, the Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment of Equity Shares in the Offer will be made only in dematerialized mode there is no need to make a separate nomination with our Company. Nominations registered with respective depository participant of the applicant would prevail. If the investor wants to change the nomination, they are requested to inform their respective depository participant.

Withdrawal of the Offer

Our Company in consultation with the Selling Shareholders and the Managers, reserves the right not to proceed with the Offer after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the newspapers in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. The Registrar to the Offer, shall notify the SCSBs to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. Our Company shall also inform the same to the Stock Exchanges on which Equity Shares are proposed to be listed. The notice of withdrawal shall be included in the same newspapers in which the post Offer advertisements have appeared.

Notwithstanding the foregoing, this Offer is also subject to obtaining (i) the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment, and (ii) the final RoC approval of the Prospectus after it is filed with the RoC. If our Company withdraws the Offer after the Bid/Offer Closing Date and thereafter determines that it will proceed with an issue/offer for sale of the Equity Shares, our Company shall file a fresh draft red herring prospectus with SEBI.

Bid/Offer Programme

BID/OFFER OPENS ON	[●] ⁽¹⁾
BID/OFFER CLOSES ON (FOR QIBs)	[●] ⁽²⁾
BID/OFFER CLOSES ON (FOR OTHER BIDDERS)	[●]

- (1) Our Company may, in consultation with the Selling Shareholders and the Managers, consider participation by Anchor Investors. The Anchor Investor Bid/Offer Period shall be one Working Day prior to the Bid/Offer Opening Date in accordance with the SEBI ICDR Regulations
- (2) Our Company may, in consultation with the Selling Shareholders and the Managers, consider closing the Bid/Offer Period for QIBs one day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations

An indicative timetable in respect of the Offer is set out below:

Event	Indicative Date
Bid/Offer Closing Date	[●]
Finalisation of Basis of Allotment with the Designated Stock Exchange	On or about [●]
Initiation of refunds (if any, for Anchor Investors)/unblocking of funds from ASBA Account	On or about [●]
Credit of Equity Shares to demat accounts of Allottees	On or about [●]
Commencement of trading of the Equity Shares on the Stock Exchanges	On or about [●]

The above timetable, other than the Bid/Offer Closing Date, is indicative and does not constitute any obligation on our Company or the Selling Shareholders or the Managers.

Whilst our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date, the timetable may be extended due to various factors, such as extension of the Bid/Offer Period by our Company and the Selling Shareholders, revision of the Price Band or any delay in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws.

Submission of Bids (other than Bids from Anchor Investors):

Bid/Offer Period (except the Bid/Offer Closing Date)	
Submission and Revision in Bids	Only between 10.00 a.m. and 5.00 p.m. (Indian Standard Time ("IST"))
Bid/Offer Closing Date	
Submission and Revision in Bids	Only between 10.00 a.m. and 3.00 p.m. IST

On the Bid/Offer Closing Date, the Bids shall be uploaded until:

- (i) 4.00 p.m. IST in case of Bids by QIBs and Non-Institutional Bidders, and
- (ii) until 5.00 p.m. IST or such extended time as permitted by the Stock Exchanges, in case of Bids by Retail Individual Bidders.

On Bid/Offer Closing Date, extension of time will be granted by Stock Exchanges only for uploading Bids received by Retail Individual Bidders after taking into account the total number of Bids received and as reported by the Managers to the Stock Exchanges.

It is clarified that Bids not uploaded on the electronic bidding system or in respect of which the full Bid Amount is not blocked by SCSBs would be rejected.

Due to limitation of time available for uploading the Bids on the Bid/Offer Closing Date, Bidders are advised to submit their Bids one day prior to the Bid/Offer Closing Date. Any time mentioned in this Draft Red Herring Prospectus is IST. Bidders are cautioned that, in the event a large number of Bids are received on the Bid/Offer Closing Date, some Bids may not get uploaded due to lack of sufficient time. Such Bids that cannot be uploaded will not be considered for allocation under this Offer. Bids will be accepted only during Monday to Friday (excluding any public/bank holiday). None among our Company, the Selling Shareholders or any member of the Syndicate is liable for any failure in uploading the Bids due to faults in any software/hardware system or otherwise.

Our Company in consultation with the Selling Shareholders and the Managers reserves the right to revise the Price Band during the Bid/Offer Period. The revision in the Price Band shall not exceed 20% on either side, i.e. the Floor Price can move up or down to the extent of 20% of the Floor Price and the Cap Price will be revised accordingly.

In case of revision in the Price Band, the Bid/Offer Period shall be extended for at least three additional Working Days after such revision, subject to the Bid/Offer Period not exceeding 10 Working Days. Any revision in Price Band, and the revised Bid/Offer Period, if applicable, shall be widely disseminated by notification to the Stock Exchanges, by issuing a press release and also by indicating the change on the terminals of the Syndicate Members.

Minimum Subscription

If our Company does not receive (i) the minimum subscription of 90% of the Fresh Issue; and (ii) a subscription in the Offer equivalent to at least 10% post-Offer paid up Equity Share capital of our Company (the minimum number of securities as specified under Rule 19(2)(b)(iii) of the SCRR), including devolvement of Underwriters, if any, within 60 days from the date of Bid/Offer Closing Date, our Company shall forthwith refund the entire subscription amount received. If there is a delay beyond the prescribed time, our Company shall pay interest prescribed under the Companies Act, 2013, the SEBI ICDR Regulations and applicable law. The requirement for minimum subscription is not applicable to the Offer for Sale. In case of under-subscription in the Offer, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

Further, our Company shall ensure that the number of prospective allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

Any expense incurred by our Company on behalf of the Selling Shareholders with regard to refunds, interest for delays, etc. for the Equity Shares being offered in the Offer will be reimbursed by the Selling Shareholders to our Company in proportion to the Equity Shares being offered for sale by the Selling Shareholders in the Offer, to the extent that the delay is solely attributable to such Selling Shareholder.

Arrangements for Disposal of Odd Lots

There are no arrangements for disposal of odd lots.

Restrictions, if any on Transfer and Transmission of Equity Shares

Except for the lock-in of the pre-Offer capital of our Company, Promoters' minimum contribution and the Anchor Investor lock-in as provided in "*Capital Structure*" on page 82 and except as provided in the Articles of Association there are no restrictions on transfer of Equity Shares. Further, there are no restrictions on the transmission of shares/debentures and on their consolidation/splitting, except as provided in the Articles of Association. For details see "*Main Provisions of the Articles of Association*" on page 511.

Option to Receive Securities in Dematerialized Form

Pursuant to Section 29 of the Companies Act, 2013, the Equity Shares in the Offer shall be allotted only in dematerialised form. Further, as per the SEBI ICDR Regulations, the trading of the Equity Shares shall only be in dematerialised form on the Stock Exchanges.

OFFER STRUCTURE

Public Offer of up to 57,685,166 Equity Shares for cash at a price of ₹[●] per Equity Share (including a premium of ₹[●] per Equity Share) aggregating to ₹[●] comprising of a Fresh Issue of up to 21,614,366 Equity Shares aggregating to ₹[●] by our Company and Offer of Sale of up to 36,070,800 Equity Shares aggregating to ₹[●] by the Selling Shareholders. The Offer will constitute [●]% of the post-Offer paid-up Equity Share capital of our Company.

Our Company and UIPL may consider a pre-offer placement of up to 9,600,000 Equity Shares comprising of a fresh issue of up to 4,800,000 Equity Shares by our Company and a transfer of up to 4,800,000 Equity Shares by UIPL for an aggregate amount not exceeding ₹2,000 million for each portion at the discretion of the Company and UIPL. The Pre-IPO Placement will be at a price to be decided by our Company and UIPL and the Pre-IPO Placement will be completed prior to filing of the Red Herring Prospectus with the RoC. If the Pre-IPO Placement is completed, the number of Equity Shares allotted and transferred will be reduced from the Fresh Issue and the Offer for Sale, as applicable, subject to a minimum offer of 10% of the post-Offer paid-up Equity Share capital being offered to the public.

The Offer is being made through the Book Building Process.

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
Number of Equity Shares available for Allotment/ allocation ^{*(2)}	Up to 28,842,582 Equity Shares or issue less allocation to Non-Institutional Bidders and Retail Individual Bidders	Not less than 8,652,775 Equity Shares available for allocation or Offer less allocation to QIB Bidders and Retail Individual Bidders	Not less than 20,189,809 Equity Shares available for allocation or Offer less allocation to QIB Bidders and Non-Institutional Bidders
Percentage of Offer Size available for Allotment/ allocation	50% of the Offer Size shall be available for allocation to QIBs. However, up to 5% of the net QIB Portion (excluding the Anchor Investor Portion) will be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the Mutual Fund Portion will also be eligible for allocation in the remaining net QIB Portion. The unsubscribed portion in the Mutual Fund Portion will be available for allocation to QIBs	Not less than 15% of the Offer	Not less than 35% of the Offer
Basis of Allotment/ allocation if respective category is oversubscribed*	Proportionate as follows (excluding the Anchor Investor Portion): (a) 576,852 Equity Shares shall be available for allocation on a proportionate basis to Mutual Funds only; and (b) 10,960,181 Equity Shares shall be Allotted on a proportionate basis to all QIBs, including Mutual Funds receiving allocation as per (a) above	Proportionate	Proportionate, subject to minimum Bid Lot. For details see, "Offer Procedure – Part B – Allotment Procedure and Basis of Allotment – Allotment to RIBs" on page [●]
Mode of Bidding	ASBA only ⁽³⁾	ASBA only	ASBA only
Minimum Bid	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of [●] Equity Shares thereafter	[●] Equity Shares and in multiples of [●] Equity Shares thereafter
Maximum Bid	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares not exceeding the size of the Offer, subject to applicable limits	Such number of Equity Shares so that the Bid Amount does not exceed ₹200,000
Mode of Allotment	Compulsorily in dematerialized form	Compulsorily in dematerialized form	Compulsorily in dematerialized form
Bid Lot	[●] Equity Shares and in multiples of [●] Equity Shares thereafter		
Allotment Lot	[●] Equity Shares and in multiples of [●] Equity Share thereafter		
Trading Lot	One Equity Share		
Who can apply	Public financial institutions as specified in Section 2(72) of the Companies Act, 2013, FIIs and their sub-accounts registered with the SEBI other than a sub-account which is foreign corporate or foreign individual, scheduled commercial banks, mutual funds, FPIs other than Category III foreign	Resident Indian individuals, Eligible NRIs, HUFs (in the name of Karta), companies, corporate bodies, scientific institutions, societies and trusts, Category III foreign portfolio investors, FIIs and their sub-accounts registered with the SEBI other than a sub-account	Resident Indian individuals, Eligible NRIs and HUFs (in the name of Karta)

Particulars	QIBs ⁽¹⁾	Non-Institutional Bidders	Retail Individual Bidders
	portfolio investors, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance company registered with IRDAI, provident fund (subject to applicable law) with minimum corpus of ₹250 million, pension fund with minimum corpus of ₹250 million, in accordance with applicable law and National Investment Fund set up by the Government of India, insurance funds set up and managed by army, navy or air force of the Union of India and insurance funds set up and managed by the Department of Posts, India	which is foreign corporate or foreign individual	
Terms of Payment	Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder that is specified in the ASBA Form at the time of submission of the ASBA Form ⁽³⁾		

*Assuming full subscription in the Offer

- (1) Our Company may, in consultation with the Selling Shareholders and the Managers allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. QIB portion will be adjusted for the shares allocated to Anchor Investors. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being made to other Anchor Investors. For details, see "Offer Procedure" on page 469
- (2) Subject to valid Bids being received at or above the Offer Price, this Offer is being made in accordance with Rule 19(2)(b)(iii) of the SCRR and under the SEBI ICDR Regulations
- (3) Anchor Investors are not permitted to use the ASBA process. Entire Bid Amount shall be payable by the Anchor Investors at the time of submission of the Anchor Investor Application Form to the members of the Syndicate. For details of terms of payment applicable to Anchor Investors, please see section entitled "Offer Procedure – Part B - Section 7: Allotment Procedure and Basis of Allotment" on page 500

Under subscription, if any, in any category except the QIB Category, would be met with spill-over from the other categories at the discretion of our Company in consultation with the Selling Shareholders, the Managers and the Designated Stock Exchange.

OFFER PROCEDURE

All Bidders should review the General Information Document for Investing in Public Issues prepared and issued in accordance with the circular (CIR/CFD/DIL/12/2013) dated October 23, 2013 notified by SEBI (the “General Information Document”) included below under “**Part B – General Information Document**”, which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document has been updated to reflect amendments to the enactments and regulations, to the extent applicable to a public issue. The General Information Document is also available on the websites of the Stock Exchanges and the Managers. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.

Our Company, the Selling Shareholders and the Managers do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of the Equity Shares that can be held by them under applicable law or as specified in this Draft Red Herring Prospectus.

PART A

Book Building Procedure

The Offer is being made through the Book Building Process wherein 50% of the Offer shall be allocated to QIBs on a proportionate basis, provided that our Company in consultation with the Selling Shareholders and the Managers may allocate up to 60% of the QIB Category to Anchor Investors on a discretionary basis. 5% of the net QIB Category (excluding the Anchor Investor Portion) shall be available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Category shall be available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds, subject to valid Bids being received at or above the Offer Price. Further, not less than 15% of the Offer shall be available for allocation on a proportionate basis to Non-Institutional Investors and not less than 35% of the Offer shall be available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations, subject to valid Bids being received at or above the Offer Price.

Under-subscription, if any, in any category, except in the QIB Category, would be allowed to be met with spill over from any other category or combination of categories, at the discretion of our Company in consultation with the Selling Shareholders, the Managers and the Designated Stock Exchange.

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Investors should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialised form. The Bid cum Application Forms which do not have the details of the Bidders’ depository account, including DP ID, Client ID and PAN, shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.

Bid cum Application Form

Copies of the ASBA Form and the abridged prospectus will be available with the Designated Intermediaries at the Bidding Centers, and the Registered and Corporate Office of our Company. An electronic copy of the ASBA Form will also be available for download on the websites of the NSE (www.nseindia.com) and the BSE (www.bseindia.com) at least one day prior to the Bid/Offer Opening Date.

All Bidders (other than Anchor Investors) shall mandatorily participate in the Offer only through the ASBA process. ASBA Bidders must provide bank account details and authorisation to block funds in the relevant space provided in the ASBA Form and the ASBA Forms that do not contain such details will be rejected.

ASBA Bidders shall ensure that the Bids are made on ASBA Forms bearing the stamp of the Designated Intermediary, submitted at the Bidding Centers only (except in case of electronic ASBA Forms) and the ASBA Forms not bearing such specified stamp are liable to be rejected.

The prescribed colour of the Bid cum Application Form for the various categories is as follows:

Category	Colour of Bid cum Application Form*
Resident Indians and Eligible NRIs applying on a non-repatriation basis	White
Non-Residents including Eligible NRIs, FIIs, their sub-accounts (other than sub-	Blue

Category	Colour of Bid cum Application Form *
accounts which are foreign corporates or foreign individuals under the QIB Category), FVCIs or FPIs, registered multilateral and bilateral development financial institutions applying on a repatriation basis	
Anchor Investors	White

* Excluding electronic Bid cum Application Form

Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank.

Participation by Promoters, Promoter Group, the Managers the Syndicate Members and persons related to the Promoters/Promoter Group/Managers

The Managers and the Syndicate Members shall not be allowed to purchase Equity Shares in this Offer in any manner, except towards fulfilling their underwriting obligations. However, the associates and affiliates of the Managers and the Syndicate Members may Bid for Equity Shares in the Offer, either in the QIB Category or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including associates or affiliates of the Managers and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Neither the Managers nor any persons related to the Managers (other than Mutual Funds sponsored by entities related to the Managers) Promoters and Promoter Group can apply in the Offer under the Anchor Investor Portion

Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI and such Bids in respect of more than one scheme of the Mutual Fund will not be treated as multiple Bids provided that the Bids clearly indicate the scheme concerned for which the Bid has been made.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific schemes. No Mutual Fund under all its schemes should own more than 10% of any company's paid-up share capital carrying voting rights.

Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the Designated Intermediaries. Eligible NRI Bidders bidding on a repatriation basis by using the Non-Resident Forms should authorize their SCSB to block their Non-Resident External ("NRE") accounts, or Foreign Currency Non-Resident ("FCNR") Accounts, and eligible NRI Bidders bidding on a non-repatriation basis by using Resident Forms should authorize their SCSB to block their Non-Resident Ordinary ("NRO") accounts for the full Bid Amount, at the time of the submission of the Bid cum Application Form.

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (white in colour). Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (blue in colour).

Bids by FPIs (including FIIs)

In terms of the SEBI FPI Regulations, an FII who holds a valid certificate of registration from SEBI shall be deemed to be a registered FPI until the expiry of the block of three years for which fees have been paid as per the SEBI FII Regulations. An FII or sub-account, may, subject to payment of conversion fees under the SEBI FPI Regulations participate in the Offer until the expiry of its registration with SEBI as an FII or sub-account, or if it has obtained a certificate of registration as an FPI, whichever is earlier. Accordingly, such FIIs can, subject to the payment of conversion fees under the SEBI FPI Regulations, participate in this Offer in accordance with Schedule 2 of the FEMA Regulations. An FII shall not be eligible to invest as an FII after registering as an FPI under the SEBI FPI Regulations.

In terms of the SEBI FPI Regulations, the purchase of Equity Shares and total holding by a single FPI or an investor group

(which means the same set of ultimate beneficial owner(s) investing through multiple entities) must be below 10% of our post-Offer Equity Share capital. Further, in terms of the FEMA Regulations, the total holding by each FPI shall be below 10% of the total paid-up Equity Share capital of our Company and the total holdings of all FPIs put together shall not exceed 24% of the paid-up Equity Share capital of our Company. The aggregate limit of 24% may be increased up to the sectoral cap by way of a resolution passed by the Board of Directors followed by a special resolution passed by the Shareholders of our Company and subject to prior intimation to RBI. Pursuant to our Board resolution dated May 18, 2016 and Shareholders' resolution dated May 27, 2016, the aggregate limit of 24% has been increased up to 100%. In terms of the FEMA Regulations, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs as well as holding of FIIs (being deemed FPIs) shall be included. The existing individual and aggregate investment limits for an FII or sub account in our Company are 10% and 100% of the total paid-up Equity Share capital of our Company, respectively.

FPIs are permitted to participate in the Offer subject to compliance with conditions and restrictions which may be specified by the Government from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 22 of the SEBI FPI Regulations, an FPI, other than Category III foreign portfolio investor and unregulated broad based funds, which are classified as Category II foreign portfolio investor by virtue of their investment manager being appropriately regulated, may issue, subscribe to or otherwise deal in offshore derivative instruments (as defined under the SEBI FPI Regulations as any instrument, by whatever name called, which is issued overseas by a FPI against securities held by it that are listed or proposed to be listed on any recognised stock exchange in India, as its underlying) directly or indirectly, only in the event (i) such offshore derivative instruments are issued only to persons who are regulated by an appropriate regulatory authority; and (ii) such offshore derivative instruments are issued after compliance with 'know your client' norms. Further, pursuant to a circular dated November 24, 2014 issued by the SEBI, FPIs are permitted to issue offshore derivative instruments only to subscribers that (i) meet the eligibility criteria set forth in Regulation 4 of the SEBI FPI Regulations; and (ii) do not have opaque structures, as defined under the SEBI FPI Regulations. An FPI is also required to ensure that no further issue or transfer of any offshore derivative instrument is made by or on behalf of it to any persons that are not regulated by an appropriate foreign regulatory authority. Further, where an investor has investments as FPI and also holds positions as an overseas direct investment subscriber, investment restrictions under the SEBI FPI Regulations shall apply on the aggregate of FPI investments and overseas direct investment positions held in the underlying Indian company.

Bids by SEBI registered VCFs, AIFs and FVCIs

The SEBI VCF Regulations, the SEBI FVCI Regulations and the SEBI AIF Regulations *inter-alia* prescribe the investment restrictions on the VCFs, FVCIs and AIFs registered with SEBI.

The holding by any individual VCF registered with SEBI under the SEBI VCF Regulations in one venture capital undertaking should not exceed 25% of the corpus of the VCF. Further, VCFs and FVCIs can invest only up to 33.33% of the investible funds by way of subscription to an initial public offering.

The category I and II AIFs cannot invest more than 25% of the investible funds in one investee company. A category III AIF cannot invest more than 10% of the investible funds in one investee company. A venture capital fund registered as a category I AIF, as defined in the SEBI AIF Regulations, cannot invest more than 1/3rd of its investible funds by way of subscription to an initial public offering of a venture capital undertaking. Additionally, the VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations.

All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.

Bids by limited liability partnerships

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

Bids by banking companies

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee are required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949,

as amended (the “**Banking Regulation Act**”), and the Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, is 10% of the paid-up share capital of the investee company or 10% of the banks’ own paid-up share capital and reserves, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank’s paid-up share capital and reserves. A banking company may hold up to 30% of the paid-up share capital of the investee company with the prior approval of the RBI provided that the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act.

Bids by SCSBs

SCSBs participating in the Offer are required to comply with the terms of the SEBI circulars dated September 13, 2012 and January 2, 2013. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such applications.

Bids by insurance companies

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to reject any Bid without assigning any reason thereof.

The exposure norms for insurers, prescribed under the Insurance Regulatory and Development Authority (Investment) Regulations, 2000 as amended are broadly set forth below:

- (a) equity shares of a company: the lower of 10% of the investee company’s outstanding equity shares or 10% of the respective fund in case of life insurer or 10% of investment assets in case of general insurer or reinsurer;
- (b) the entire group of the investee company: not more than 15% of the respective fund in case of a life insurer or 15% of investment assets in case of a general insurer or reinsurer or 15% of the investment assets in all companies belonging to the group, whichever is lower; and
- (c) the industry sector in which the investee company operates: not more than 15% of the fund of a life insurer or a general insurer or a reinsurer, or 15% of the investment asset, whichever is lower.

The maximum exposure limit, in the case of an investment in equity shares, cannot exceed the lower of an amount of 10% of the investment assets of a life insurer or general insurer and the amount calculated under (a), (b) and (c) above, as the case may be.

Insurance companies participating in this Offer shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

Bids by provident funds/pension funds

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of a certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholders reserves the right to reject any Bid, without assigning any reason thereof.

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney or by limited companies, corporate bodies, registered societies, Eligible FPIs (including FIIs), Mutual Funds, insurance companies, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable law) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company in consultation with the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company in consultation with the Selling Shareholders and the Managers in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which

may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable law or regulation or as specified in this Draft Red Herring Prospectus.

General Instructions

Do's:

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
4. Ensure that you have mentioned the correct ASBA Account number in the Bid cum Application Form;
5. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Center within the prescribed time;
6. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the ASBA Form to any of the respective members of the Syndicate (in the Specified Locations), the SCSBs, the Registered Brokers (at the Broker Centres), the RTA (at the Designated RTA Locations) or CDPs (at the Designated CDP Locations);
7. If the first applicant is not the bank account holder, ensure that the Bid cum Application Form is signed by the account holder. Ensure that you have mentioned the correct bank account number in the Bid cum Application Form;
8. Ensure that the signature of the First Bidder in case of joint Bids, is included in the Bid cum Application Forms;
9. In case of joint Bids, the Bid cum Application Form should contain the name of only the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
10. Ensure that you request for and receive a stamped acknowledgement of the Bid cum Application Form for all your Bid options from the concerned Designated Intermediary;
11. Ensure that you submit the revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;
12. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of the SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, and (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in "active status"; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
13. Ensure that the Demographic Details are updated, true and correct in all respect;
14. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
15. Ensure that the category and the investor status is indicated;
16. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust, etc., relevant documents are submitted;
17. Ensure that Bids submitted by any person outside India are in compliance with applicable foreign and Indian laws;

18. Ensure that the Bidders' depository account is active, the correct DP ID, Client ID and the PAN are mentioned in their Bid cum Application Form and that the name of the Bidder, the DP ID, Client ID and the PAN entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as applicable, matches with the name, DP ID, Client ID and PAN available in the Depository database; and
19. Ensure that you have correctly signed the authorisation/undertaking box in the Bid cum Application Form, or have otherwise provided an authorisation to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Don'ts:

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Bidders);
4. Do not pay the Bid Amount in cheques, demand drafts or by cash, money order, postal order or by stock invest;
5. Do not send Bid cum Application Forms by post; instead submit the same to the Designated Intermediary only;
6. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Bidders);
7. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
8. Do not submit the Bid for an amount more than funds available in your ASBA account.
9. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
10. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
11. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository).
12. Do not Bid for shares more than specified by respective Stock Exchanges for each category.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.

Payment into Escrow Account for Anchor Investors

Our Company in consultation with the Selling Shareholders and the Managers, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. For Anchor Investors, the payment instruments for payment into the Escrow Account should be drawn in favour of:

- (a) In case of resident Anchor Investors: "[●] – Escrow Account – R"
- (b) In case of Non-Resident Anchor Investors: "[●] – Escrow Account – NR"

Pre- Offer Advertisement

Subject to Section 30 of the Companies Act, 2013, our Company shall, after registering the Red Herring Prospectus with the RoC, publish a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in: (i) [●] edition of English national newspaper [●]; (ii) [●] editions of Hindi national newspaper [●]; and (iii) [●] edition of Malayalam newspaper [●], each with wide circulation.

Signing of the Underwriting Agreement and the RoC Filing

- (a) Our Company, the Selling Shareholders and the Syndicate intend to enter into an Underwriting Agreement after the finalisation of the Offer Price.

- (b) After signing the Underwriting Agreement, an updated Red Herring Prospectus will be filed with the RoC in accordance with applicable law, which then would be termed as the 'Prospectus'. The Prospectus will contain details of the Offer Price, the Anchor Investor Offer Price, Offer size, and underwriting arrangements and will be complete in all material respects.

Impersonation

Attention of the applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013, which is reproduced below:

“Any person who:

- (a) ***makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***
- (b) ***makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***
- (c) ***otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”***

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

Undertakings by our Company

Our Company undertakes the following:

- adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders.
- it shall not have any recourse to the proceeds of the Fresh Issue until final listing and trading approvals have been received from the Stock Exchanges;
- the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- all steps for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed are taken within six Working Days of the Bid/Offer Closing Date will be taken;
- if Allotment is not made application money will be refunded/unblocked in the relevant ASBA Account within 15 days from the Bid/Offer Closing Date or such lesser time as specified by SEBI, failing which interest will be due to be paid to the Bidders at the rate of 15% per annum for the delayed period;
- the funds required for making refunds (to Anchor Investors, to the extent applicable) as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;
- Promoters' contribution shall be brought in advance before the Bid/Offer Opening Date;
- where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within 15 days from the Bid/Offer Closing Date, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- the certificates of the securities/refund orders to Eligible NRIs shall be despatched within specified time; and
- no further issue of the Equity Shares shall be made till the Equity Shares offered through the Red Herring Prospectus are listed or until the Bid monies are unblocked in ASBA Account/refunded on account of non-listing, under-subscription, etc.

Undertakings by the Selling Shareholders

UIPL and Olympus undertake that each of them is the legal and beneficial owner of, and has full clear and marketable title to the Equity Shares being offered by each of them in the Offer and IVF undertakes that it is the legal owner of the Equity Shares being offered by it in the Offer and that it is holding such shares for and on behalf of India Value Fund III A of

which it is the sole trustee and that IVF has full clear and marketable title to the Equity Shares being offered by it in the Offer.

Further, each Selling Shareholder undertakes that:

- the Equity Shares being sold by it pursuant to the Offer have been held by it for a period of at least one year prior to the date of filing the Draft Red Herring Prospectus with SEBI, are fully paid-up and are in dematerialised form;
- the Equity Shares being sold by it pursuant to the Offer are free and clear of any pre-emptive rights, liens, mortgages, charges, pledges or any other encumbrances and shall be in dematerialized form at the time of transfer and shall be transferred to the eligible investors within the time specified under applicable law;
- it shall provide all reasonable co-operation as requested by our Company in relation to the completion of allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of the Equity Shares offered by it pursuant to the Offer;
- it shall provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the Managers in redressal of such investor grievances that pertain to the Equity Shares held by it and being offered pursuant to the Offer;
- funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed in the Red Herring Prospectus and Prospectus shall be made available to the Registrar to the Offer by the Selling Shareholder;
- it shall provide such reasonable support and extend such reasonable co-operation as may be required by our Company in sending a suitable communication, where refunds are made through electronic transfer of funds, to the applicant within 15 days from the Bid/ Offer Closing Date or such other period as may be specified under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- it shall not have recourse to the proceeds of the Offer until final approval for listing and trading of the Equity Shares from all Stock Exchanges where listing and trading is sought has been received;
- if the Selling Shareholder does not proceed with the Offer after the Bid/ Offer Closing Date, the reason thereof shall be given by our Company as a public notice within two days of the Bid/ Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The stock exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly. It shall extend all reasonable cooperation requested by our Company and the Managers in this regard;
- it shall not further transfer the Equity Shares except in the Offer during the period commencing from submission of the Draft Red Herring Prospectus with SEBI until the final trading approvals from all the Stock Exchanges have been obtained for the Equity Shares Allotted/ to be Allotted pursuant to the Offer and shall not sell, dispose of in any manner or create any lien, charge or encumbrance on the Equity Shares offered by it in the Offer;
- it shall take all such steps as may be required to ensure that the Equity Shares being sold by it pursuant to the Offer are available for transfer in the Offer within the time specified under applicable law; and
- it shall comply with all applicable laws, in India, including the Companies Act, the SEBI ICDR Regulations, the FEMA and the applicable circulars, guidelines and regulations issued by SEBI and RBI, each in relation to the Equity Shares offered by it in the Offer.

Utilisation of Offer Proceeds

The Board of Directors certify that:

- all monies received out of the Fresh Issue shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013;
- details of all monies utilised out of the Offer shall be disclosed, and continue to be disclosed till the time any part of the Fresh Issue proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised;
- details of all unutilised monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilised monies have been invested;

- the utilisation of monies received under the Promoters' contribution, if any, shall be disclosed, and continue to be disclosed till the time any part of the Offer Proceeds remains unutilised, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilised; and
- the details of all unutilised monies out of the funds received under the Promoters' contribution, if any, shall be disclosed under a separate head in the balance sheet of our Company indicating the form in which such unutilised monies have been invested.

The Selling Shareholders along with our Company declare that all monies received out of the Offer for Sale shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act, 2013.

PART B

General Information Document for Investing in Public Issues

This General Information Document highlights the key rules, processes and procedures applicable to public issues in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. Bidders/Applicants should not construe the contents of this General Information Document as legal advice and should consult their own legal counsel and other advisors in relation to the legal matters concerning the Offer. For taking an investment decision, the Bidders/Applicants should rely on their own examination of the Issuer and the Offer, and should carefully read the Red Herring Prospectus/Prospectus before investing in the Offer.

SECTION 1: PURPOSE OF THE GENERAL INFORMATION DOCUMENT (GID)

This document is applicable to the public issues undertaken through the Book-Building Process as well as to the Fixed Price Offers. The purpose of the “General Information Document for Investing in Public Issues” is to provide general guidance to potential Bidders/Applicants in IPOs and FPOs, on the processes and procedures governing IPOs and FPOs, undertaken in accordance with the provisions of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (“**SEBI ICDR Regulations, 2009**”).

Bidders/Applicants should note that investment in equity and equity related securities involves risk and Bidder/Applicant should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. The specific terms relating to securities and/or for subscribing to securities in an Offer and the relevant information about the Issuer undertaking the Offer are set out in the Red Herring Prospectus (“**RHP**”)/Prospectus filed by the Issuer with the Registrar of Companies (“**RoC**”). Bidders/Applicants should carefully read the entire RHP/Prospectus and the Bid cum Application Form/Application Form and the Abridged Prospectus of the Issuer in which they are proposing to invest through the Offer. In case of any difference in interpretation or conflict and/or overlap between the disclosure included in this document and the RHP/Prospectus, the disclosures in the RHP/Prospectus shall prevail. The RHP/Prospectus of the Issuer is available on the websites of stock exchanges, on the website(s) of the **BRLM(s)** to the Offer and on the website of Securities and Exchange Board of India (“**SEBI**”) at www.sebi.gov.in.

For the definitions of capitalized terms and abbreviations used herein Bidders/Applicants may see “Glossary and Abbreviations”.

SECTION 2: BRIEF INTRODUCTION TO IPOs/FPOs

2.1 Initial public offer (IPO)

An IPO means an offer of specified securities by an unlisted Issuer to the public for subscription and may include an Offer for Sale of specified securities to the public by any existing holder of such securities in an unlisted Issuer.

For undertaking an IPO, an Issuer is *inter-alia* required to comply with the eligibility requirements of in terms of either Regulation 26(1) or Regulation 26(2) of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.2 Further public offer (FPO)

An FPO means an offer of specified securities by a listed Issuer to the public for subscription and may include Offer for Sale of specified securities to the public by any existing holder of such securities in a listed Issuer.

For undertaking an FPO, the Issuer is *inter-alia* required to comply with the eligibility requirements in terms of Regulation 26/ Regulation 27 of the SEBI ICDR Regulations, 2009. For details of compliance with the eligibility requirements by the Issuer, Bidders/Applicants may refer to the RHP/Prospectus.

2.3 Other Eligibility Requirements:

In addition to the eligibility requirements specified in paragraphs 2.1 and 2.2, an Issuer proposing to undertake an IPO or an FPO is required to comply with various other requirements as specified in the SEBI ICDR Regulations, 2009, the Companies Act, 2013, the Companies Act, 1956 (to the extent applicable), the Securities Contracts (Regulation) Rules, 1957 (the “SCRR”), industry-specific regulations, if any, and other applicable laws for the time being in force.

For details in relation to the above Bidders/Applicants may refer to the RHP/Prospectus.

2.4 Types of Public Issues – Fixed Price Issues and Book Built Issues

In accordance with the provisions of the SEBI ICDR Regulations, 2009, an Issuer can either determine the Offer Price through the Book Building Process (“**Book Built Issue**”) or undertake a Fixed Price Offer (“**Fixed Price Issue**”). An Issuer may mention Floor Price or Price Band in the RHP (in case of a Book Built Issue) and a Price or Price Band in the Draft Prospectus (in case of a fixed price Issue) and determine the price at a later date before registering the Prospectus with the Registrar of Companies.

The cap on the Price Band should be less than or equal to 120% of the Floor Price. The Issuer shall announce the Price or the Floor Price or the Price Band through advertisement in all newspapers in which the pre-issue advertisement was given at least five Working Days before the Bid/Offer Opening Date, in case of an IPO and at least one Working Day before the Bid/Issue Opening Date, in case of an FPO.

The Floor Price or the Offer price cannot be lesser than the face value of the securities. Bidders/Applicants should refer to the RHP/Prospectus or Offer advertisements to check whether the Offer is a Book Built Issue or a Fixed Price Issue.

2.5 ISSUE PERIOD

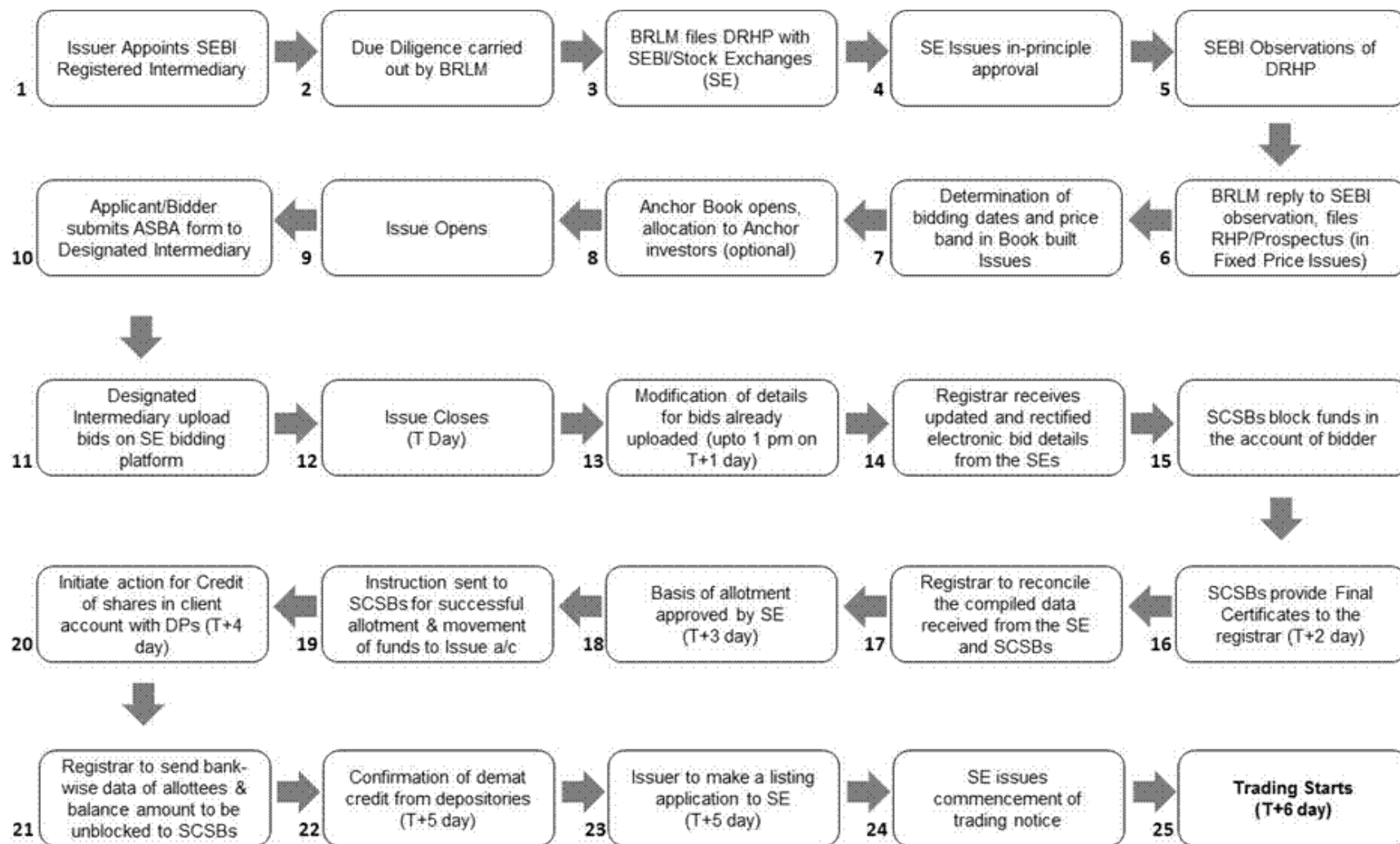
The Offer may be kept open for a minimum of three Working Days (for all category of Bidders/Applicants) and not more than ten Working Days. Bidders/Applicants are advised to refer to the Bid cum Application Form and Abridged Prospectus or RHP/Prospectus for details of the Bid/Offer Period. Details of Bid/Offer Period are also available on the website of the Stock Exchange(s).

In case of a Book Built Issue, the Issuer may close the Bid/Offer Period for QIBs one Working Day prior to the Bid/Offer Closing Date if disclosures to that effect are made in the RHP. In case of revision of the Floor Price or Price Band in Book Built Issues the Bid/Issue Period may be extended by at least three Working Days, subject to the total Bid/Offer Period not exceeding 10 Working Days. For details of any revision of the Floor Price or Price Band, Bidders/Applicants may check the announcements made by the Issuer on the websites of the Stock Exchanges, and the advertisement in the newspaper(s) issued in this regard.

2.6 FLOWCHART OF TIMELINES

A flow chart of process flow in Fixed Price and Book Built Issues is as follows. Bidders/Applicants may note that this is not applicable for Fast Track FPOs:

- In case of Offer other than Book Built Issue (Fixed Price Issue) the process at the following of the below mentioned steps shall be read as:
 - i. Step 7 : Determination of Offer Date and Price
 - ii. Step 10: Applicant submits ASBA Form with any of the Designated Intermediaries



SECTION 3: CATEGORY OF INVESTORS ELIGIBLE TO PARTICIPATE IN AN ISSUE

Each Bidder/Applicant should check whether it is eligible to apply under applicable law.

Furthermore, certain categories of Bidders/Applicants, such as NRIs, FIIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or to hold Equity Shares, in excess of certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.

Subject to the above, an illustrative list of Bidders/Applicants is as follows:

- Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, in single or joint names (not more than three);
- Bids/Applications belonging to an account for the benefit of a minor (under guardianship);
- Hindu Undivided Families or HUFs, in the individual name of the *Karta*. The Bidder/Applicant should specify that the Bid is being made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or first Bidder/Applicant: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the *Karta*”. Bids/Applications by HUFs may be considered at par with Bids/Applications from individuals;
- Companies, corporate bodies and societies registered under applicable law in India and authorised to invest in equity shares;
- QIBs;
- NRIs on a repatriation basis or on a non-repatriation basis subject to applicable law;
- Indian Financial Institutions, regional rural banks, co-operative banks (subject to RBI regulations and the SEBI ICDR Regulations, 2009 and other laws, as applicable);
- FIIs and sub-accounts registered with SEBI, other than a sub-account which is a foreign corporate or foreign individual, bidding under the QIBs category;
- Sub-accounts of FIIs registered with SEBI, which are foreign corporates or foreign individuals only under the Non Institutional Bidder (“NIBs”) category;
- FPIs other than Category III foreign portfolio investors Bidding under the QIBs category;
- FPIs which are Category III foreign portfolio investors, Bidding under the NIIs category;
- Scientific organisations authorised in India to invest in the Equity Shares;
- Trusts/societies registered under the Societies Registration Act, 1860, or under any other law relating to trusts/societies and who are authorised under their respective constitutions to hold and invest in equity shares;
- Limited liability partnerships registered under the Limited Liability Partnership Act, 2008;
- Any other person eligible to Bid/Apply in the Offer, under the laws, rules, regulations, guidelines and policies applicable to them and under Indian laws; and
- As per the existing regulations, OCBs are not allowed to participate in an Offer.

SECTION 4: APPLYING IN THE ISSUE

Book Built Issue: Bidders should only use the specified ASBA Form (or in case of Anchor Investors, the Anchor Investor Application Form) bearing the stamp of a Designated Intermediary, as available or downloaded from the websites of the Stock Exchanges. Bid cum Application Forms are available with the BRLMs, the Designated Intermediaries at the Bidding Centres and at the registered office of the Issuer. Electronic Bid cum Application Forms will be available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date. For further details, regarding availability of Bid cum Application Forms, Bidders may refer to the RHP/Prospectus.

Fixed Price Issue: Applicants should only use the specified Bid cum Application Form bearing the stamp of the relevant Designated Intermediaries, as available or downloaded from the websites of the Stock Exchanges. Application Forms are

available with the Designated Branches of the SCSBs and at the registered office of the Issuer. For further details, regarding availability of Application Forms, Applicants may refer to the Prospectus.

Bidders/Applicants should ensure that they apply in the appropriate category. The prescribed colour of the Bid cum Application Form for various categories of Bidders/Applicants is as follows:

Category	Colour of the Bid cum Application Form
Resident Indian, Eligible NRIs applying on a non repatriation basis	White
NRIs, FVCIs, FIIs, their sub-accounts (other than sub-accounts which are foreign corporate(s) or foreign individuals bidding under the QIB), FPIs, on a repatriation basis	Blue
Anchor Investors (where applicable) & Bidders/Applicants Bidding/applying in the reserved category	As specified by the Issuer

Securities issued in an IPO can only be in dematerialized form in compliance with Section 29 of the Companies Act, 2013. Bidders/Applicants will not have the option of getting the Allotment of specified securities in physical form. However, they may get the specified securities rematerialised subsequent to Allotment.

4.1 INSTRUCTIONS FOR FILLING THE BID CUM APPLICATION FORM/APPLICATION FORM

Bidders/Applicants may note that forms not filled completely or correctly as per instructions provided in this GID, the RHP and the Bid cum Application Form/Application Form are liable to be rejected.

Instructions to fill each field of the Bid cum Application Form can be found on the reverse side of the Bid cum Application Form. Specific instructions for filling various fields of the Resident Bid cum Application Form and Non-Resident Bid cum Application Form and samples are provided below.

The samples of the Bid cum Application Form for resident Bidders and the Bid cum Application Form for non-resident Bidders are reproduced below:

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
	Address : Contact Details: CIN No.	

TO,
THE BOARD OF DIRECTORS
XYZ LIMITED

BOOK BUILT ISSUE
ISIN :

Bid cum
Application
Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER Mr. / Ms. Address Tel. No (with STD code) / Mobile:
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	BROW BANK/SCSB BRANCH STAMP & CODE	
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS	☐ NSDL ☐ CDSL	6. INVESTOR STATUS ☐ Individual(s) - IND ☐ Hindu Undivided Family - HUF ☐ Bodies Corporate - CO ☐ Banks & Financial Institutions - FI ☐ Mutual Funds - MF ☐ Non-Resident Indians - NRI (Non-Repatriation basis) ☐ National Investment Fund - NIF ☐ Insurance Funds - IF ☐ Insurance Companies - IC ☐ Venture Capital Funds - VCF ☐ Alternative Investment Funds - AIF ☐ Others (Please specify) - OTH
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID		
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")		5. CATEGORY
Bid Options	No. of Equity Shares Bid (in Figures) (Bid must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)
		Bid Price Retail Discount Net Price "Cut-off" (Please tick)
Option 1		☐ Retail Individual Bidder
(OR) Option 2		☐ Non-Institutional Bidder
(OR) Option 3		☐ QIB

7. PAYMENT DETAILS	PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐
Amount paid (₹ in figures)	(₹ in words)
ASBA Bank A/c No.	
Bank Name & Branch	

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNOUNCEMENT PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVITING IN PUBLIC ISSUE (GIDPI) AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AT GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSB to do all actions as necessary to make the Application in the line 1) 2) 3) Date :	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)

TEAR HERE

LOGO	XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.
DPID / CJID	PAN of Sole / First Bidder		
Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch	
ASBA Bank A/c No.			
Received from Mr./Ms.			
Telephone / Mobile	Email		

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R	No. of Equity Shares	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	Bid Price					
	Amount Paid (₹)					Acknowledgement Slip for Bidder
	ASBA Bank A/c No. Bank & Branch					

Bid cum
Application
Form No.

PLEASE FILL IN BLOCK LETTERS

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COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R		FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs AND ELIGIBLE NRIs APPLYING ON A NON-REPATRIATION BASIS
	Address : Contact Details: CIN No.		
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN :	Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER Mr. / Ms. Address Tel. No (with STD code) / Mobile
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	BROW BANK/SCSB BRANCH STAMP & CODE	
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	
		2. PAN OF SOLE / FIRST BIDDER

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS ☐ NSDL ☐ CDSL		6. INVESTOR STATUS ☐ Individual(s) - IND ☐ Hindu Undivided Family* - HUF ☐ Bodies Corporate - CO ☐ Banks & Financial Institutions - FI ☐ Mutual Funds - MF ☐ Non-Resident Indians - NRI (Non-Repatriation basis) ☐ National Investment Fund - NIF ☐ Insurance Funds - IF ☐ Insurance Companies - IC ☐ Venture Capital Funds - VCF ☐ Alternative Investment Funds - AIF ☐ Others (Please specify) - OTH
For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID		
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")		
Bid Options	No. of Equity Shares Bid (In Figures) (Bids must be in multiples of Bid Lot as advertised)	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 0.05 only) (In Figures)
	8 7 6 5 4 3 2 1	Bid Price Retail Discount Net Price "Cut-off" (Please tick)
Option 1		
(OR) Option 2		
(OR) Option 3		
		5. CATEGORY ☐ Retail Individual Bidder ☐ Non-Institutional Bidder ☐ QIB

7. PAYMENT DETAILS		PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐
Amount paid (₹ in figures) (₹ in words)		
ASBA Bank A/c No.		
Bank Name & Branch		

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ANNEXURE PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVITING IN PUBLIC ISSUE (GID) AND HEREBY AGREE AND CONFIRM THE BIDDERS UNDERTAKING AS GIVEN OVER LEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVER LEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSB to do all such act as necessary to make the Application in the line 1) 2) 3)	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date :		

TEAR HERE

LOGO	XYZ LIMITED INITIAL PUBLIC ISSUE - R	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No.
DPID / CLID	PAN of Sole / First Bidder		
Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch	
ASBA Bank A/c No.			
Received from Mr./Ms.			
Telephone / Mobile	Email		

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - R	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder
	No. of Equity Shares				
	Bid Price				
	Amount Paid (₹)				
ASBA Bank A/c No.				Acknowledge ment Slip for Bidder	Bid cum Application Form No.
Bank & Branch					

PLEASE FILL IN BLOCK LETTERS

TEAR HERE

TEAR HERE

COMMON BID CUM APPLICATION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - NR		FOR NON-RESIDENTS, INCLUDING ELIGIBLE NRIS, FPIs OR FVCIS, ETC APPLYING ON A REPATRIATION BASIS
	Address : _____ Contact Details : _____ CIN No _____		
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN : _____	Bid cum Application Form No. _____

Syndicate Member's Stamp & Code	Broker/SCSB/DP/RTA Stamp & Code	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER Mr. / Ms. _____ Address _____ Tel. No (with STD code) / Mobile _____
Sub-Broker's / Sub-Agent's Stamp & Code	Escrow Bank/SCSB Branch Stamp & Code	
Bank Branch Serial No.	SCSB Serial No.	

3. BIDDER'S DEPOSITORY ACCOUNT DETAILS		6. INVESTOR STATUS									
☐ NSDL ☐ CDSL For NSDL, enter 8 digit DP ID followed by 8 digit Client ID / For CDSL, enter 16 digit Client ID		☐ NRI Non-Resident Indian(s) (Repatriation basis) ☐ FII FII or Sub-account not a Corporate Foreign Individual ☐ FIISA FII Sub-account Corporate/Individual ☐ FVCI Foreign Venture Capital Investor ☐ FPI Foreign Portfolio Investors ☐ OTH Others (Please Specify) _____									
4. BID OPTIONS (ONLY RETAIL INDIVIDUAL BIDDERS CAN BID AT "CUT-OFF")		5. CATEGORY									
Bid Options	No. of Equity Shares Bid (in Figures) (Bids must be in multiples of Bid Lot as advertised)	☐ Retail Individual Bidder ☐ Non-Institutional Bidder ☐ QIB									
	<table border="1"> <tr> <th colspan="3">Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)</th> </tr> <tr> <th>Bid Price</th> <th>Retail Discount</th> <th>Net Price</th> </tr> <tr> <td>8 7 6 5 4 3 2 1</td> <td>3 2 1</td> <td>3 2 1</td> </tr> </table>	Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)			Bid Price	Retail Discount	Net Price	8 7 6 5 4 3 2 1	3 2 1	3 2 1	☐ "Cut-off" (Please tick)
Price per Equity Share (₹) / "Cut-off" (Price in multiples of ₹ 1/- only) (in Figures)											
Bid Price	Retail Discount	Net Price									
8 7 6 5 4 3 2 1	3 2 1	3 2 1									
Option 1											
(OR) Option 2											
(OR) Option 3											

7. PAYMENT DETAILS		PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐
Amount paid (₹ in figures)		(₹ in words) _____
ASBA Bank A/c No.		
Bank Name & Branch		

I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THIS BID CUM APPLICATION FORM AND THE ATTACHED ABRIDGED PROSPECTUS AND THE GENERAL INFORMATION DOCUMENT FOR INVESTING IN PUBLIC ISSUES ("GID") AND HEREBY AGREE AND CONFIRM THE "BIDDERS UNDERTAKING" AS GIVEN OVERLEAF. I/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID CUM APPLICATION FORM GIVEN OVERLEAF.

8A. SIGNATURE OF SOLE / FIRST BIDDER	8B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(S) (AS PER BANK RECORDS) I/We authorize the SCSB to do all acts as are necessary to make the Application in the line	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)
Date : _____	1) _____ 2) _____ 3) _____	

TEAR HERE

LOGO	XYZ LIMITED INITIAL PUBLIC ISSUE - NR	Acknowledgement Slip for Broker/SCSB/DP/RTA	Bid cum Application Form No. _____
DPID / CLID		PAN of Sole / First Bidder	
Amount paid (₹ in figures)	Bank & Branch	Stamp & Signature of SCSB Branch	
ASBA Bank A/c No.			
Received from Mr./Ms.			
Telephone / Mobile	Email		

TEAR HERE

XYZ LIMITED - INITIAL PUBLIC ISSUE - NR	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder	
	No. of Equity Shares					
	Bid Price					
	Amount Paid (₹)					
	ASBA Bank A/c No.					
Bank & Branch						
	Acknowledgement Slip for Bidder					
	Bid cum Application Form No.					

TEAR HERE

FIELD NUMBER 1: NAME AND CONTACT DETAILS OF THE SOLE/FIRST BIDDER/APPLICANT

- (a) Bidders/Applicants should ensure that the name provided in this field is exactly the same as the name in which the Depository Account is held.
- (b) **Mandatory Fields:** Bidders/Applicants should note that the name and address fields are compulsory and e-mail and/or telephone number/mobile number fields are optional. Bidders/Applicants should note that the contact details mentioned in the Bid cum Application Form/Application Form may be used to dispatch communications in case the communication sent to the address available with the Depositories are returned undelivered or are not available. The contact details provided in the Bid cum Application Form may be used by the Issuer, the Designated Intermediaries and the Registrar to the Offer only for correspondence(s) related to an Offer and for no other purposes.
- (c) **Joint Bids/Applications:** In the case of Joint Bids/Applications, the Bids/Applications should be made in the name of the Bidder/Applicant whose name appears first in the Depository account. The name so entered should be the same as it appears in the Depository records. The signature of only such first Bidder/Applicant would be required in the Bid cum Application Form/Application Form and such first Bidder/Applicant would be deemed to have signed on behalf of the joint holders. All communications may be addressed to such Bidder/Applicant and may be dispatched to his or her address as per the Demographic Details received from the Depositories.
- (d) **Impersonation:** Attention of the Bidders/Applicants is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

“Any person who:

- (d) ***makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or***
- (e) ***makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or***
- (f) ***otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name,***

shall be liable for action under Section 447.”

The liability prescribed under Section 447 of the Companies Act, 2013 includes imprisonment for a term which shall not be less than six months extending up to 10 years (provided that where the fraud involves public interest, such term shall not be less than three years) and fine of an amount not less than the amount involved in the fraud, extending up to three times of such amount.

- (e) **Nomination Facility to Bidder/Applicant:** Nomination facility is available in accordance with the provisions of Section 72 of the Companies Act, 2013. In case of Allotment of the Equity Shares in dematerialized form, there is no need to make a separate nomination as the nomination registered with the Depository may prevail. For changing nominations, the Bidders/Applicants should inform their respective DP.

4.1.1 FIELD NUMBER 2: PAN OF SOLE/FIRST BIDDER/APPLICANT

- (a) PAN (of the sole/first Bidder/Applicant) provided in the Bid cum Application Form/Application Form should be exactly the same as the PAN of the person in whose sole or first name the relevant beneficiary account is held as per the Depositories' records.
- (b) PAN is the sole identification number for participants transacting in the securities market irrespective of the amount of transaction except for Bids/Applications on behalf of the Central or State Government, Bids/Applications by officials appointed by the courts and Bids/Applications by Bidders/Applicants residing in Sikkim (“PAN Exempted Bidders/Applicants”). Consequently, all Bidders/Applicants, other than the PAN Exempted Bidders/Applicants, are required to disclose their PAN in the Bid cum Application Form/Application Form, irrespective of the Bid/Application Amount. Bids/Applications by the Bidders/Applicants whose PAN is not available as per the Demographic Details available in their Depository records, are liable to be rejected.
- (c) The exemption for the PAN Exempted Bidders/Applicants is subject to (a) the Demographic Details received from the respective Depositories confirming the exemption granted to the beneficiary owner by a

suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same.

- (d) Bid cum Application Forms which provide the GIR Number instead of PAN may be rejected.
- (e) Bids/Applications by Bidders/Applicants whose demat accounts have been ‘suspended for credit’ are liable to be rejected pursuant to the circular issued by SEBI on July 29, 2010, bearing number CIR/MRD/DP/22/2010. Such accounts are classified as “Inactive demat accounts” and Demographic Details are not provided by depositories.

4.1.2 FIELD NUMBER 3: BIDDERS/APPLICANTS DEPOSITORY ACCOUNT DETAILS

- (a) Bidders/Applicants should ensure that DP ID and the Client ID are correctly filled in the Bid cum Application Form/Application Form. The DP ID and Client ID provided in the Bid cum Application Form/Application Form should match with the DP ID and Client ID available in the Depository database, **otherwise, the Bid cum Application Form is liable to be rejected.**
- (b) Bidders/Applicants should ensure that the beneficiary account provided in the Bid cum Application Form/Application Form is active.
- (c) Bidders/Applicants should note that on the basis of the DP ID and Client ID as provided in the Bid cum Application Form/Application Form, the Bidder/Applicant may be deemed to have authorized the Depositories to provide to the Registrar to the Offer, any requested Demographic Details of the Bidder/Applicant as available on the records of the depositories. These Demographic Details may be used, among other things, for other correspondence(s) related to an Offer.
- (d) Bidders/Applicants are, advised to update any changes to their Demographic Details as available in the records of the Depository Participant to ensure accuracy of records. Any delay resulting from failure to update the Demographic Details would be at the Bidders/Applicants’ sole risk.

4.1.3 FIELD NUMBER 4: BID OPTIONS

- (a) Price or Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) may be disclosed in the Prospectus/RHP by the Issuer. The Issuer is required to announce the Floor Price or Price Band, minimum Bid Lot and Discount (if applicable) by way of an advertisement in at least one English, one Hindi and one regional newspaper, with wide circulation, at least five Working Days before Bid/Offer Opening Date in case of an IPO, and at least one Working Day before Bid/Offer Opening Date in case of an FPO.
- (b) The Bidders may Bid at or above Floor Price or within the Price Band for IPOs/FPOs undertaken through the Book Building Process. In the case of Alternate Book Building Process for an FPO, the Bidders may Bid at Floor Price or any price above the Floor Price (for further details Bidders may refer to Section 5.6 (e)).
- (c) **Cut-Off Price:** Retail Individual Investors or Employees or Retail Individual Shareholders can Bid at the Cut-off Price indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process. Bidding at the Cut-off Price is prohibited for QIBs and NIIs and such Bids from QIBs and NIIs may be rejected.
- (d) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the BRLMs may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Bid Lot is accordingly determined by an Issuer on basis of such minimum application value.
- (e) **Allotment:** The Allotment of specified securities to each RII shall not be less than the minimum Bid Lot, subject to availability of shares in the RII category, and the remaining available shares, if any, shall be Allotted on a proportionate basis. For details of the Bid Lot, Bidders may refer to the RHP/Prospectus or the advertisement regarding the Price Band published by the Issuer.

4.1.3.1 Maximum and Minimum Bid Size

- (a) The Bidder may Bid for the desired number of Equity Shares at a specific price. Bids by Retail Individual Bidders, Employees and Retail Individual Shareholders must be for such number of shares so as to ensure that the Bid Amount less Discount (as applicable), payable by the Bidder does not exceed ₹200,000.

- (b) In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or any other reason, the Bid may be considered for allocation under the Non-Institutional Category, with it not being eligible for Discount then such Bid may be rejected if it is at the Cut-off Price.
- (c) For NRIs, a Bid Amount of up to ₹200,000 may be considered under the Retail Category for the purposes of allocation and a Bid Amount exceeding ₹200,000 may be considered under the Non-Institutional Category for the purposes of allocation.
- (d) Bids by QIBs and NIBs must be for such minimum number of shares such that the Bid Amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the Bid cum Application Form and the RHP/Prospectus, or as advertised by the Issuer, as the case may be. NIBs and QIBs are not allowed to Bid at Cut-off Price.
- (e) RIIs may revise their bids or withdraw their bids until the Bid/Offer Closing Date. QIBs and NIIs cannot withdraw or lower their Bids (in terms of quantity of Equity Share or the Bid Amount) at any stage after Bidding.
- (f) In case the Bid Amount reduces to ₹200,000 or less due to a revision of the Price Band, Bids by the NIBs who are eligible for allocation in the Retail Category would be considered for allocation under the Retail Category.
- (g) For Anchor Investors, if applicable, the Bid Amount shall be least ₹10 crores. One-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors. Bids by various schemes of a Mutual Fund shall be aggregated to determine the Bid Amount. A Bid cannot be submitted for more than 60% of the QIB Category under the Anchor Investor Portion. Anchor Investors cannot withdraw their Bids or lower the size of their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage after the Anchor Investor Bid/Offer Period and are required to pay the Bid Amount at the time of submission of the Bid. In case the Anchor Investor Allocation Price is lower than the Offer Price, the balance amount shall be payable as per the pay-in-date mentioned in the revised CAN. In case the Offer Price is lower than the Anchor Investor Allocation Price, the amount in excess of the Offer Price paid by the Anchor Investors shall not be refunded to them.
- (h) A Bid cannot be submitted for more than the Offer size.
- (i) The maximum Bid by any Bidder including QIB Bidder should not exceed the investment limits prescribed for them under the applicable laws.
- (j) The price and quantity options submitted by the Bidder in the Bid cum Application Form may be treated as optional bids from the Bidder and may not be cumulated. After determination of the Offer Price, the highest number of Equity Shares Bid for by a Bidder at or above the Offer Price may be considered for Allotment and the rest of the Bid(s), irrespective of the Bid Amount may automatically become invalid. This is not applicable in case of FPOs undertaken through Alternate Book Building Process (For details of Bidders may refer to (Section 5.6 (e))

4.1.3.2 Multiple Bids

- (a) Bidder should submit only one Bid cum Application Form. Bidder shall have the option to make a maximum of three Bids at different price levels in the Bid cum Application Form and such options are not considered as multiple Bids.
- (b) Submission of a second Bid cum Application Form to either the same or to another Designated Intermediary and duplicate copies of Bid cum Application Forms bearing the same application number shall be treated as multiple Bids and are liable to be rejected.
- (c) Bidders are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple Bids:
 - i. All Bids may be checked for common PAN as per the records of the Depository. For Bidders other than Mutual Funds and FII sub-accounts, Bids bearing the same PAN may be treated as multiple Bids by a Bidder and may be rejected.
 - ii. For Bids from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Bids on behalf of the PAN Exempted Bidders, the Bid cum Application Forms may be checked

for common DP ID and Client ID. Such Bids which have the same DP ID and Client ID may be treated as multiple Bids and are liable to be rejected.

- (d) The following Bids may not be treated as multiple Bids:
- i. Bids by Reserved Categories Bidding in their respective Reservation Portion as well as bids made by them in the Net Offer portion in public category.
 - ii. Separate Bids by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Bids clearly indicate the scheme for which the Bid has been made.
 - iii. Bids by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.
 - iv. Bids by Anchor Investors under the Anchor Investor Portion and the QIB Category.

4.1.4 **FIELD NUMBER 5: CATEGORY OF BIDDERS**

- (a) The categories of Bidders identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, NIBs and QIBs.
- (b) Up to 60% of the QIB Category can be allocated by the Issuer, on a discretionary basis subject to the criteria of minimum and maximum number of Anchor Investors based on allocation size, to the Anchor Investors, in accordance with SEBI ICDR Regulations, 2009, with one-third of the Anchor Investor Portion reserved for domestic Mutual Funds subject to valid Bids being received at or above the Offer Price. For details regarding allocation to Anchor Investors, Bidders may refer to the RHP/Prospectus.
- (c) An Issuer can make reservation for certain categories of Bidders/Applicants as permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, Bidders/Applicants may refer to the RHP/Prospectus.
- (d) The SEBI ICDR Regulations, 2009, specify the allocation or Allotment that may be made to various categories of Bidders in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation Bidder/Applicant may refer to the RHP/Prospectus.

4.1.5 **FIELD NUMBER 6: INVESTOR STATUS**

- (a) Each Bidder/Applicant should check whether it is eligible to apply under applicable law and ensure that any prospective Allotment to it in the Offer is in compliance with the investment restrictions under applicable law.
- (b) Certain categories of Bidders/Applicants, such as NRIs, FPIs and FVCIs may not be allowed to Bid/Apply in the Offer or hold Equity Shares exceeding certain limits specified under applicable law. Bidders/Applicants are requested to refer to the RHP/Prospectus for more details.
- (c) Bidders/Applicants should check whether they are eligible to apply on non-repatriation basis or repatriation basis and should accordingly provide the investor status. Details regarding investor status are different in the Resident Bid cum Application Form and Non-Resident Bid cum Application Form.
- (d) Bidders/Applicants should ensure that their investor status is updated in the Depository records.

4.1.6 **FIELD NUMBER 7: PAYMENT DETAILS**

- (a) The full Bid Amount (net of any Discount, as applicable) shall be blocked in the ASBA Account based on the authorisation provided in the ASBA Form. If Discount is applicable in the Offer, RIBs should indicate the full Bid Amount in the Bid cum Application Form and funds shall be blocked for the Bid Amount net of Discount. Only in cases where the RHP/Prospectus indicates that part payment may be made, such an option can be exercised by the Bidder. In case of Bidders specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less Discount offered, if any.
- (b) RIBs who Bid at Cut-off Price shall arrange to block the Bid Amount based on the Cap Price.

- (c) All Bidders (except Anchor Investors) have to participate in the Offer only through the ASBA mechanism.
- (d) Bid Amount cannot be paid in cash, cheques, demand drafts, through money order or through postal order.

4.1.6.1 Instructions for Anchor Investors:

- (a) Anchor Investors may submit their Bids through a Book Running Lead Manager.
- (b) Payments should be made either by direct credit, RTGS or NEFT.
- (c) The Escrow Collection Banks shall maintain the monies in the Escrow Account for and on behalf of the Anchor Investors until the Designated Date.

4.1.6.2 Payment instructions for ASBA Bidders

- (a) Bidders may submit the ASBA Form either
 - i. in electronic mode through the internet banking facility offered by an SCSB authorizing blocking of funds that are available in the ASBA account specified in the Bid cum Application Form, or
 - ii. in physical mode to any Designated Intermediary.
- (b) Bidders must specify the Bank Account number in the Bid cum Application Form. The Bid cum Application Form submitted by Bidder and which is accompanied by cash, demand draft, cheque, money order, postal order or any mode of payment other than blocked amounts in the ASBA Account maintained with an SCSB, will not be accepted.
- (c) Bidders should ensure that the Bid cum Application Form is also signed by the ASBA Account holder(s) if the Bidder is not the ASBA Account holder.
- (d) Bidders shall note that for the purpose of blocking funds under ASBA facility clearly demarcated funds shall be available in the account.
- (e) From one ASBA Account, a maximum of five Bids cum Application Forms can be submitted.
- (f) Bidders should submit the Bid cum Application Form only at the Bidding Centers, i.e. to the respective member of the Syndicate at the Specified Locations, the Registered Brokers at the Broker Centres, the RTAs at the Designated RTA Locations or CDPs at the Designated CDP Locations.
- (g) Bidders bidding through a Designated Intermediary, other than a SCSB, should note that ASBA Forms submitted to such Designated Intermediary may not be accepted, if the SCSB where the ASBA Account, as specified in the Bid cum Application Form, is maintained has not named at least one branch at that location for such Designated Intermediary, to deposit ASBA Forms.
- (h) Bidders bidding directly through the SCSBs should ensure that the ASBA Form is submitted to a Designated Branch of a SCSB where the ASBA Account is maintained.
- (i) Upon receipt of the ASBA Form, the Designated Branch of the SCSB may verify if sufficient funds equal to the Bid Amount are available in the ASBA Account, as mentioned in the ASBA Form.
- (j) If sufficient funds are available in the ASBA Account, the SCSB may block an amount equivalent to the Bid Amount mentioned in the ASBA Form and for application directly submitted to SCSB by investor, may enter each Bid option into the electronic bidding system as a separate Bid.
- (k) If sufficient funds are not available in the ASBA Account, the Designated Branch of the SCSB may not accept such Bids and such bids are liable to be rejected.
- (l) Upon submission of a completed ASBA Form each Bidder may be deemed to have agreed to block the entire Bid Amount and authorized the Designated Branch of the SCSB to block the Bid Amount specified in the ASBA Form in the ASBA Account maintained with the SCSBs.
- (m) The Bid Amount may remain blocked in the aforesaid ASBA Account until finalisation of the Basis of Allotment and consequent transfer of the Bid Amount against the Allotted Equity Shares to the Public

Issue Account, or until withdrawal or failure of the Offer, or until withdrawal or rejection of the Bid, as the case may be.

- (n) SCSBs bidding in the Offer must apply through an Account maintained with any other SCSB; else their Bids are liable to be rejected.

4.1.6.2.1 Unblocking of ASBA Account

- (a) Once the Basis of Allotment is approved by the Designated Stock Exchange, the Registrar to the Offer may provide the following details to the Designated Branches of each SCSB, along with instructions to unblock the relevant bank accounts and for successful applications transfer the requisite money to the Public Issue Account designated for this purpose, within the specified timelines: (i) the number of Equity Shares to be Allotted against each Bid, (ii) the amount to be transferred from the relevant bank account to the Public Issue Account, for each Bid, (iii) the date by which funds referred to in (ii) above may be transferred to the Public Issue Account, and (iv) details of rejected ASBA Bids, if any, along with reasons for rejection and details of withdrawn or unsuccessful Bids, if any, to enable the SCSBs to unblock the respective bank accounts.
- (b) On the basis of instructions from the Registrar to the Offer, the SCSBs may transfer the requisite amount against each successful ASBA Bidder to the Public Issue Account and may unblock the excess amount, if any, in the ASBA Account.
- (c) In the event of withdrawal or rejection of the ASBA Form and for unsuccessful Bids, the Registrar to the Offer may give instructions to the SCSB to unblock the Bid Amount in the relevant ASBA Account within six Working Days of the Bid/Offer Closing Date.

4.1.6.3 Discount (if applicable)

- (a) The Discount is stated in absolute rupee terms.
- (b) Bidders applying under RIB category, Retail Individual Shareholder and employees are only eligible for discount. For Discounts offered in the Offer, Bidders may refer to the RHP/Prospectus.
- (c) The Bidders entitled to the applicable Discount in the Offer may block the Bid Amount less Discount.

Bidder may note that in case the net amount blocked (post Discount) is more than two lakh Rupees, the Bidding system automatically considers such applications for allocation under Non-Institutional Category. These applications are neither eligible for Discount nor fall under RIB category.

4.1.7 FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS

- (a) Only the First Bidder/Applicant is required to sign the Bid cum Application Form/ Application Form. Bidders/Applicants should ensure that signatures are in one of the languages specified in the Eighth Schedule to the Constitution of India.
- (b) If the ASBA Account is held by a person or persons other than the Bidder/Applicant, then the Signature of the ASBA Account holder(s) is also required.
- (c) The signature has to be correctly affixed in the authorisation/undertaking box in the Bid cum Application Form/Application Form, or an authorisation has to be provided to the SCSB via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form/Application Form.
- (d) Bidders/Applicants must note that Bid cum Application Form/Application Form without signature of Bidder/Applicant and/or ASBA Account holder is liable to be rejected.

4.1.8 ACKNOWLEDGEMENT AND FUTURE COMMUNICATION

- (a) Bidders should ensure that they receive the Acknowledgment Slip duly signed and stamped by the Designated Intermediary, as applicable, for submission of the ASBA Form.
- (b) All communications in connection with Bids made in the Offer may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or first Bidder/Applicant, Bid cum

Application Form number, Bidders'/Applicants' DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

Further, the investor shall also enclose a copy of the Acknowledgment Slip duly received from the Designated Intermediaries in addition to the information mentioned hereinabove.

For further details, Bidder/Applicant may refer to the RHP/Prospectus and the Bid cum Application Form.

4.2 INSTRUCTIONS FOR FILING THE REVISION FORM

- (a) During the Bid/Offer Period, any Bidder/Applicant (other than QIBs and NIBs, who can only revise their bid upwards) who has registered his or her interest in the Equity Shares at a particular price level is free to revise his or her Bid within the Price Band using the Revision Form, which is a part of the Bid cum Application Form.
- (b) RIB may revise their bids or withdraw their Bids till the Bid/Offer Closing Date.
- (c) Revisions can be made in both the desired number of Equity Shares and the Bid Amount by using the Revision Form.
- (d) The Bidder/Applicant can make this revision any number of times during the Bid/Offer Period. However, for any revision(s) in the Bid, the Bidders/Applicants will have to use the services of the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid. Bidders/Applicants are advised to retain copies of the blank Revision Form and the Bid(s) must be made only in such Revision Form or copies thereof.

A sample revision form is reproduced below:

COMMON BID REVISION FORM	XYZ LIMITED - INITIAL PUBLIC ISSUE - R	FOR RESIDENT INDIANS, INCLUDING RESIDENT QIBs, AND ELIGIBLE NRI, APPLYING ON A NON-REPATRIATION BASIS
	Address : Contact Details: CIN No.	
LOGO	TO, THE BOARD OF DIRECTORS XYZ LIMITED	BOOK BUILT ISSUE ISIN : X 000000 000 000 000 000 00 0
		Bid cum Application Form No.

SYNDICATE MEMBER'S STAMP & CODE	BROKER/SCSB/DP/RTA STAMP & CODE	1. NAME & CONTACT DETAILS OF SOLE / FIRST BIDDER
		Mr./Ms. Address Tel. No (with STD code) / Mobile Email
SUB-BROKER'S / SUB-AGENT'S STAMP & CODE	ESCROW BANK/SCSB BRANCH STAMP & CODE	2. PAN OF SOLE / FIRST BIDDER
		
BANK BRANCH SERIAL NO.	SCSB SERIAL NO.	3. BIDDER'S DEPOSITORY ACCOUNT DETAILS
		 NSDL CDSL
PLEASE CHANGE MY BID		
4. FROM (AS PER LAST BID OR REVISION)		
Bid Options	No. of Equity Shares Bid (Bids are to be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)
	8 7 6 5 4 3 2 1	Bid Price Retail Discount Net Price "Cut-off" (Please tick)
Option 1		
(OR) Option 2		
(OR) Option 3		
5. TO (Revised Bid) (Only Retail Individual Bidders can Bid at "Cut-off")		
Bid Options	No. of Equity Shares Bid (Bids are to be in multiples of Bid Lot as advertised) (In Figures)	Price per Equity Share (₹) "Cut-off" (Price in multiples of ₹ 1/- only) (In Figures)
	8 7 6 5 4 3 2 1	Bid Price Retail Discount Net Price "Cut-off" (Please tick)
Option 1		
(OR) Option 2		
(OR) Option 3		
6. PAYMENT DETAILS		
Additional Amount Paid (₹ in figures) ₹ in words)		PAYMENT OPTION : FULL PAYMENT ☐ PART PAYMENT ☐
ASBA Bank A/c No.	Bank Name & Branch	
UPON RECEIPT OF JOINT APPLICANT, IF ANY, SHEET CONFIRMATION, WE HAVE READ AND UNDERSTOOD THE TERMS AND CONDITIONS OF THE BID, AND IN RECORDING THE BID, WE HAVE READ AND UNDERSTOOD THE GENERAL INFORMATION DOCUMENT FOR INVESTORS IN PUBLIC ISSUES (GID) AND HEREBY AGREE AND CONFIRM THE "INDICES UNDERTAKING" AS GIVEN OVERLEAF/WE (ON BEHALF OF JOINT APPLICANTS, IF ANY) HEREBY CONFIRM THAT I/WE HAVE READ THE INSTRUCTIONS FOR FILLING UP THE BID FORM ON FORM OF OVERLEAF.		
7A. SIGNATURE OF SOLE / FIRST BIDDER	7B. SIGNATURE OF ASBA BANK ACCOUNT HOLDER(s) (AS PER BANK RECORDS)	
	I/We authorize the SCSB to do all acts as are necessary to make the Application in the name 1) 2) 3)	
	BROKER / SCSB / DP / RTA STAMP (Acknowledging upload of Bid in Stock Exchange system)	

TEAR HERE

LOGO	XYZ LIMITED	Acknowledgement Slip for Broker/SCSB/ DP/RTA	Bid cum Application Form No.
	BID REVISION FORM - INITIAL PUBLIC ISSUE - R		
			PAN of Sole / First Bidder
DPID / CLID			
Additional Amount Paid (₹)	Bank & Branch	Stamp & Signature of SCSB Branch	
ASBA Bank A/c No.			
Received from Mr./Ms.			
Telephone / Mobile	Email		

TEAR HERE

XYZ LIMITED - BID REVISION FORM - INITIAL PUBLIC ISSUE - R	<table style="width: 100%;"> <tr> <td style="width: 20%;">Option 1</td> <td style="width: 20%;">Option 2</td> <td style="width: 20%;">Option 3</td> <td rowspan="4">Stamp & Signature of Broker / SCSB / DP / RTA</td> <td rowspan="4">Name of Sole / First Bidder</td> </tr> <tr> <td>No. of Equity Shares</td> <td></td> <td></td> </tr> <tr> <td>Bid Price</td> <td></td> <td></td> </tr> <tr> <td>Additional Amount Paid (₹)</td> <td></td> <td></td> </tr> </table>	Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder	No. of Equity Shares			Bid Price			Additional Amount Paid (₹)			<table style="width: 100%;"> <tr> <td colspan="2" style="text-align: center;">Acknowledgement Slip for Bidder</td> </tr> <tr> <td style="width: 50%;"> ASBA Bank A/c No. Bank & Branch </td> <td style="width: 50%;"> Bid cum Application Form No. </td> </tr> </table>	Acknowledgement Slip for Bidder		ASBA Bank A/c No. Bank & Branch	Bid cum Application Form No.
Option 1	Option 2	Option 3	Stamp & Signature of Broker / SCSB / DP / RTA	Name of Sole / First Bidder																
No. of Equity Shares																				
Bid Price																				
Additional Amount Paid (₹)																				
Acknowledgement Slip for Bidder																				
ASBA Bank A/c No. Bank & Branch	Bid cum Application Form No.																			

Instructions to fill each field of the Revision Form can be found on the reverse side of the Revision Form. Other than instructions already highlighted at paragraph 4.1 above, point wise instructions regarding filling up various fields of the Revision Form are provided below:

4.2.1.1 FIELDS 1, 2 AND 3: NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANTS, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT

Bidders/Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.2.2 FIELD 4 & 5: BID OPTIONS REVISION 'FROM' AND 'TO'

- (a) Apart from mentioning the revised options in the Revision Form, the Bidder/Applicant must also mention the details of all the bid options given in his or her Bid cum Application Form or earlier Revision Form. For example, if a Bidder/Applicant has Bid for three options in the Bid cum Application Form and such Bidder/Applicant is changing only one of the options in the Revision Form, the Bidder/Applicant must still fill the details of the other two options that are not being revised, in the Revision Form. The Designated Intermediaries may not accept incomplete or inaccurate Revision Forms.
- (b) In case of revision, Bid options should be provided by Bidders/Applicants in the same order as provided in the Bid cum Application Form.
- (c) In case of revision of Bids by RIBs, Employees and Retail Individual Shareholders, such Bidders/Applicants should ensure that the Bid Amount, subsequent to revision, does not exceed ₹200,000. In case the Bid Amount exceeds ₹200,000 due to revision of the Bid or for any other reason, the Bid may be considered, subject to eligibility, for allocation under the Non-Institutional Category, not being eligible for Discount (if applicable) and such Bid may be rejected if it is at the Cut-off Price. The Cut-off Price option is given only to the RIBs, Employees and Retail Individual Shareholders indicating their agreement to Bid for and purchase the Equity Shares at the Offer Price as determined at the end of the Book Building Process.
- (d) In case the total amount (i.e., original Bid Amount plus additional payment) exceeds ₹200,000, the Bid will be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the RIB does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid, where possible, shall be adjusted downwards for the purpose of allocation, such that no additional payment would be required from the RIB and the RIB is deemed to have approved such revised Bid at Cut-off Price.
- (e) In case of a downward revision in the Price Band, RIBs and Bids by Employees under the Reservation Portion, who have bid at the Cut-off Price could either revise their Bid or the excess amount paid at the time of Bidding may be unblocked after the allotment is finalised.

4.2.3 FIELD 6: PAYMENT DETAILS

- (a) All Bidders/Applicants are required to authorise that the full Bid Amount (less Discount (if applicable) is blocked. In case of Bidders/Applicants specifying more than one Bid Option in the Bid cum Application Form, the total Bid Amount may be calculated for the highest of three options at net price, i.e. Bid price less discount offered, if any.
- (b) Bidder/Applicants may issue instructions to block the revised amount based on cap of the revised Price Band (adjusted for the Discount (if applicable) in the ASBA Account, to the same Designated Intermediary through whom such Bidder/Applicant had placed the original Bid to enable the relevant SCSB to block the additional Bid Amount, if any.
- (c) In case the total amount (i.e., original Bid Amount less discount (if applicable) plus additional payment) exceeds ₹200,000, the Bid may be considered for allocation under the Non-Institutional Category in terms of the RHP/Prospectus. If, however, the Bidder/Applicant does not either revise the Bid or make additional payment and the Offer Price is higher than the cap of the Price Band prior to revision, the number of Equity Shares Bid for, where possible, may be adjusted downwards for the purpose of Allotment, such that additional amount is required to be blocked and the Bidder/Applicant is deemed to have approved such revised Bid at the Cut-off Price.
- (d) In case of a downward revision in the Price Band, RIBs, Employees and Retail Individual Shareholders, who have bid at the Cut-off Price, could either revise their Bid or the excess amount blocked at the time of Bidding may be unblocked after the finalisation of basis of allotment.

4.2.4 FIELDS 7 : SIGNATURES AND ACKNOWLEDGEMENTS

Bidders/Applicants may refer to instructions contained at paragraphs 4.1.8 and 4.1.9 for this purpose.

4.3 INSTRUCTIONS FOR FILING APPLICATION FORM IN ISSUES MADE OTHER THAN THROUGH THE BOOK BUILDING PROCESS (FIXED PRICE ISSUE)

4.3.1 **FIELDS 1, 2, 3 NAME AND CONTACT DETAILS OF SOLE/FIRST BIDDER/APPLICANT, PAN OF SOLE/FIRST BIDDER/APPLICANT & DEPOSITORY ACCOUNT DETAILS OF THE BIDDER/APPLICANT**

Applicants should refer to instructions contained in paragraphs 4.1.1, 4.1.2 and 4.1.3.

4.3.2 **FIELD 4: PRICE, APPLICATION QUANTITY & AMOUNT**

- (a) The Issuer may mention Issue Price or Price Band in the draft Prospectus. However a prospectus registered with RoC contains one price or coupon rate (as applicable).
- (b) **Minimum Application Value and Bid Lot:** The Issuer in consultation with the Lead Manager may decide the minimum number of Equity Shares for each Bid to ensure that the minimum application value is within the range of ₹10,000 to ₹15,000. The minimum Lot size is accordingly determined by an Issuer on basis of such minimum application value.
- (c) Applications by RIBs, Employees and Retail Individual Shareholders, must be for such number of shares so as to ensure that the application amount payable does not exceed ₹200,000.
- (d) Applications by other investors must be for such minimum number of shares such that the application amount exceeds ₹200,000 and in multiples of such number of Equity Shares thereafter, as may be disclosed in the application form and the Prospectus, or as advertised by the Issuer, as the case may be.
- (e) An application cannot be submitted for more than the Offer size.
- (f) The maximum application by any Applicant should not exceed the investment limits prescribed for them under the applicable laws.
- (g) **Multiple Applications:** An Applicant should submit only one Application Form. Submission of a second Application Form to either the same or other Designated Intermediary and duplicate copies of Application Forms bearing the same application number shall be treated as multiple applications and are liable to be rejected.
- (h) Applicants are requested to note the following procedures may be followed by the Registrar to the Offer to detect multiple applications:
 - i. All applications may be checked for common PAN as per the records of the Depository. For Applicants other than Mutual Funds and FII sub-accounts, Applications bearing the same PAN may be treated as multiple applications by an Applicant and may be rejected.
 - ii. For applications from Mutual Funds and FII sub-accounts, submitted under the same PAN, as well as Applications on behalf of the PAN Exempted Applicants, the Application Forms may be checked for common DP ID and Client ID. In any such applications which have the same DP ID and Client ID, these may be treated as multiple applications and may be rejected.
- (i) The following applications may not be treated as multiple Bids:
 - i. Applications by Reserved Categories in their respective reservation portion as well as that made by them in the Net Offer portion in public category.
 - ii. Separate applications by Mutual Funds in respect of more than one scheme of the Mutual Fund provided that the Applications clearly indicate the scheme for which the Bid has been made.
 - iii. Applications by Mutual Funds, and sub-accounts of FIIs (or FIIs and its sub-accounts) submitted with the same PAN but with different beneficiary account numbers, Client IDs and DP IDs.

4.3.3 **FIELD NUMBER 5 : CATEGORY OF APPLICANTS**

- (a) The categories of applicants identified as per the SEBI ICDR Regulations, 2009 for the purpose of Bidding, allocation and Allotment in the Offer are RIBs, individual applicants other than RIB's and other investors (including corporate bodies or institutions, irrespective of the number of specified securities applied for).

- (b) An Issuer can make reservation for certain categories of Applicants permitted under the SEBI ICDR Regulations, 2009. For details of any reservations made in the Offer, applicants may refer to the Prospectus.
- (c) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of applicants in an Offer depending upon compliance with the eligibility conditions. Details pertaining to allocation are disclosed on reverse side of the Revision Form. For Offer specific details in relation to allocation applicant may refer to the Prospectus.

4.3.4 **FIELD NUMBER 6: INVESTOR STATUS**

Applicants should refer to instructions contained in paragraphs 4.1.6.

4.3.5 **FIELD 7: PAYMENT DETAILS**

- (a) All Applicants (other than Anchor Investors) are required to make use of ASBA for applying in the Issue
- (b) Application Amount cannot be paid in cash, through money order, cheque, demand draft or through postal order or through stock invest.

4.3.5.1 **Payment instructions for ASBA Applicants**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.

4.3.5.2 **Unblocking of ASBA Account**

Applicants should refer to instructions contained in paragraphs 4.1.7.2.1.

4.3.5.3 **Discount** (if applicable)

Applicants should refer to instructions contained in paragraphs 4.1.7.3.

4.3.6 **FIELD NUMBER 8: SIGNATURES AND OTHER AUTHORISATIONS & ACKNOWLEDGEMENT AND FUTURE COMMUNICATION**

Applicants should refer to instructions contained in paragraphs 4.1.8 & 4.1.9.

4.4 **SUBMISSION OF BID CUM APPLICATION FORM/APPLICATION FORM/REVISION FORM**

4.4.1 **Bidders/Applicants may submit completed Bid cum application form/Revision Form in the following manner:-**

Mode of Application	Submission of Bid cum Application Form
Anchor Investors Application Form	1) To the Book Running Lead Managers at the locations mentioned in the Anchor Investors Application Form
ASBA Form	(a) To members of the Syndicate in the Specified Locations or Registered Brokers at the Broker Centres or the RTA at the Designated RTA Locations or the CDPs at the Designated CDP Locations (b) To the Designated Branches of the SCSBs

- (a) Bidders/Applicants should submit the Revision Form to the same Designated Intermediary through which such Bidder/Applicant had placed the original Bid.
- (b) Upon submission of the Bid cum Application Form, the Bidder/Applicant will be deemed to have authorized the Issuer to make the necessary changes in the RHP and the Bid cum Application Form as would be required for filing Prospectus with the RoC and as would be required by the RoC after such filing, without prior or subsequent notice of such changes to the relevant Bidder/Applicant.
- (c) Upon determination of the Offer Price and filing of the Prospectus with the RoC, the Bid cum Application Form will be considered as the application form.

SECTION 5: ISSUE PROCEDURE IN BOOK BUILT ISSUE

Book Building, in the context of the Offer, refers to the process of collection of Bids within the Price Band or above the Floor Price and determining the Offer Price based on the Bids received as detailed in Schedule XI of SEBI ICDR Regulations, 2009. The Offer Price is finalised after the Bid/Offer Closing Date. Valid Bids received at or above the Offer Price are considered for allocation in the Offer, subject to applicable regulations and other terms and conditions.

5.1 SUBMISSION OF BIDS

- (a) During the Bid/Offer Period, Bidders/Applicants may approach any of the Designated Intermediaries to register their Bids. Anchor Investors who are interested in subscribing for the Equity Shares should approach the Book Running Lead Managers, to register their Bid.
- (b) In case of Bidders/Applicants (excluding NIIs and QIBs) Bidding at Cut-off Price, the Bidders/Applicants may instruct the SCSBs to block Bid Amount based on the Cap Price less discount (if applicable).
- (c) For details of the timing on acceptance and upload of Bids in the Stock Exchanges Platform Bidders/Applicants are requested to refer to the RHP.

5.2 ELECTRONIC REGISTRATION OF BIDS

- (a) The Designated Intermediary may register the Bids using the on-line facilities of the Stock Exchanges. The Designated Intermediaries can also set up facilities for off-line electronic registration of Bids, subject to the condition that they may subsequently upload the off-line data file into the on-line facilities for Book Building on a regular basis before the closure of the issue.
- (b) On the Bid/Offer Closing Date, the Designated Intermediaries may upload the Bids till such time as may be permitted by the Stock Exchanges and as disclosed in this Red Herring Prospectus.
- (c) Only Bids that are uploaded on the Stock Exchanges Platform are considered for allocation/Allotment. The Designated Intermediaries are given till 1 p.m. on the next Working Day following the Bid/Offer Closing Date to modify select fields uploaded in the Stock Exchange Platform during the Bid/Offer Period after which the Stock Exchange(s) send the bid information to the Registrar to the Offer for further processing.

5.3 BUILD UP OF THE BOOK

- (a) Bids received from various Bidders/Applicants through the Designated Intermediaries may be electronically uploaded on the Bidding Platform of the Stock Exchanges' on a regular basis. The book gets built up at various price levels. This information may be available with the BRLMs at the end of the Bid/Offer Period.
- (b) Based on the aggregate demand and price for Bids registered on the Stock Exchanges Platform, a graphical representation of consolidated demand and price as available on the websites of the Stock Exchanges may be made available at the Bidding centres during the Bid/Offer Period.

5.4 WITHDRAWAL OF BIDS

- (a) RIBs can withdraw their Bids until Bid/Offer Closing Date. In case a RIB wishes to withdraw the Bid during the Bid/Offer Period, the same can be done by submitting a request for the same to the concerned Designated Intermediary who shall do the requisite, including unblocking of the funds by the SCSB in the ASBA Account.
- (b) The Registrar to the Offer shall give instruction to the SCSB for unblocking the ASBA Account upon or after the finaliation of basis of allotment. QIBs and NIBs can neither withdraw nor lower the size of their Bids at any stage.

5.5 REJECTION & RESPONSIBILITY FOR UPLOAD OF BIDS

- (a) The Designated Intermediaries are individually responsible for the acts, mistakes or errors or omission in relation to:
 - i. the Bids accepted by the Designated Intermediary,

- ii. the Bids uploaded by the Designated Intermediary, and
 - iii. the Bid cum application forms accepted but not uploaded by the Designated Intermediary.
- (b) The BRLMs and their affiliate Syndicate Members, as the case may be, may reject Bids if all information required is not provided and the Bid cum Application Form is incomplete in any respect.
 - (c) The SCSBs shall have no right to reject Bids, except in case of unavailability of adequate funds in the ASBA account or on technical grounds.
 - (d) In case of QIB Bidders, only the (i) SCSBs (for Bids other than the Bids by Anchor Investors); and (ii) BRLMs and their affiliate Syndicate Members (only in the Specified Locations) have the right to reject bids. However, such rejection shall be made at the time of receiving the Bid and only after assigning a reason for such rejection in writing.
 - (e) All bids by QIBs, NIBs & RIBs Bidders can be rejected on technical grounds listed herein.

5.5.1 **GROUND FOR TECHNICAL REJECTIONS**

Bid cum Application Forms/Application Forms can be rejected on the below mentioned technical grounds either at the time of their submission to any of the Designated Intermediaries, or at the time of finalisation of the Basis of Allotment. Bidders/Applicants are advised to note that the Bids/Applications are liable to be rejected, which have been detailed at various places in this GID:-

- (a) Bid/Application by persons not competent to contract under the Indian Contract Act, 1872, as amended, (other than minors having valid Depository Account as per Demographic Details provided by Depositories);
- (b) Bids/Applications by OCBs;
- (c) In case of partnership firms, Bid/Application for Equity Shares made in the name of the firm. However, a limited liability partnership can apply in its own name;
- (d) In case of Bids/Applications under power of attorney or by limited companies, corporate, trust, etc., relevant documents are not being submitted along with the Bid cum application form;
- (e) Bids/Applications by persons prohibited from buying, selling or dealing in the shares directly or indirectly by SEBI or any other regulatory authority;
- (f) Bids/Applications by any person outside India if not in compliance with applicable foreign and Indian laws;
- (g) PAN not mentioned in the Bid cum Application Form/Application Forms except for Bids/Applications by or on behalf of the Central or State Government and officials appointed by the court and by the investors residing in the State of Sikkim, provided such claims have been verified by the Depository Participant;
- (h) In case no corresponding record is available with the Depositories that matches the DP ID, the Client ID and the PAN;
- (i) Bids/Applications for lower number of Equity Shares than the minimum specified for that category of investors;
- (j) Bids/Applications at a price less than the Floor Price & Bids/Applications at a price more than the Cap Price;
- (k) Bids/Applications at Cut-off Price by NIBs and QIBs;
- (l) The amounts mentioned in the Bid cum Application Form/Application Forms do not tally with the amount payable for the value of the Equity Shares Bid/Applied for;
- (m) Bids/Applications for amounts greater than the maximum permissible amounts prescribed by the regulations;
- (n) Bids/Applications for shares more than the prescribed limit by each Stock Exchanges for each category;

- (o) Submission of more than five ASBA Forms/Application Forms per ASBA Account;
- (p) Bids/Applications for number of Equity Shares which are not in multiples of Equity Shares as specified in the RHP;
- (q) Multiple Bids/Applications as defined in this GID and the RHP/Prospectus;
- (r) Bids not uploaded in the Stock Exchanges bidding system.
- (s) Inadequate funds in the bank account to block the Bid/Application Amount specified in the ASBA Form/Application Form at the time of blocking such Bid/Application Amount in the bank account;
- (t) Where no confirmation is received from SCSB for blocking of funds;
- (u) Bids/Applications by Bidders (other than Anchor Investors) not submitted through ASBA process;
- (v) Bids/Applications submitted to Designated Intermediaries at locations other than the Bidding Centers or to the Escrow Collecting Banks (assuming that such bank is not a SCSB where the ASBA Account is maintained), to the Issuer or the Registrar to the Offer;
- (w) Bids/Applications not uploaded on the terminals of the Stock Exchanges;
- (x) Bids/Applications by SCSBs wherein a separate account in its own name held with any other SCSB is not mentioned as the ASBA Account in the Bid cum Application Form/Application Form.

5.6 BASIS OF ALLOCATION

- (a) The SEBI ICDR Regulations, 2009 specify the allocation or Allotment that may be made to various categories of Bidders/Applicants in an Offer depending on compliance with the eligibility conditions. Certain details pertaining to the percentage of Offer size available for allocation to each category is disclosed overleaf of the Bid cum Application Form and in the RHP/Prospectus. For details in relation to allocation, the Bidder/Applicant may refer to the RHP/Prospectus.
- (b) Under-subscription in any category (except QIB Portion) is allowed to be met with spill-over from any other category or combination of categories at the discretion of the Issuer and in consultation with the BRLMs and the Designated Stock Exchange and in accordance with the SEBI ICDR Regulations, 2009. Unsubscribed portion in QIB Category is not available for subscription to other categories.
- (c) In case of under subscription in the Net Offer, spill-over to the extent of such under-subscription may be permitted from the Reserved Portion to the Offer. For allocation in the event of an under-subscription applicable to the Issuer, Bidders/Applicants may refer to the RHP.
- (d) **Illustration of the Book Building and Price Discovery Process**

Bidders should note that this example is solely for illustrative purposes and is not specific to the Offer; it also excludes Bidding by Anchor Investors.

Bidders can bid at any price within the price band. For instance, assume a price band of ₹20 to ₹24 per share, issue size of 3,000 equity shares and receipt of five bids from bidders, details of which are shown in the table below. The illustrative book given below shows the demand for the equity shares of the issuer company at various prices and is collated from bids received from various investors.

Bid Quantity	Bid Price (₹)	Cumulative Quantity	Subscription
500	24	500	16.70%
1,000	23	1,500	50.00%
1,500	22	3,000	100.00%
2,000	21	5,000	166.70%
2,500	20	7,500	250.00%

The price discovery is a function of demand at various prices. The highest price at which the issuer is able to issue the desired number of equity shares is the price at which the book cuts off, i.e., ₹22.00 in the above example. The issuer, in consultation with the book running lead managers, will finalise the issue price at or below such cut-off price, i.e., at or below ₹22.00. All bids at or above this issue price and cut-off bids are valid bids and are considered for allocation in the respective categories.

(e) **Alternate Method of Book Building**

In case of FPOs, Issuers may opt for an alternate method of Book Building in which only the Floor Price is specified for the purposes of Bidding (“**Alternate Book Building Process**”).

The Issuer may specify the Floor Price in the RHP or advertise the Floor Price at least one Working Day prior to the Bid/Offer Opening Date. QIBs may Bid at a price higher than the Floor Price and the Allotment to the QIBs is made on a price priority basis. The Bidder with the highest Bid Amount is allotted the number of Equity Shares Bid for and then the second highest Bidder is Allotted Equity Shares and this process continues until all the Equity Shares have been allotted. RIBs, NIBs and Employees are Allotted Equity Shares at the Floor Price and Allotment to these categories of Bidders is made proportionately. If the number of Equity Shares Bid for at a price is more than available quantity then the Allotment may be done on a proportionate basis. Further, the Issuer may place a cap either in terms of number of specified securities or percentage of issued capital of the Issuer that may be Allotted to a single Bidder, decide whether a Bidder be allowed to revise the bid upwards or downwards in terms of price and/or quantity and also decide whether a Bidder be allowed single or multiple bids.

SECTION 6: ISSUE PROCEDURE IN FIXED PRICE ISSUE

Applicants may note that there is no Bid cum Application Form in a Fixed Price Offer. As the Offer Price is mentioned in the Fixed Price Offer therefore on filing of the Prospectus with the RoC, the Application so submitted is considered as the application form.

Applicants may only use the specified Application Form for the purpose of making an Application in terms of the Prospectus which may be submitted through the Designated Intermediary.

Applicants may submit an Application Form either in physical form to the any of the Designated Intermediaries or in the electronic form to the SCSB or the Designated Branches of the SCSBs authorising blocking of funds that are available in the bank account specified in the Application Form only (“ASBA Account”). The Application Form is also made available on the websites of the Stock Exchanges at least one day prior to the Bid/Offer Opening Date.

In a fixed price Offer, allocation in the net offer to the public category is made as follows: minimum fifty per cent to Retail Individual Bidders; and remaining to (i) individual investors other than Retail Individual Bidders; and (ii) other Applicants including corporate bodies or institutions, irrespective of the number of specified securities applied for. The unsubscribed portion in either of the categories specified above may be allocated to the Applicants in the other category.

For details of instructions in relation to the Application Form, Bidders/Applicants may refer to the relevant section of the GID.

SECTION 7: ALLOTMENT PROCEDURE AND BASIS OF ALLOTMENT

The Allotment of Equity Shares to Bidders/Applicants other than Retail Individual Bidders and Anchor Investors may be on proportionate basis. For Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to RHP/Prospectus. No Retail Individual Bidder will be Allotted less than the minimum Bid Lot subject to availability of shares in Retail Individual Bidder Category and the remaining available shares, if any will be Allotted on a proportionate basis. The Issuer is required to receive a minimum subscription of 90% of the Net Offer (excluding any Offer for Sale of specified securities). However, in case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable.

7.1 ALLOTMENT TO RIBs

Bids received from the RIBs at or above the Offer Price may be grouped together to determine the total demand under this category. If the aggregate demand in this category is less than or equal to the Retail Category at or above the Offer Price, full Allotment may be made to the RIBs to the extent of the valid Bids. If the aggregate demand in this category is greater than the allocation to in the Retail Category at or above the Offer Price, then the maximum number of RIBs who can be Allotted the minimum Bid Lot will be computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot (“**Maximum RIB Allottees**”). The Allotment to the RIBs will then be made in the following manner:

- (a) In the event the number of RIBs who have submitted valid Bids in the Offer is equal to or less than Maximum RIB Allottees, (i) all such RIBs shall be Allotted the minimum Bid Lot; and (ii) the balance available Equity Shares, if any, remaining in the Retail Category shall be Allotted on a proportionate basis

to the RIBs who have received Allotment as per (i) above for the balance demand of the Equity Shares Bid by them (i.e. who have Bid for more than the minimum Bid Lot).

- (b) In the event the number of RIBs who have submitted valid Bids in the Offer is more than Maximum RIB Allottees, the RIBs (in that category) who will then be Allotted minimum Bid Lot shall be determined on the basis of draw of lots.

7.2 ALLOTMENT TO NIBS

Bids received from NIBs at or above the Offer Price may be grouped together to determine the total demand under this category. The Allotment to all successful NIBs may be made at or above the Offer Price. If the aggregate demand in this category is less than or equal to the Non-Institutional Category at or above the Offer Price, full Allotment may be made to NIBs to the extent of their demand. In case the aggregate demand in this category is greater than the Non-Institutional Category at or above the Offer Price, Allotment may be made on a proportionate basis up to a minimum of the Non-Institutional Category.

7.3 ALLOTMENT TO QIBs

For the Basis of Allotment to Anchor Investors, Bidders/Applicants may refer to the SEBI ICDR Regulations, 2009 or RHP/Prospectus. Bids received from QIBs Bidding in the QIB Category (net of Anchor Portion) at or above the Offer Price may be grouped together to determine the total demand under this category. The QIB Category may be available for Allotment to QIBs who have Bid at a price that is equal to or greater than the Offer Price. Allotment may be undertaken in the following manner:

- (a) In the first instance allocation to Mutual Funds for up to 5% of the QIB Category may be determined as follows: (i) In the event that Bids by Mutual Fund exceeds 5% of the QIB Category, allocation to Mutual Funds may be done on a proportionate basis for up to 5% of the QIB Category; (ii) In the event that the aggregate demand from Mutual Funds is less than 5% of the QIB Category then all Mutual Funds may get full Allotment to the extent of valid Bids received above the Offer Price; and (iii) Equity Shares remaining unsubscribed, if any and not allocated to Mutual Funds may be available for Allotment to all QIBs as set out at paragraph 7.4(b) below;
- (b) In the second instance, Allotment to all QIBs may be determined as follows: (i) In the event of oversubscription in the QIB Category, all QIBs who have submitted Bids above the Offer Price may be Allotted Equity Shares on a proportionate basis for up to 95% of the QIB Category; (ii) Mutual Funds, who have received allocation as per (a) above, for less than the number of Equity Shares Bid for by them, are eligible to receive Equity Shares on a proportionate basis along with other QIBs; and (iii) Under-subscription below 5% of the QIB Category, if any, from Mutual Funds, may be included for allocation to the remaining QIBs on a proportionate basis.

7.4 ALLOTMENT TO ANCHOR INVESTOR (IF APPLICABLE)

- (a) Allocation of Equity Shares to Anchor Investors at the Anchor Investor Offer Price will be at the discretion of the issuer in consultation with the Selling Shareholder and the BRLMs, subject to compliance with the following requirements:
- i. not more than 60% of the QIB Category will be allocated to Anchor Investors;
 - ii. one-third of the Anchor Investor Portion shall be reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to other Anchor Investors; and
 - iii. allocation to Anchor Investors shall be on a discretionary basis and subject to:
 - a maximum number of two Anchor Investors for allocation up to ₹100 million;
 - a minimum number of two Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹100 million and up to ₹2,500 million subject to minimum Allotment of ₹50 million per such Anchor Investor; and
 - a minimum number of five Anchor Investors and maximum number of 15 Anchor Investors for allocation of more than ₹2,500 million, and an additional 10 Anchor Investors for every additional ₹2,500 million or part thereof, subject to minimum Allotment of ₹50 million per such Anchor Investor.

- (b) An Anchor Investor shall make an application of a value of at least ₹100 million in the Offer.
- (c) A physical book is prepared by the Registrar on the basis of the Anchor Investor Application Forms received from Anchor Investors. Based on the physical book and at the discretion of the Issuer in consultation with the BRLMs, selected Anchor Investors will be sent a CAN and if required, a revised CAN.
- (d) **In the event that the Offer Price is higher than the Anchor Investor Allocation Price:** Anchor Investors will be sent a revised CAN within one day of the Pricing Date indicating the number of Equity Shares allocated to such Anchor Investor and the pay-in date for payment of the balance amount. Anchor Investors are then required to pay any additional amounts, being the difference between the Offer Price and the Anchor Investor Allocation Price, as indicated in the revised CAN within the pay-in date referred to in the revised CAN. Thereafter, the Allotment Advice will be issued to such Anchor Investors.
- (e) **In the event the Offer Price is lower than the Anchor Investor Allocation Price:** Anchor Investors who have been Allotted Equity Shares will directly receive Allotment Advice.

7.5 BASIS OF ALLOTMENT FOR QIBs (OTHER THAN ANCHOR INVESTORS), NIBs AND RESERVED CATEGORY IN CASE OF OVER-SUBSCRIBED ISSUE

In the event of the Offer being over-subscribed, the Issuer may finalise the Basis of Allotment in consultation with the Designated Stock Exchange in accordance with the SEBI ICDR Regulations, 2009.

The allocation may be made in marketable lots, on a proportionate basis as explained below:

- (a) Bidders may be categorized according to the number of Equity Shares applied for;
- (b) The total number of Equity Shares to be Allotted to each category as a whole may be arrived at on a proportionate basis, which is the total number of Equity Shares applied for in that category (number of Bidders in the category multiplied by the number of Equity Shares applied for) multiplied by the inverse of the over-subscription ratio;
- (c) The number of Equity Shares to be Allotted to the successful Bidders may be arrived at on a proportionate basis, which is total number of Equity Shares applied for by each Bidder in that category multiplied by the inverse of the over-subscription ratio;
- (d) In all Bids where the proportionate Allotment is less than the minimum Bid Lot decided per Bidder, the Allotment may be made as follows: the successful Bidders out of the total Bidders for a category may be determined by a draw of lots in a manner such that the total number of Equity Shares Allotted in that category is equal to the number of Equity Shares calculated in accordance with (b) above; and each successful Bidder may be Allotted a minimum of such Equity Shares equal to the minimum Bid Lot finalised by the Issuer;
- (e) If the proportionate Allotment to a Bidder is a number that is more than the minimum Bid lot but is not a multiple of one (which is the marketable lot), the decimal may be rounded off to the higher whole number if that decimal is 0.5 or higher. If that number is lower than 0.5 it may be rounded off to the lower whole number. Allotment to all Bidders in such categories may be arrived at after such rounding off; and
- (f) If the Equity Shares allocated on a proportionate basis to any category are more than the Equity Shares Allotted to the Bidders in that category, the remaining Equity Shares available for Allotment may be first adjusted against any other category, where the Allotted Equity Shares are not sufficient for proportionate Allotment to the successful Bidders in that category. The balance Equity Shares, if any, remaining after such adjustment may be added to the category comprising Bidders applying for minimum number of Equity Shares.

7.6 DESIGNATED DATE AND ALLOTMENT OF EQUITY SHARES

- (a) **Designated Date:** On the Designated Date, the Escrow Collection Banks shall transfer the funds represented by allocation of Equity Shares to Anchor Investors from the Escrow Account, as per the terms of the Escrow Agreement, into the Public Issue Account with the Banker to the Offer. The balance amount after transfer to the Public Issue Account shall be transferred to the Refund Account. Payments of refund to the Bidders applying in the Anchor Investor Portion shall be made from the Refund Account as per the terms of the Escrow Agreement and the RHP. On the Designated Date, the Registrar to the Issue shall instruct the SCSBs to transfer funds represented by allocation of Equity Shares from ASBA Accounts into the Public Issue Account.

- (b) **Issuance of Allotment Advice:** Upon approval of the Basis of Allotment by the Designated Stock Exchange, the Registrar shall upload the same on its website. On the basis of the approved Basis of Allotment, the Issuer shall pass necessary corporate action to facilitate the Allotment and credit of Equity Shares. Bidders/Applicants are advised to instruct their Depository Participant to accept the Equity Shares that may be allotted to them pursuant to the Offer.

Pursuant to confirmation of such corporate actions, the Registrar will dispatch Allotment Advice to the Bidders/Applicants who have been Allotted Equity Shares in the Offer.

- (c) The dispatch of Allotment Advice shall be deemed a valid, binding and irrevocable contract.
- (d) Issuer will ensure that: (i) the Allotment of Equity Shares; and (ii) credit of shares to the successful Bidders/Applicants Depository Account will be completed within six Working Days of the Bid/Offer Closing Date.

SECTION 8: INTEREST AND REFUNDS

8.1 COMPLETION OF FORMALITIES FOR LISTING & COMMENCEMENT OF TRADING

The Issuer shall ensure that all steps for the completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date. The Registrar to the Offer may initiate corporate action for credit of Equity Shares the beneficiary account with Depositories, within six Working Days of the Bid/Offer Closing Date.

8.2 GROUNDS FOR REFUND

8.2.1 NON RECEIPT OF LISTING PERMISSION

An Issuer makes an application to the Stock Exchange(s) for permission to deal in/list and for an official quotation of the Equity Shares. All the Stock Exchanges from where such permission is sought are disclosed in RHP/Prospectus. The Designated Stock Exchange may be as disclosed in the RHP/Prospectus with which the Basis of Allotment may be finalised.

If the Issuer fails to make application to the Stock Exchange(s) or obtain permission for listing of the Equity Shares, in accordance with the provisions of Section 40 of the Companies Act, 2013, the Issuer shall be punishable with a fine which shall not be less than ₹5 lakhs but which may extend to ₹50 lakhs and every officer of the Issuer who is in default shall be punishable with imprisonment for a term which may extend to one year or with fine which shall not be less than ₹50,000 but which may extend to ₹3 lakhs, or with both.

If the permissions to deal in and an official quotation of the Equity Shares are not granted by any of the Stock Exchange(s), the Issuer may forthwith take steps to refund, without interest, all moneys received from Bidders/Applicants.

If such money is not refunded to the Bidders/Applicants within the prescribed time after the Issuer becomes liable to repay it, then the Issuer and every director of the Issuer who is an officer in default may, on and from such expiry of such period, be liable to repay the money, with interest at such rate, as disclosed in the RHP/Prospectus.

8.2.2 NON RECEIPT OF MINIMUM SUBSCRIPTION

If the Issuer does not receive a minimum subscription of 90% of the Net Offer (excluding any offer for sale of specified securities), including devolvement to the Underwriters, the Issuer may forthwith, take steps to unblock the entire subscription amount received within six Working Days of the Bid/Offer Closing Date and repay, without interest, all moneys received from Anchor Investors. In case the Offer is in the nature of Offer for Sale only, then minimum subscription may not be applicable. In case of under-subscription in the Offer involving a Fresh Issue and an Offer for Sale, the Equity Shares in the Fresh Issue will be issued prior to the sale of Equity Shares in the Offer for Sale.

If there is a delay beyond the prescribed time after the Issuer becomes liable to pay the amount received from Bidders, then the Issuer and every director of the Issuer who is an officer in default may on and from expiry of 15 days, be jointly and severally liable to repay the money, with interest at the rate of 15% per annum in accordance with the Companies (Prospectus and Allotment of Securities) Rules, 2014, as amended.

8.2.3 MINIMUM NUMBER OF ALLOTTEES

The Issuer may ensure that the number of prospective Allottees to whom Equity Shares may be Allotted may not be less than 1,000 failing which the entire application monies may be refunded forthwith.

8.2.4 IN CASE OF ISSUES MADE UNDER COMPULSORY BOOK BUILDING

In case an Issuer not eligible under Regulation 26(1) of the SEBI ICDR Regulations, 2009 comes for an Offer under Regulation 26(2) of SEBI (ICDR) Regulations, 2009 but fails to Allot at least 75% of the Net Offer to QIBs, in such case full subscription money is to be refunded.

8.3 MODE OF REFUND

- (a) **In case of ASBA Bids:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may give instructions to SCSBs for unblocking the amount in ASBA Accounts for unsuccessful Bids or for any excess amount blocked on Bidding.
- (b) **In case of Anchor Investors:** Within six Working Days of the Bid/Offer Closing Date, the Registrar to the Offer may dispatch the refund orders for all amounts payable to unsuccessful Anchor Investors.
- (c) In case of Anchor Investors, the Registrar to the Offer may obtain from the depositories the Bidders' bank account details, including the MICR code, on the basis of the DP ID, Client ID and PAN provided by the Anchor Investors in their Anchor Investor Application Forms for refunds. Accordingly, Anchor Investors are advised to immediately update their details as appearing on the records of their depositories. Failure to do so may result in delays in dispatch of refund orders or refunds through electronic transfer of funds, as applicable, and any such delay may be at the Anchor Investors' sole risk and neither the Issuer, the Registrar to the Offer, the Escrow Collection Banks, or the Syndicate, may be liable to compensate the Anchor Investors for any losses caused to them due to any such delay, or liable to pay any interest for such delay. Please note that refunds shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

8.3.1 Electronic mode of making refunds for Anchor Investors

The payment of refund, if any, may be done through various electronic modes as mentioned below:

- (a) **NECS**—Payment of refund may be done through NECS for Bidders/Applicants having an account at any of the centers specified by the RBI. This mode of payment of refunds may be subject to availability of complete bank account details including the nine-digit MICR code of the Bidder/Applicant as obtained from the Depository;
- (b) **NEFT**—Payment of refund may be undertaken through NEFT wherever the branch of the Anchor Investors' bank is NEFT enabled and has been assigned the Indian Financial System Code ("IFSC"), which can be linked to the MICR of that particular branch. The IFSC Code may be obtained from the website of RBI as at a date prior to the date of payment of refund, duly mapped with MICR numbers. Wherever the Anchor Investors have registered their nine-digit MICR number and their bank account number while opening and operating the demat account, the same may be duly mapped with the IFSC Code of that particular bank branch and the payment of refund may be made to the Anchor Investors through this method. In the event NEFT is not operationally feasible, the payment of refunds may be made through any one of the other modes as discussed in this section;
- (c) **RTGS**—Anchor Investors having a bank account at any of the centers notified by SEBI where clearing houses are managed by the RBI, may have the option to receive refunds, if any, through RTGS.
- (d) **Direct Credit**—Anchor Investors having their bank account with the Refund Banker may be eligible to receive refunds, if any, through direct credit to such bank account;

Please note that refunds through the abovementioned modes shall be credited only to the bank account from which the Bid Amount was remitted to the Escrow Bank.

For details of levy of charges, if any, for any of the above methods, Anchor Investors may refer to RHP/Prospectus.

8.4 INTEREST IN CASE OF DELAY IN ALLOTMENT OR REFUND

The Issuer may pay interest at the rate of 15% per annum if Allotment is not made and the refund instructions have not been given to the clearing system in the disclosed manner/instructions for unblocking of funds in the ASBA Account are not dispatched within 15 days of the Bid/Offer Closing Date.

The Issuer may pay interest at 15% per annum for any delay beyond 15 days from the Bid/Offer Closing Date, if Allotment is not made.

SECTION 9: GLOSSARY AND ABBREVIATIONS

Unless the context otherwise indicates or implies, certain definitions and abbreviations used in this document may have the meaning as provided below. References to any legislation, act or regulation may be to such legislation, act or regulation as amended from time to time.

Term	Description
Allotment/Allot/Allotted	The allotment of Equity Shares pursuant to the Offer to successful Bidders/Applicants
Allotment Advice	Note or advice or intimation of Allotment sent to the Bidders/Applicants who have been Allotted Equity Shares after the Basis of Allotment has been approved by the designated Stock Exchanges
Allottee	An Bidder/Applicant to whom the Equity Shares are Allotted
Anchor Investor	A Qualified Institutional Buyer, applying under the Anchor Investor Portion in accordance with the requirements specified in SEBI ICDR Regulations, 2009 and this Red Herring Prospectus.
Anchor Investor Application Form	The form used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which will be considered as an application for Allotment in terms of the Red Herring Prospectus and Prospectus
Anchor Investor Portion	Up to 60% of the QIB Category which may be allocated by the Issuer in consultation with the BRLMs, to Anchor Investors on a discretionary basis. One-third of the Anchor Investor Portion is reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the price at which allocation is being done to Anchor Investors
Application Supported by Blocked Amount /ASBA	An application, whether physical or electronic, used by ASBA Bidders/Applicants, to make a Bid and authorising an SCSB to block the Bid Amount in the specified bank account maintained with such SCSB
Application Supported by Blocked Amount Form /ASBA Form	An application form, whether physical or electronic, used by ASBA Bidders/Applicants, which will be considered as the application for Allotment in terms of the Red Herring Prospectus and the Prospectus
ASBA Account	Account maintained with an SCSB which may be blocked by such SCSB to the extent of the Bid Amount of the ASBA Bidder
ASBA Bidder	All Bidders/Applicants except Anchor Investors
Banker(s) to the Offer/Escrow Collection Bank(s)/Collecting Banker	The banks which are clearing members and registered with SEBI as Banker to the Offer with whom the Escrow Account for Anchor Investors may be opened, and as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Basis of Allotment	The basis on which the Equity Shares may be Allotted to successful Bidders/Applicants under the Offer
Bid	An indication to make an offer during the Bid/Offer Period by a prospective Bidder pursuant to submission of Bid cum Application Form or during the Anchor Investor Bid/Offer Period by the Anchor Investors, to subscribe for or purchase the Equity Shares of the Issuer at a price within the Price Band, including all revisions and modifications thereto. In case of issues undertaken through the fixed price process, all references to a Bid should be construed to mean an Application
Bid Amount	The highest value of the optional Bids indicated in the Bid cum Application Form and payable by the Bidder upon submission of the Bid (except for Anchor Investors), less discounts (if applicable). In case of issues undertaken through the fixed price process, all references to the Bid Amount should be construed to mean the Application Amount
Bid cum Application Form	The Anchor Investor Application Form or the ASBA Form, as the context requires
Bid/Offer Closing Date	Except in the case of Anchor Investors (if applicable), the date after which the Designated Intermediaries may not accept any Bids for the Offer, which may be notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Closing Date
Bid/Offer Opening Date	Except in case of Anchor Investors (if applicable), the date on which the Designated Intermediaries may start accepting Bids for the Offer, which may be the date notified in an English national daily, a Hindi national daily and a regional language newspaper at the place where the registered office of the Issuer is situated, each with wide circulation. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Opening Date
Bid/Offer Period	Except in the case of Anchor Investors (if applicable), the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date inclusive of both days and during which prospective ASBA Bidders/Applicants can submit their Bids, inclusive of any revisions thereof. The Issuer may consider closing the Bid/Offer Period for QIBs one working day prior to the Bid/Offer Closing Date in accordance with the SEBI ICDR Regulations, 2009. Bidders/Applicants may refer to the RHP/Prospectus for the Bid/Offer Period

Term	Description
Bidder/Applicant	Any prospective investor who makes a Bid/Application pursuant to the terms of the RHP/Prospectus and the Bid cum Application Form. In case of issues undertaken through the fixed price process, all references to a Bidder/Applicants should be construed to mean an Applicant
Book Built Process/Book Building Process/Book Building Method	The book building process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Broker Centres	Broker centres notified by the Stock Exchanges, where Bidders/Applicants can submit the ASBA Forms to a Registered Broker. The details of such broker centres, along with the names and contact details of the Registered Brokers are available on the websites of the Stock Exchanges.
BRLM(s)/Book Running Lead Manager(s)/Lead Manager/LM	The Book Running Lead Manager to the Offer as disclosed in the RHP/Prospectus and the Bid cum Application Form of the Issuer. In case of issues undertaken through the fixed price process, all references to the Book Running Lead Manager should be construed to mean the Lead Manager or LM
CAN/Confirmation of Allocation Note	Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, after the Anchor Investor Bid/Offer Period
Cap Price	The higher end of the Price Band, above which the Offer Price and the Anchor Investor Offer Price may not be finalised and above which no Bids may be accepted
Client ID	Client Identification Number maintained with one of the Depositories in relation to demat account
Collecting Depository Participant or CDPs	A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who is eligible to procure Bids at the Designated CDP Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Cut-off Price	Offer Price, finalised by the Issuer in consultation with the Book Running Lead Manager(s), which can be any price within the Price Band. Only RIBs, Retail Individual Shareholders and employees are entitled to Bid at the Cut-off Price. No other category of Bidders/Applicants are entitled to Bid at the Cut-off Price
DP	Depository Participant
DP ID	Depository Participant's Identification Number
Depositories	National Securities Depository Limited and Central Depository Services (India) Limited
Demographic Details	Details of the Bidders/Applicants including the Bidder/Applicant's address, name of the Applicant's father/husband, investor status, occupation and bank account details
Designated Branches	Such branches of the SCSBs which may collect the Bid cum Application Forms used by Bidders/Applicants (excluding Anchor Investors) and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Designated CDP Locations	Such locations of the CDPs where Bidders can submit the ASBA Forms to Collecting Depository Participants. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Date	The date on which funds are transferred by the Escrow Collection Bank(s) from the Escrow Account and the amounts blocked by the SCSBs are transferred from the ASBA Accounts, as the case may be, to the Public Issue Account or the Refund Account, as appropriate, after the Prospectus is filed with the RoC, following which the board of directors may Allot Equity Shares to successful Bidders/Applicants in the Fresh Issue may give delivery instructions for the transfer of the Equity Shares constituting the Offer for Sale
Designated Intermediaries	Syndicate, sub-syndicate/agents, SCSBs, Registered Brokers, CDPs and RTAs, who are authorized to collect ASBA Forms from the ASBA Bidders and Anchor Investor Application Forms from Anchor Investors, as applicable, in relation to the Offer
Designated RTA Locations	Such locations of the RTAs where Bidders can submit the ASBA Forms to RTAs. The details of such Designated RTA Locations, along with names and contact details of the RTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (www.bseindia.com and www.nseindia.com)
Designated Stock Exchange	The designated stock exchange as disclosed in the RHP/Prospectus of the Issuer
Discount	Discount to the Offer Price that may be provided to Bidders/Applicants in accordance with the SEBI ICDR Regulations, 2009.
Draft Prospectus	The draft prospectus filed with SEBI in case of Fixed Price Issues and which may mention a price or a Price Band
Employees	Employees of an Issuer as defined under SEBI ICDR Regulations, 2009 and including, in case of a new company, persons in the permanent and full time employment of the promoting companies excluding the promoters and immediate relatives of the promoters. For further details, Bidder/Applicant may refer to the RHP/Prospectus
Equity Shares	Equity Shares of the Issuer
Escrow Account	Account opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors may transfer money through NEFT/RTGS/direct credit in respect of the Bid Amount when submitting a Bid

Term	Description
Escrow Agreement	Agreement to be entered into among the Issuer, the Registrar to the Offer, the Book Running Lead Manager(s), the Escrow Collection Bank(s) and the Refund Bank(s) for collection of the Bid Amounts from Anchor Investors and where applicable, remitting refunds of the amounts collected to the Anchor Investors on the terms and conditions thereof
Escrow Collection Bank(s)	Refer to definition of Banker(s) to the Offer
FCNR Account	Foreign Currency Non-Resident Account
First Bidder/Applicant	The Bidder/Applicant whose name appears first in the Bid cum Application Form or Revision Form
FII(s)	Foreign Institutional Investors as defined under the SEBI (Foreign Institutional Investors) Regulations, 1995 and registered with SEBI under applicable laws in India
Fixed Price Issue/Fixed Price Process/Fixed Price Method	The Fixed Price process as provided under SEBI ICDR Regulations, 2009, in terms of which the Offer is being made
Floor Price	The lower end of the Price Band, at or above which the Offer Price and the Anchor Investor Offer Price may be finalised and below which no Bids may be accepted, subject to any revision thereto
FPIs	Foreign Portfolio Investors as defined under the Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2014
FPO	Further public offering
Foreign Venture Capital Investors or FVCIs	Foreign Venture Capital Investors as defined and registered with SEBI under the SEBI (Foreign Venture Capital Investors) Regulations, 2000
IPO	Initial public offering
Issuer/Company	The Issuer proposing the initial public offering/further public offering as applicable
Maximum RIB Allottees	The maximum number of RIBs who can be Allotted the minimum Bid Lot. This is computed by dividing the total number of Equity Shares available for Allotment to RIBs by the minimum Bid Lot.
MICR	Magnetic Ink Character Recognition - nine-digit code as appearing on a cheque leaf
Mutual Fund	A mutual fund registered with SEBI under the SEBI (Mutual Funds) Regulations, 1996
Mutual Funds Portion	5% of the QIB Category (excluding the Anchor Investor Portion) available for allocation to Mutual Funds only, being such number of equity shares as disclosed in the RHP/Prospectus and Bid cum Application Form
NECS	National Electronic Clearing Service
NEFT	National Electronic Fund Transfer
NRE Account	Non-Resident External Account
NRI	NRIs from such jurisdictions outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the RHP/Prospectus constitutes an invitation to subscribe to or purchase the Equity Shares
NRO Account	Non-Resident Ordinary Account
Net Offer	The Offer less reservation portion
Non Institutional Investors or NIIs	All Bidders/Applicants, including sub accounts of FIIs registered with SEBI which are foreign corporates or foreign individuals and FPIs which are Category III foreign portfolio investors, that are not QIBs or RIBs and who have Bid for Equity Shares for an amount of more than ₹200,000 (but not including NRIs other than Eligible NRIs)
Non-Institutional Category	The portion of the Offer being such number of Equity Shares available for allocation to NIBs on a proportionate basis and as disclosed in the RHP/Prospectus and the Bid cum Application Form
Non-Resident	A person resident outside India, as defined under FEMA and includes Eligible NRIs, FPIs and FVCIs registered with SEBI
OCB/Overseas Corporate Body	A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts, in which not less than 60% of beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under FEMA
Offer	Public issue of Equity Shares of the Issuer including the Offer for Sale if applicable
Offer for Sale	Public offer of such number of Equity Shares as disclosed in the RHP/Prospectus through an offer for sale by the Selling Shareholder
Other Investors	Investors other than Retail Individual Bidders in a Fixed Price Issue. These include individual applicants other than Retail Individual Bidders and other investors including corporate bodies or institutions irrespective of the number of specified securities applied for
Offer Price	The final price, less discount (if applicable) at which the Equity Shares may be Allotted to Bidders other than Anchor Investors, in terms of the Prospectus. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price The Offer Price may be decided by the Issuer in consultation with the Book Running Lead Manager(s)
PAN	Permanent Account Number allotted under the Income Tax Act, 1961

Term	Description
Price Band	Price Band with a minimum price, being the Floor Price and the maximum price, being the Cap Price and includes revisions thereof. The Price Band and the minimum Bid lot size for the Offer may be decided by the Issuer in consultation with the Book Running Lead Manager(s) and advertised, at least five working days in case of an IPO and one working day in case of FPO, prior to the Bid/Offer Opening Date, in English national daily, Hindi national daily and regional language at the place where the registered office of the Issuer is situated, newspaper each with wide circulation
Pricing Date	The date on which the Issuer in consultation with the Book Running Lead Manager(s), finalise the Offer Price
Prospectus	The prospectus to be filed with the RoC in accordance with Section 26 of the Companies Act, 2013 after the Pricing Date, containing the Offer Price, the size of the Offer and certain other information
Public Issue Account	A Bank account opened with the Banker to the Offer to receive monies from the Escrow Account and from the ASBA Accounts on the Designated Date
QIB Category	The portion of the Offer being such number of Equity Shares to be Allotted to QIBs on a proportionate basis
Qualified Institutional Buyers or QIBs	As defined under SEBI ICDR Regulations, 2009
RTGS	Real Time Gross Settlement
Red Herring Prospectus/RHP	The red herring prospectus issued in accordance with Section 32 of the Companies Act, 2013, which does not have complete particulars of the price at which the Equity Shares are offered and the size of the Offer. The RHP may be filed with the RoC at least three days before the Bid/Offer Opening Date and may become a Prospectus upon filing with the RoC after the Pricing Date. In case of issues undertaken through the fixed price process, all references to the RHP should be construed to mean the Prospectus
Refund Account	The account opened with Refund Bank, from which refunds to Anchor Investors, if any, of the whole or part of the Bid Amount may be made
Refund Bank	Refund bank as disclosed in the RHP/Prospectus and Bid cum Application Form of the Issuer
Registrar and Share Transfer Agents or RTAs	Registrar and share transfer agents registered with SEBI and eligible to procure Bids at the Designated RTA Locations in terms of circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI
Registered Broker	Stock Brokers registered with the Stock Exchanges having nationwide terminals, other than the members of the Syndicate
Registrar to the Offer/RTO	The Registrar to the Offer as disclosed in the RHP/Prospectus and Bid cum Application Form
Reserved Category/Categories	Categories of persons eligible for making application/Bidding under reservation portion
Reservation Portion	The portion of the Offer reserved for such category of eligible Bidders/Applicants as provided under the SEBI ICDR Regulations, 2009
Retail Individual Bidders/ RIBs	Investors who applies or bids for a value of not more than ₹200,000.
Retail Individual Shareholders	Shareholders of a listed Issuer who applies or bids for a value of not more than ₹200,000.
Retail Category	The portion of the Offer being such number of Equity Shares available for allocation to RIBs which shall not be less than the minimum Bid Lot, subject to availability in RIB category and the remaining shares to be Allotted on proportionate basis.
Revision Form	The form used by the Bidders in an issue through Book Building Process to modify the quantity of Equity Shares and/or bid price indicated therein in any of their Bid cum Application Forms or any previous Revision Form(s)
RoC	The Registrar of Companies
SEBI	The Securities and Exchange Board of India constituted under the Securities and Exchange Board of India Act, 1992
SEBI ICDR Regulations, 2009	The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009
Self Certified Syndicate Bank(s) or SCSB(s)	A bank registered with SEBI, which offers the facility of ASBA and a list of which is available on http://www.sebi.gov.in/cms/sebi_data/attachdocs/1316087201341.html
Specified Locations	Refer to definition of Broker Centers
Stock Exchanges/SE	The stock exchanges as disclosed in the RHP/Prospectus of the Issuer where the Equity Shares Allotted pursuant to the Offer are proposed to be listed
Syndicate	The Book Running Lead Manager(s) and the Syndicate Member
Syndicate Agreement	The agreement to be entered into among the Issuer, and the Syndicate in relation to collection of ASBA Forms by Syndicate Members
Syndicate Member(s)/SM	The Syndicate Member(s) as disclosed in the RHP/Prospectus
Underwriters	The Book Running Lead Manager(s) and the Syndicate Member(s)
Underwriting Agreement	The agreement amongst the Issuer, and the Underwriters to be entered into on or after the Pricing Date

Term	Description
Working Day	“Working Day”, means all days, other than second and fourth Saturdays of a month, Sundays or a public holiday, on which commercial banks in Mumbai are open for business, provided that with reference to (a) announcement of Price Band; and (b) Bid/Offer Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (c) the time period between the Bid/Offer Closing Date and the listing of the Equity Shares on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays, as per the SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/26 dated January 21, 2016.

RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The government bodies responsible for granting foreign investment approvals are the FIPB and the RBI.

The Government has from time to time made policy pronouncements on foreign direct investment (“**FDI**”) through press notes and press releases. The Department of Industrial Policy and Promotion, Ministry of Commerce and Industry, Government of India (“**DIPP**”), issued the Consolidated FDI Policy Circular of 2016 (“**FDI Circular 2016**”), which, with effect from June 7, 2016, consolidated and superseded all previous press notes, press releases and clarifications on FDI issued by the DIPP that were in force and effect as on June 7, 2016. The Government proposes to update the consolidated circular on FDI policy once every year and therefore, FDI Circular 2015 will be valid until the DIPP issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the FIPB or the RBI, provided that (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

The Equity Shares have not been and will not be registered under the Securities Act or any state securities laws in the United States and may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the Securities Act and referred to in this Draft Red Herring Prospectus as “U.S. QIBs”, for the avoidance of doubt, the term U.S. QIBs does not refer to a category of institutional investor defined under applicable Indian regulations and referred to in the Draft Red Herring Prospectus as “QIBs”) in transactions exempt from, or not subject to, the registration requirements of the Securities Act, and (ii) outside the United States in offshore transactions in reliance on Regulation S under the Securities Act and the applicable laws of the jurisdiction where those offers and sales occur.

The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Draft Red Herring Prospectus. Bidders are advised to make their independent investigations and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

SECTION VIII: MAIN PROVISIONS OF ARTICLES OF ASSOCIATION

The Articles of Association of the Company comprise of two parts, Part I and Part II, which parts shall, unless the context otherwise requires, co-exist with each other. In case of inconsistency between Part I and Part II, the provisions of Part II shall be applicable. However, Part II shall automatically terminate and cease to have any force and effect from the date of listing of shares of the Company on a stock exchange in India subsequent to an initial public offering of the Equity Shares of the Company without any further action by the Company or by the shareholders.

PART I

1. CONSTITUTION OF THE COMPANY

- a) *The regulations contained in table “F” of schedule I to the Companies Act, 2013 shall apply only in so far as the same are not provided for or are not inconsistent with these Articles.*
- b) *The regulations for the management of the company and for the observance of the members thereof and their representatives shall be such as are contained in these Articles subject however to the exercise of the statutory powers of the company in respect of repeal, additions, alterations, substitution, modifications and variations thereto by special resolution as prescribed by the Companies Act, 2013.*

2. INTERPRETATION

A. DEFINITIONS

In the interpretation of these Articles the following words and expressions shall have the following meanings unless repugnant to the subject or context.

- a. **“Act”** means the Companies Act, 1956 as amended (without reference to the provisions thereof that have ceased to have effect upon the notification of the notified sections of the Companies Act, 2013) and the notified sections of the Companies Act, 2013 (including the sections that were notified on September 12, 2013, February 27, 2014 and March 26, 2014) and include the Rules made thereunder.
- b. **“ADRs”** shall mean American Depository Receipts representing ADSs.
- c. **“Annual General Meeting”** shall mean a General Meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Act.
- d. **“ADR Facility”** shall mean an ADR facility established by the company with a depository bank to hold any equity shares as established pursuant to a deposit agreement and subsequently as amended or replaced from time to time.
- e. **“ADSs”** shall mean American Depository Shares, each of which represents a certain number of Equity Shares.
- f. **“Articles”** shall mean these Articles of Association as adopted or as from time to time altered in accordance with the provisions of these Articles and Act.
- g. **“Auditors”** shall mean and include those persons appointed as such for the time being by the company.
- h. **“Board”** shall mean the board of directors of the company, as constituted from time to time, in accordance with law and the provisions of these Articles.
- i. **“Board Meeting”** shall mean any meeting of the Board, as convened from time to time and any adjournment thereof, in accordance with law and the provisions of these Articles.
- j. **“Beneficial Owner”** shall mean beneficial owner as defined in Clause (a) of subsection (1) of section 2 of the Depositories Act.
- k. **“Capital” or “share capital”** shall mean the share capital for the time being, raised or authorised to be raised for the purpose of the Company.
- l. **“Chairman”** shall mean such person as is nominated or appointed in accordance with Article 37 herein below.
- m. **“Companies Act, 1956”** shall mean the Companies Act, 1956 (Act I of 1956), as may be in force for the time being.

- n. **“Company” or “this company”** shall mean **ASTER DM HEALTHCARE LIMITED**.
- o. **“Committees”** shall mean a committee constituted in accordance with Article 74.
- p. **“Debenture”** shall include debenture stock, bonds, and any other securities of the Company, whether constituting a charge on the assets of the Company or not.
- q. **“Depositories Act”** shall mean The Depositories Act, 1996 and shall include any statutory modification or re-enactment thereof.
- r. **“Depository”** shall mean a Depository as defined in Clause (e) of sub-section (1) of section 2 of the Depositories Act.
- s. **“Director”** shall mean any director of the company, including alternate directors, independent directors and nominee directors appointed in accordance with law and the provisions of these Articles.
- t. **“Dividend”** shall include interim dividends.
- u. **“Equity Share Capital”** shall mean the total issued and paid-up equity share capital of the Company, calculated on a Fully Diluted Basis.
- v. **“Equity Shares”** shall mean fully paid-up equity shares of the Company having a par value of INR 10/- (Rupees Ten) per equity share, and INR 10/- (Rupees Ten) vote per equity share or any other issued Share Capital of the Company that is reclassified, reorganized, reconstituted or converted into equity shares.
- w. **“Executor” or “Administrator”** shall mean a person who has obtained probate or letters of administration, as the case may be, from a court of competent jurisdiction and shall include the holder of a succession certificate authorizing the holder thereof to negotiate or transfer the Equity Share or Equity Shares of the deceased Shareholder and shall also include the holder of a certificate granted by the Administrator-General appointed under the Administrator Generals Act, 1963.
- x. **“Extraordinary General Meeting”** shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the provisions of the Act;
- y. **“Financial Year”** shall mean any fiscal year of the Company, beginning on April 1 of each calendar year and ending on March 31 of the following calendar year.
- z. **“Fully Diluted Basis”** shall mean, in reference to any calculation, that the calculation should be made in relation to the equity share capital of any Person, assuming that all outstanding convertible preference shares or debentures, options, warrants and other equity securities convertible into or exercisable or exchangeable for equity shares of that Person (whether or not by their terms then currently convertible, exercisable or exchangeable), have been so converted, exercised or exchanged to the maximum number of equity shares possible under the terms thereof.
- aa. **“GDRs”** shall mean the registered Global Depositary Receipts, representing GDSs.
- bb. **“GDSs”** shall mean the Global Depositary Shares, each of which represents a certain number of Equity Shares.
- cc. **“General Meeting”** shall mean a meeting of holders of Equity Shares and any adjournment thereof.
- dd. **“Independent Director”** shall mean an independent director as defined under the Act and under clause 49 of the Listing Agreement.
- ee. **“India”** shall mean the Republic of India.
- ff. **“Law”** shall mean all applicable provisions of all (i) constitutions, treaties, statutes, laws (including the common law), codes, rules, regulations, circulars, ordinances or orders of any governmental authority and SEBI, (ii) governmental approvals, (iii) orders, decisions, injunctions, judgments, awards and decrees of or agreements with any governmental authority, (iv) rules of any stock exchanges, (v) international treaties, conventions and protocols, and (vi) Indian GAAP or any other generally accepted accounting principles.
- ff. **“Listing Agreement”** means the agreement entered into with the stock exchanges in India, on which a

company's shares are listed.

- gg. **"Managing Director"** shall have the meaning assigned to it under the Act.
- hh. **"MCA"** shall mean the Ministry of Corporate Affairs, Government of India.
- ii. **"Memorandum"** shall mean the memorandum of association of the Company, as amended from time to time.
- jj. **"Office"** shall mean the registered office for the time being of the Company.
- kk. **"Officer"** shall have the meaning assigned thereto by Section 2(59) of the Act.
- ll. **"Ordinary Resolution"** shall have the meaning assigned thereto by Section 114 of the Act.
- mm. **"Paid up"** shall include the amount credited as paid up.
- nn. **"Person"** shall mean any natural person, sole proprietorship, partnership, company, body corporate, governmental authority, joint venture, trust, association or other entity (whether registered or not and whether or not having separate legal personality).
- oo. **"Promoters"** shall mean Dr. Azad Moopen and Union Investments Private Limited.
- pp. **"Register of Members"** shall mean the register of shareholders to be kept pursuant to Section 88 of the Act.
- qq. **"Registrar"** shall mean the Registrar of Companies, from time to time having jurisdiction over the Company.
- rr. **"Rules"** shall mean the rules made under the Act and notified from time to time.
- ss. **"Seal"** shall mean the common seal(s) for the time being of the Company.
- tt. **"SEBI"** shall mean the Securities and Exchange Board of India, constituted under the Securities and Exchange Board of India Act, 1992.
- uu. **"Secretary"** shall mean a company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 who is appointed by a company to perform the functions of a company secretary under the Act.
- vv. **"Securities"** shall mean any Equity Shares or any other securities, debentures, warrants or options whether or not, directly or indirectly convertible into, or exercisable or exchangeable into or for Equity Shares.
- ww. **"Share Equivalents"** shall mean any Debentures, preference shares, foreign currency convertible bonds, floating rate notes, options (including options to be approved by the Board (whether or not issued) pursuant to an employee stock option plan) or warrants or other Securities or rights which are by their terms convertible or exchangeable into Equity Shares.
- xx. **"Shareholder"** shall mean any shareholder of the Company, from time to time.
- yy. **"Shareholders' Meeting"** shall mean any meeting of the Shareholders of the Company, including Annual General Meetings as well as Extraordinary General Meetings of the Shareholders of the Company, convened from time to time in accordance with Law and the provisions of these Articles.
- aaa. **"Special Resolution"** shall have the meaning assigned to it under Section 114 of the Act.
- bbb. **"Transfer"** shall mean (i) any, direct or indirect, transfer or other disposition of any shares, securities (including convertible securities), or voting interests or any interest therein, including, without limitation, by operation of Law, by court order, by judicial process, or by foreclosure, levy or attachment; (ii) any, direct or indirect, sale, assignment, gift, donation, redemption, conversion or other disposition of such shares, securities (including convertible securities) or voting interests or any interest therein, pursuant to an agreement, arrangement, instrument or understanding by which legal title to or beneficial ownership of such shares, securities (including convertible securities) or voting interests or any interest therein passes from one Person to another Person or to the same Person in a different legal capacity, whether or not for value; (iii) the granting of any security interest or encumbrance in, or extending or attaching to, such shares, securities

(including convertible securities) or voting interests or any interest therein, and the word “**Transferred**” shall be construed accordingly.

ccc. “**Tribunal**” shall mean the National Company Law Tribunal constitutes under Section 408 of the Act.

B. CONSTRUCTION

In these Articles (unless the context requires otherwise):

- (i) References to a Party shall, where the context permits, include such Party’s respective successors, legal heirs and permitted assigns.
- (ii) The descriptive headings of Articles are inserted solely for convenience of reference and are not intended as complete or accurate descriptions of content thereof and shall not be used to interpret the provisions of these Articles and shall not affect the construction of these Articles.
- (iii) References to articles and sub-articles are references to Articles and Sub-articles of and to these Articles unless otherwise stated and references to these Articles include references to the articles and Sub-articles herein.
- (iv) Words importing the singular include the plural and vice versa, pronouns importing a gender include each of the masculine, feminine and neuter genders, and where a word or phrase is defined, other parts of speech and grammatical forms of that word or phrase shall have the corresponding meanings.
- (v) Wherever the words “include,” “includes,” or “including” is used in these Articles, such words shall be deemed to be followed by the words “without limitation”.
- (vi) The terms “hereof”, “herein”, “hereto”, “hereunder” or similar expressions used in these Articles mean and refer to these Articles and not to any particular Article of these Articles, unless expressly stated otherwise.
- (vii) Unless otherwise specified, time periods within or following which any payment is to be made or act is to be done shall be calculated by excluding the day on which the period commences and including the day on which the period ends and by extending the period to the next Business Day following if the last day of such period is not a Business Day; and whenever any payment is to be made or action to be taken under these Articles is required to be made or taken on a day other than a Business Day, such payment shall be made or action taken on the next Business Day following.
- (viii) A reference to a Party being liable to another Party, or to liability, includes, but is not limited to, any liability in equity, contract or tort (including negligence).
- (ix) Reference to statutory provisions shall be construed as meaning and including references also to any amendment or re-enactment for the time being in force and to all statutory instruments or orders made pursuant to such statutory provisions.
- (x) References to any particular number or percentage of securities of a Person (whether on a Fully Diluted Basis or otherwise) shall be adjusted for any form of restructuring of the share capital of that Person, including without limitation, consolidation or subdivision or splitting of its shares, issue of bonus shares, issue of shares in a scheme of arrangement (including amalgamation or de-merger) and reclassification of equity shares or variation of rights into other kinds of securities.
- (xi) References made to any provision of the Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the MCA. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Act have been notified.
- (xii) In the event any of the provisions of the Articles are contrary to the provisions of the Act and the Rules, the provisions of the Act and Rules will prevail.

3. EXPRESSIONS IN THE ACT AND THESE ARTICLES

Save as aforesaid, any words or expressions defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning in these Articles.

4. SHARE CAPITAL

- (a) The authorised Share Capital of the Company shall be as stated under Clause 5 of the Memorandum of Association of the Company from time to time.
- (b) The Paid up Share Capital shall be at all times a minimum of Rs. **5,00,000/-** (Rupees **Five Lakhs** only) or such higher amount as may be required under the Act.
- (c) The Company has power, from time to time, to increase its authorised or issued and Paid up Share Capital.
- (d) The Share Capital of the Company may be classified into Equity Shares with differential rights as to dividend, voting or otherwise in accordance with the applicable provisions of the Act, Rules, and Law, from time to time.
- (e) Subject to Article 4(d), all Equity Shares shall be of the same class and shall be alike in all respects and the holders thereof shall be entitled to identical rights and privileges including without limitation to identical rights and privileges with respect to dividends, voting rights, and distribution of assets in the event of voluntary or involuntary liquidation, dissolution or winding up of the Company.
- (f) The Board may allot and issue shares of the Company as payment or part payment for any property purchased by the Company or in respect of goods sold or transferred or machinery or appliances supplied or for services rendered to the Company in or about the formation of the Company or the acquisition and/or in the conduct of its business or for any goodwill provided to the Company; and any shares which may be so allotted may be issued as fully/partly paid up shares and if so issued shall be deemed as fully/partly paid up shares. However, the aforesaid shall be subject to the approval of shareholders under the relevant provisions of the Act and Rules.
- (g) The amount payable on application on each share shall not be less than 5 per cent of the nominal value of the share or, as may be specified by SEBI.
- (h) Nothing herein contained shall prevent the Directors from issuing fully paid up shares either on payment of the entire nominal value thereof in cash or in satisfaction of any outstanding debt or obligation of the Company.
- (i) Except so far as otherwise provided by the conditions of issue or by these presents, any Capital raised by the creation of new Equity Shares, shall be considered as part of the existing Capital and shall be subject to the provisions herein contained with reference to the payment of calls and installments, forfeiture, lien, surrender, transfer and transmission, voting and otherwise.
- (j) All of the provisions of these Articles shall apply to the Shareholders.
- (k) Any application signed by or on behalf of an applicant for shares in the Company, followed by an allotment of any Equity Shares therein, shall be an acceptance of shares within the meaning of these Articles and every person who thus or otherwise accepts any shares and whose name is on the Register of Members shall for the purposes of these Articles be a Shareholder.
- (l) The money, (if any), which the Board shall, on the allotment of any shares being made by them, require or direct to be paid by way of deposit, call or otherwise, in respect of any shares allotted by them, shall immediately on the insertion of the name of the allottee, in the Register of Members as the name of the holder of such Equity Shares, become a debt due to and recoverable by the Company from the allottee thereof, and shall be paid by him accordingly.

5. BRANCH OFFICES

The Company shall have the power to establish one or more branch offices, in addition to the Office, in such places at its Board may deem fit.

6. PREFERENCE SHARES

- (a) **Redeemable Preference Shares**

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have the power to issue on a cumulative or non-cumulative basis, preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power in any manner as they deem fit and provide for redemption of such shares on such terms including the right to redeem at a premium or otherwise as they deem fit.

(b) Convertible Redeemable Preference Shares

The Company, subject to the applicable provisions of the Act and the consent of the Board, shall have power to issue on a cumulative or non-cumulative basis convertible redeemable preference shares liable to be redeemed in any manner permissible under the Act and the Directors may, subject to the applicable provisions of the Act, exercise such power as they deem fit and provide for redemption at a premium or otherwise and/or conversion of such shares into such Securities on such terms as they may deem fit.

7. PROVISIONS IN CASE OF PREFERENCE SHARES.

Upon the issue of preference shares pursuant to Article 6 above, the following provisions shall apply:

- (a) No such shares shall be redeemed except out of profits of the Company which would otherwise be available for Dividend or out of the proceeds of a fresh issue of shares made for the purposes of the redemption;
- (b) No such shares shall be redeemed unless they are fully paid;
- (c) The premium, if any, payable on redemption shall have been provided for out of the profits of the Company or out of the Company's securities premium account, before the shares are redeemed;
- (d) Where any such shares are proposed to be redeemed out of the profits of the Company, there shall, out of such profits, be transferred, a sum equal to the nominal amount of the shares to be redeemed, to a reserve, to be called the "**Capital Redemption Reserve Account**" and the applicable provisions of the Act relating to the reduction of the Share Capital of the Company shall, except as provided by Section 55 of the Act, apply as if the Capital Redemption Reserve Account were Paid up Share Capital of the Company;
- (e) The redemption of preference shares under this Article by the Company shall not be taken as reduction of Share Capital;
- (f) The Capital Redemption Reserve Account may, notwithstanding anything in this Article, be applied by the Company, in paying up un-issued shares of the Company to be issued to the Shareholders as fully paid bonus shares; and
- (g) Whenever the Company shall redeem any redeemable preference shares or cumulative convertible redeemable preference shares, the Company shall, within 30 (thirty) days thereafter, give notice thereof to the Registrar of Companies as required by Section 64 of the Act.

8. SHARE EQUIVALENT

The Company shall, subject to the applicable provisions of the Act, compliance with Law and the consent of the Board, have the power to issue Share Equivalents on such terms and in such manner as the Board deems fit including their conversion, repayment, and redemption whether at a premium or otherwise.

9. ADRS/GDRS

The Company shall, subject to the applicable provisions of the Act, compliance with all Laws and the consent of the Board, have the power to issue ADRs or GDRs on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of ADRs or GDRs, including without limitation, exercise of voting rights in accordance with the directions of the Board.

10. ALTERATION OF SHARE CAPITAL

Subject to these Articles and Section 61 of the Act, the Company may, by Ordinary Resolution in General Meeting from time to time, alter the conditions of its Memorandum as follows, that is to say, it may:

- (a) increase its Share Capital by such amount as it thinks expedient;
- (b) consolidate and divide all or any of its Share Capital into shares of larger amount than its existing shares;
Provided that no consolidation and division which results in changes in the voting percentage of shareholders shall take effect unless it is approved by the Tribunal on an application made in the prescribed manner.
- (c) convert all or any of its fully Paid up shares into stock and reconvert that stock into fully Paid up shares of any denomination
- (d) sub-divide its shares, or any of them, into shares of smaller amount than is fixed by the Memorandum, so however, that in the sub-division the proportion between the amount paid and the amount, if any, unpaid on each reduced share shall be the same as it was in the case of the share from which the reduced share is derived; and
- (e) cancel shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any person, and diminish the amount of its Share Capital by the amount of the shares so cancelled. A cancellation of shares in pursuance of this Article shall not be deemed to be a reduction of Share Capital within the meaning of the Act.

2. REDUCTION OF SHARE CAPITAL

The Company may, subject to the applicable provisions of the Act, from time to time, reduce its Capital, any capital redemption reserve account and the securities premium account in any manner for the time being authorized by Law. This Article is not to derogate any power the Company would have under Law, if it were omitted.

3. POWER OF COMPANY TO PURCHASE ITS OWN SECURITIES

Pursuant to a resolution of the Board, the Company may purchase its own Equity Shares or other Securities, as may be specified by the MCA, by way of a buy-back arrangement, in accordance with Sections 68, 69 and 70 of the Act, the Rules and subject to compliance with Law.

4. POWER TO MODIFY RIGHTS

Where, the Capital, is divided (unless otherwise provided by the terms of issue of the shares of that class) into different classes of shares, all or any of the rights and privileges attached to each class may, subject to the provisions of Section 48 of the Act and Law, and whether or not the Company is being wound up, be modified, commuted, affected or abrogated or dealt with by agreement between the Company and any Person purporting to contract on behalf of that class, provided the same is effected with consent in writing and by way of a Special Resolution passed at a separate meeting of the holders of the issued shares of that class. Subject to Section 48(2) of the Act and Law, all provisions hereafter contained as to General Meetings (including the provisions relating to quorum at such meetings) shall mutatis mutandis apply to every such meeting.

14. REGISTERS TO BE MAINTAINED BY THE COMPANY

- (a) The Company shall, in terms of the provisions of Section 88 of the Act, cause to be kept the following registers in terms of the applicable provisions of the Act
 - (i) A Register of Members indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;
 - (ii) A register of Debenture holders; and
 - (iii) A register of any other security holders.
- (b) The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called “foreign register” containing names and particulars of the Shareholders, Debenture holders or holders of other Securities or beneficial owners residing outside India.
- (c) The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

15. SHARES AND SHARE CERTIFICATES

- (a) The Company shall issue, re-issue and issue duplicate share certificates in accordance with the provisions of the Act and in the form and manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014.
- (b) A duplicate certificate of shares may be issued, if such certificate:
 - (i) is proved to have been lost or destroyed; or
 - (ii) has been defaced, mutilated or torn and is surrendered to the Company.
- (c) The Company shall be entitled to dematerialize its existing shares, rematerialize its shares held in the depository and/or to offer its fresh shares in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.
- (d) A certificate, issued under the common seal of the Company, specifying the shares held by any Person shall be *prima facie* evidence of the title of the Person to such shares. Where the shares are held in depository form, the record of depository shall be the *prima facie* evidence of the interest of the beneficial owner.
- (e) If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new Certificate in lieu thereof shall be given to the party entitled to such lost or destroyed Certificate. Every Certificate under the Articles shall be issued without payment of fees if the Directors so decide, or on payment of such fees (not exceeding Rupees two for each certificate) as the Directors shall prescribe. Provided that, no fee shall be charged for issue of a new certificate in replacement of those which are old, defaced or worn out or where there is no further space on the back thereof for endorsement of transfer.

Provided that notwithstanding what is stated above, the Directors shall comply with the applicable provisions of the Act and Law.
- (f) The provisions of this Article shall mutatis mutandis apply to Debentures and other Securities of the Company.
- (g) When a new share certificate has been issued in pursuance of sub-article (e) of this Article, it shall be in the form and manner stated under the Companies (Share Capital and Debentures) Rules, 2014.
- (h) Where a new share certificate has been issued in pursuance of sub-articles (e) or (f) of this Article, particulars of every such share certificate shall be entered in a Register of Renewed and Duplicate Certificates maintained in the form and manner specified under the Companies (Share Capital and Debentures) Rules, 2014.
- (i) All blank forms to be used for issue of share certificates shall be printed and the printing shall be done only on the authority of a Resolution of the Board. The blank forms shall be consecutively machine-numbered and the forms and the blocks, engravings, facsimiles and hues relating to the printing of such forms shall be kept in the custody of the Secretary or of such other person as the Board may authorize for the purpose and the Secretary or the other person aforesaid shall be responsible for rendering an account of these forms to the Board.
- (j) The Secretary shall be responsible for the maintenance, preservation and safe custody of all books and documents relating to the issue of share certificates including the blank forms of the share certificate referred to in sub-article (i) of this Article.
- (k) All books referred to in sub-article (j) of this Article, shall be preserved in the manner specified in the Companies (Share Capital and Debentures) Rules, 2014.
- (l) The details in relation to any renewal or duplicate share certificates shall be entered into the register of renewed and duplicate share certificates, as prescribed under the Companies (Share Capital and Debentures) Rules, 2014.

- (m) If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members shall as regards receipt of Dividends or bonus, or service of notices and all or any other matters connected with the Company except voting at meetings and the transfer of shares, be deemed the sole holder thereof, but the joint holders of a share shall be severally as well as jointly liable for the payment of all installments and calls due in respect of such shares, and for all incidents thereof according to these Articles.
- (n) Except as ordered by a court of competent jurisdiction or as may be required by Law, the Company shall be entitled to treat the Shareholder whose name appears on the Register of Members as the holder of any share or whose name appears as the beneficial owner of shares in the records of the Depository, as the absolute owner thereof and accordingly shall not be bound to recognise any benami, trust or equity or equitable, contingent or other claim to or interest in such share on the part of any other Person whether or not he shall have express or implied notice thereof. The Board shall be entitled at their sole discretion to register any shares in the joint names of any 2 (two) or more Persons or the survivor or survivors of them.

16. SHARES AT THE DISPOSAL OF THE DIRECTORS

- (a) Subject to the provisions of Section 62 and other applicable provisions of the Act, and these Articles, the shares in the Capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) shall be under the control of the Board who may issue, allot or otherwise dispose of the same or any of them to Persons in such proportion and on such terms and conditions and either at a premium or at par at such time as they may, from time to time, think fit.
- (b) If, by the conditions of allotment of any share, the whole or part of the amount thereof shall be payable by installments, every such installment shall, when due, be paid to the Company by the person who, for the time being, shall be the registered holder of the shares or by his executor or administrator.
- (c) Every Shareholder, or his heirs, Executors, or Administrators shall pay to the Company, the portion of the Capital represented by his share or shares which may for the time being remain unpaid thereon in such amounts at such time or times and in such manner as the Board shall from time to time in accordance with the Articles require or fix for the payment thereof.
- (d) In accordance with Section 56 and other applicable provisions of the Act and the Rules:
 - (i) Every Shareholder or allottee of shares shall be entitled without payment, to receive one or more certificates specifying the name of the Person in whose favour it is issued, the shares to which it relates and the amount paid up thereon. Such certificates shall be issued only in pursuance of a resolution passed by the Board and on surrender to the Company of its letter of allotment or its fractional coupon of requisite value, save in cases of issue of share certificates against letters of acceptance or of renunciation, or in cases of issue of bonus shares. Such share certificates shall also be issued in the event of consolidation or sub-division of shares of the Company. Every such certificate shall be issued under the Seal of the Company which shall be affixed in the presence of 2 (two) Directors or persons acting on behalf of the Board under a duly registered power of attorney and the Secretary or some other person appointed by the Board for the purpose and the 2 (two) Directors or their attorneys and the Secretary or other person shall sign the shares certificate(s), provided that if the composition of the Board permits, at least 1 (one) of the aforesaid 2 (two) Directors shall be a person other than a Managing Director(s) or an executive director(s). Particulars of every share certificate issued shall be entered in the Register of Members against the name of the Person, to whom it has been issued, indicating the date of issue. For any further certificate, the Board shall be entitled, but shall not be bound to prescribe a charge not exceeding rupees two.
 - (ii) Every Shareholder shall be entitled, without payment, to one or more certificates, in marketable lots, for all the shares of each class or denomination registered in his name, or if the Directors so approve (upon paying such fee as the Directors may from time to time determine) to several certificates, each for one or more of such shares and the Company shall complete and have ready for delivery such certificates within 2 (two) months from the date of allotment, or within 1 (one) month of the receipt of instrument of transfer, transmission, sub-division, consolidation or renewal of its shares as the case may be. Every certificate of shares shall be in the form and manner as specified in Article 15 above and in respect of a share or shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate of shares to the first named joint holders shall be sufficient delivery to all such holders.
 - (iii) the Board may, at their absolute discretion, refuse any applications for the sub-division of share

certificates or Debenture certificates, into denominations less than marketable lots except where subdivision is required to be made to comply with any statutory provision or an order of a competent court of law or at a request from a Shareholder or to convert holding of odd lot into transferable/marketable lot.

- (iv) A Director may sign a share certificate by affixing his signature thereon by means of any machine, equipment or other mechanical means, such as engraving in metal or lithography, but not by means of a rubber stamp, provided that the Director shall be responsible for the safe custody of such machine, equipment or other material used for the purpose.

17. UNDERWRITING AND BROKERAGE

- (a) Subject to the applicable provisions of the Act, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or procuring or agreeing to procure subscription, (whether absolutely or conditionally), for any shares or Debentures in the Company in accordance with the provisions of the Companies (Prospectus and Allotment of Securities) Rules, 2014.
- (b) The Company may also, on any issue of shares or Debentures, pay such brokerage as may be lawful.

18. CALLS

- (a) Subject to the provisions of Section 49 of the Act, the Board may, from time to time, subject to the terms on which any shares may have been issued and subject to the conditions of allotment, by a resolution passed at a meeting of the Board, (and not by circular resolution), make such call as it thinks fit upon the Shareholders in respect of all money unpaid on the shares held by them respectively and each Shareholder shall pay the amount of every call so made on him to the Person or Persons and Shareholders and at the times and places appointed by the Board. A call may be made payable by installments. Provided that the Board shall not give the option or right to call on shares to any person except with the sanction of the Company in the General Meeting.
- (b) 30 (thirty) days' notice in writing at the least of every call (otherwise than on allotment) shall be given by the Company specifying the time and place of payment and if payable to any Person other than the Company, the name of the person to whom the call shall be paid, provided that before the time for payment of such call, the Board may by notice in writing to the Shareholders revoke the same.
- (c) The Board of Directors may, when making a call by resolution, determine the date on which such call shall be deemed to have been made, not being earlier than the date of resolution making such call and thereupon the call shall be deemed to have been made on the date so determined and if no date is determined, the call shall be deemed to have been made at the time when the resolution of the Board authorising such call was passed and may be made payable by the Shareholders whose names appear on the Register of Members on such date or at the discretion of the Board on such subsequent date as shall be fixed by the Board. A call may be revoked or postponed at the discretion of the Board.
- (d) The joint holder of a share shall be jointly and severally liable to pay all instalments and calls due in respect thereof.
- (e) The Board may, from time to time at its discretion, extend the time fixed for the payment of any call and may extend such time as to all or any of the Shareholders who, from residence at a distance or other cause the Board may deem fairly entitled to such extension; but no Shareholders shall be entitled to such extension save as a matter of grace and favour.
- (f) If any Shareholder or allottee fails to pay the whole or any part of any call or installment, due from him on the day appointed for payment thereof, or any such extension thereof as aforesaid, he shall be liable to pay interest on the same from the day appointed for the payment thereof to the time of actual payment at such rate as shall from time to time be fixed by the Board but nothing in this Article shall render it obligatory for the Board to demand or recover any interest from any such Shareholder.
- (g) Any sum, which by the terms of issue of a share or otherwise, becomes payable on allotment or at any fixed date or by installments at a fixed time whether on account of the nominal value of the share or by way of premium shall for the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue or otherwise the same became payable, and in case of non-payment, all the relevant provisions of these Articles as to payment of call, interest, expenses, forfeiture or otherwise shall

apply as if such sum became payable by virtue of a call duly made and notified.

- (h) On the trial or hearing of any action or suit brought by the Company against any Shareholder or his legal representatives for the recovery of any money claimed to be due to the Company in respect of his shares, it shall be sufficient to prove that the name of the Shareholder in respect of whose shares the money is sought to be recovered appears entered on the Register of Members as the holder, or one of the holders at or subsequent to the date at which the money sought to be recovered is alleged to have become due on the shares; that the resolution making the call is duly recorded in the minute book, and that notice of such call was duly given to the Shareholder or his representatives so sued in pursuance of these Articles; and it shall not be necessary to prove the appointment of the Directors who made such call nor that a quorum of Directors was present at the Board at which any call was made, nor that the meeting at which any call was made was duly convened or constituted nor any other matters whatsoever; but the proof of the matters aforesaid shall be conclusive evidence of the debt.
- (i) Neither a judgment nor a decree in favour of the Company for calls or other money due in respect of any share nor any part payment or satisfaction thereunder, nor the receipt by the Company of a portion of any money which shall from time to time be due from any Shareholder to the Company in respect of his shares, either by way of principal or interest, nor any indulgence granted by the Company in respect of the payment of any such money shall preclude the Company from thereafter proceeding to enforce a forfeiture of such shares as hereinafter provided.
- (j) The Board may, if it thinks fit (subject to the provisions of Section 50 of the Act) agree to and receive from any Shareholder willing to advance the same, the whole or any part of the money due upon the shares held by him beyond the sums actually called up, and upon the amount so paid or satisfied in advance or so much thereof as from time to time and at any time thereafter as exceeds the amount of the calls then made upon and due in respect of the shares in respect of which such advance has been made, the Company may pay interest, as the Shareholder paying such sum in advance and the Board agree upon, provided that the money paid in advance of calls shall not confer a right to participate in profits or dividend. The Directors may at any time repay the amount so advanced.
- (k) No Shareholder shall be entitled to voting rights in respect of the money(ies) so paid by him until the same would but for such payment, become presently payable.
- (l) The provisions of these Articles shall *mutatis mutandis* apply to the calls on Debentures of the Company.

19. COMPANY'S LIEN:

i. On shares:

- (a) The Company shall have a first and paramount lien:
 - (i) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;
 - (ii) on all shares (not being fully paid shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

- (b) Company's lien, if any, on the shares, shall extend to all Dividends payable and bonuses declared from time to time in respect of such shares.
- (c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such shares.
- (d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their Shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application

of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.

- (e) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

ii. On Debentures:

- (a) The Company shall have a first and paramount lien:
 - (i) on every Debenture (not being a fully paid Debenture), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that Debenture;
 - (ii) on all Debentures (not being fully paid Debentures) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any Debentures wholly or in part to be exempt from the provisions of this Article.

- (b) Company's lien, if any, on the Debentures, shall extend to all interest and premium payable in respect of such Debentures.
- (c) Unless otherwise agreed, the registration of a transfer of Debentures shall operate as a waiver of the Company's lien, if any, on such Debentures. The fully paid up Debentures shall be free from all lien and that in case of partly paid Debentures, the

Company's lien shall be restricted to money called or payable at a fixed price in respect of such Debentures.

- (d) For the purpose of enforcing such lien, the Board may sell the Debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such Debentures and may authorize the debenture trustee acting as trustee for the holders of Debentures or one of the holder of Debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Debenture or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such

part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the Debentures before the sale) be paid to the Person entitled to the Debentures at the date of the sale.

- (e) No holder of Debentures shall exercise any voting right in respect of any Debentures registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

20. FORFEITURE OF SHARES

- (a) If any Shareholder fails to pay any call or installment or any part thereof or any money due in respect of any shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- (b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid are not be complied with, any share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all Dividends declared or any other money payable in respect of the forfeited share and not actually paid before the forfeiture subject to the applicable provisions of the Act. There shall be no forfeiture of unclaimed Dividends before the claim becomes barred by Law.
- (d) When any share shall have been so forfeited, notice of the forfeiture shall be given to the Shareholder on whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Members, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.
- (e) Any share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- (f) Any Shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, installments, interest and expenses and other money owing upon or in respect of such shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.
- (g) The forfeiture of a share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the share and all other rights incidental to the share, except only such of these rights as by these Articles are expressly saved.
- (h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the shares.
- (i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the shares sold and cause the purchaser's name to be entered in the Register of Members in respect of the shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and

after his name has been entered in the Register of Members in respect of such shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.

- (j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the relevant shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said shares to the person or persons entitled thereto.
- (k) The Board may, at any time, before any share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

21. FURTHER ISSUE OF SHARE CAPITAL

- (a) Where at any time, the Company proposes to increase its subscribed capital by the issue of further shares, such shares shall be offered—
 - (i) to persons who, at the date of the offer, are holders of Equity Shares of the Company in proportion, as nearly as circumstances admit, to the Paid up Share Capital on those shares by sending a letter of offer subject to the following conditions, namely:-
 - a. the offer shall be made by notice specifying the number of shares offered and limiting a time not being less than 15 (fifteen) days and not exceeding 30 (thirty) days from the date of the offer within which the offer, if not accepted, shall be deemed to have been declined;
 - b. the offer aforesaid shall be deemed to include a right exercisable by the Person concerned to renounce the shares offered to him or any of them in favour of any other Person; and the notice referred to in clause a. above shall contain a statement of this right;
 - c. after the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the Person to whom such notice is given that he declines to accept the shares offered, the Board may dispose of them in such manner which is not disadvantageous to the Shareholders and the Company;
 - (ii) to employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to the Rules and such other conditions, as may be prescribed under Law; or
 - (iii) to any persons, if it is authorised by a Special Resolution, whether or not those Persons include the Persons referred to in clause (i) or clause (ii) above, either for cash or for a consideration other than cash, if the price of such shares is determined by the valuation report of a registered valuer subject to the Rules.
- (b) The notice referred to in sub-clause a. of clause (i) of sub-article (a) shall be dispatched through registered post or speed post or through electronic mode to all the existing Shareholders at least 3 (three) days before the opening of the issue.
- (c) Nothing in this Article shall apply to the increase of the subscribed capital of a Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into shares in the Company:

Provided that the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution passed by the Company in a General Meeting.
- (d) The provisions contained in this Article shall be subject to the provisions of Section 42 and Section 62 of the Act, the Rules and the applicable provisions of the Act.

22. TRANSFER AND TRANSMISSION OF SHARES

- (a) The Company shall maintain a "Register of Transfers" and shall have recorded therein fairly and distinctly particulars of every transfer or transmission of any Share, Debenture or other Security held in a material form.

- (b) In accordance with Section 56 of the Act, the Rules and such other conditions as may be prescribed under Law, every instrument of transfer of shares held in physical form shall be in writing. In case of transfer of shares where the Company has not issued any certificates and where the shares are held in dematerialized form, the provisions of the Depositories Act shall apply.
 - (c)
 - (i) An application for the registration of a transfer of the shares in the Company may be made either by the transferor or the transferee within the time frame prescribed under the Act
 - (ii) Where the application is made by the transferor and relates to partly paid shares, the transfer shall not be registered unless the Company gives notice of the application to the transferee in a prescribed manner and the transferee communicates no objection to the transfer within 2 (two) weeks from the receipt of the notice.
 - (d) Every such instrument of transfer shall be executed by both, the transferor and the transferee and attested and the transferor shall be deemed to remain the holder of such share until the name of the transferee shall have been entered in the Register of Members in respect thereof.
 - (e) The Board shall have power on giving not less than 7 (seven) days previous notice by advertisement in a vernacular newspaper and in an English newspaper having wide circulation in the city, town or village in which the Office of the Company is situated, and publishing the notice on the website as may be notified by the Central Government and on the website of the Company, to close the transfer books, the Register of Members and/or Register of Debenture-holders at such time or times and for such period or periods, not exceeding 30 (thirty) days at a time and not exceeding in the aggregate 45 (forty-five) days in each year, as it may deem expedient.
 - (f) Subject to the provisions of Sections 58 and 59 of the Act, these Articles and other applicable provisions of the Act or any other Law for the time being in force, the Board may, refuse to register the transfer of, or the transmission by operation of law of the right to, any securities or interest of a Shareholder in the Company. The Company shall, within 30 (thirty) days from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to the Company, send a notice of refusal to the transferee and transferor or to the person giving notice of such transmission, as the case may be, giving reasons for such refusal.
- Provided that, registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other Person or Persons indebted to the Company on any account whatsoever except where the Company has a lien on shares.
- (g) Subject to the applicable provisions of the Act and these Articles, the Directors shall have the absolute and uncontrolled discretion to refuse to register a Person entitled by transmission to any shares or his nominee as if he were the transferee named in any ordinary transfer presented for registration, and shall not be bound to give any reason for such refusal and in particular may also decline in respect of shares upon which the Company has a lien.
 - (h) Subject to the provisions of these Articles, any transfer of shares in whatever lot should not be refused, though there would be no objection to the Company refusing to split a share certificate into several scripts of any small denominations or, to consider a proposal for transfer of shares comprised in a share certificate to several Shareholders, involving such splitting, if on the face of it such splitting/transfer appears to be unreasonable or without a genuine need. The Company should not, therefore, refuse transfer of shares in violation of the stock exchange listing requirements on the ground that the number of shares to be transferred is less than any specified number.
 - (i) In case of the death of any one or more Shareholders named in the Register of Members as the joint-holders of any shares, the survivors shall be the only Shareholder or Shareholders recognized by the Company as having any title to or interest in such shares, but nothing therein contained shall be taken to release the estate of a deceased joint-holder from any liability on shares held by him jointly with any other Person.
 - (j) The Executors or Administrators or holder of the succession certificate or the legal representatives of a deceased Shareholder, (not being one of two or more joint-holders), shall be the only Shareholders recognized by the Company as having any title to the shares registered in the name of such Shareholder, and the Company shall not be bound to recognize such Executors or Administrators or holders of succession certificate or the legal representatives unless such Executors or Administrators or legal representatives shall

have first obtained probate or letters of administration or succession certificate, as the case may be, from a duly constituted court in India, provided that the Board may in its absolute discretion dispense with production of probate or letters of administration or succession certificate, upon such terms as to indemnity or otherwise as the Board may in its absolute discretion deem fit and may under Article 22(a) of these Articles register the name of any Person who claims to be absolutely entitled to the shares standing in the name of a deceased Shareholder, as a Shareholder.

- (k) The Board shall not knowingly issue or register a transfer of any share to a minor or insolvent or Person of unsound mind, except fully paid shares through a legal guardian.
- (l) Subject to the provisions of Articles, any Person becoming entitled to shares in consequence of the death, lunacy, bankruptcy of any Shareholder or Shareholders, or by any lawful means other than by a transfer in accordance with these Articles, may with the consent of the Board, (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article, or of his title, as the Board thinks sufficient, either be registered himself as the holder of the shares or elect to have some Person nominated by him and approved by the Board, registered as such holder; provided nevertheless, that if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and until he does so, he shall not be freed from any liability in respect of the shares.
- (m) A Person becoming entitled to a share by reason of the death or insolvency of a Shareholder shall be entitled to the same Dividends and other advantages to which he would be entitled if he were the registered holder of the shares, except that he shall not, before being registered as a Shareholder in respect of the shares, be entitled to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Directors shall, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the shares, and if such notice is not complied with within 90 (ninety) days, the Directors may thereafter withhold payment of all Dividends, bonuses or other monies payable in respect of the shares until the requirements of the notice have been complied with.

- (n) Every instrument of transfer shall be presented to the Company duly stamped for registration accompanied by such evidence as the Board may require to prove the title of the transferor, his right to transfer the shares. Every registered instrument of transfer shall remain in the custody of the Company until destroyed by order of the Board.

Where any instrument of transfer of shares has been received by the Company for registration and the transfer of such shares has not been registered by the Company for any reason whatsoever, the Company shall transfer the Dividends in relation to such shares to a special account unless the Company is authorized by the registered holder of such shares, in writing, to pay such Dividends to the transferee and will keep in abeyance any offer of right shares and/or bonus shares in relation to such shares.

In case of transfer and transmission of shares or other marketable securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic and fungible form in a Depository, the provisions of the Depositories Act shall apply.

- (o) Before the registration of a transfer, the certificate or certificates of the share or shares to be transferred must be delivered to the Company along with a properly stamped and executed instrument of transfer in accordance with the provisions of Section 56 of the Act.
- (p) No fee shall be payable to the Company, in respect of the registration of transfer or transmission of shares, or for registration of any power of attorney, probate, letters of administration and succession certificate, certificate of death or marriage or other similar documents, sub division and/or consolidation of shares and debentures and sub-divisions of letters of allotment, renounceable letters of right and split, consolidation, renewal and genuine transfer receipts into denomination corresponding to the market unit of trading.
- (q) The Company shall incur no liability or responsibility whatsoever in consequence of its registering or giving effect to any transfer of shares made or purporting to be made by any apparent legal owner thereof, (as shown or appearing in the Register of Members), to the prejudice of a Person or Persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had any notice of such equitable right, title or interest or notice prohibiting registration of such transfer, and may have entered such notice or referred thereto, in any book of the Company and the Company shall not be bound or required to regard or attend or give effect to any notice which may be given to it of any equitable right, title or

interest or be under any liability whatsoever for refusing or neglecting so to do, though it may have been entered or referred to in some book of the Company but the Company shall nevertheless be at liberty to regard and attend to any such notice, and give effect thereto if the Board shall so think fit.

- (r) There shall be a common form of transfer in accordance with the Act and Rules.
- (s) The provision of these Articles shall subject to the applicable provisions of the Act, the Rules and any requirements of Law. Such provisions shall mutatis mutandis apply to the transfer or transmission by operation of Law to other Securities of the Company.

23. DEMATERIALIZATION OF SECURITIES

(a) Dematerialization:

Notwithstanding anything contained in these Articles, the Company shall be entitled to dematerialize its existing Securities, rematerialize its Securities held in the Depositories and/or to offer its fresh Securities in a dematerialized form pursuant to the Depositories Act, and the rules framed thereunder, if any.

- (b) Subject to the applicable provisions of the Act, either the Company or the investor may exercise an option to issue, dematerialize, hold the securities (including shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in which event the rights and obligations of the parties concerned and matters connected therewith or incidental thereto shall be governed by the provisions of the Depositories Act.
- (c) Notwithstanding anything contained in these Articles to the contrary, in the event the Securities of the Company are dematerialized, the Company shall issue appropriate instructions to the Depository not to Transfer the Securities of any Shareholder except in accordance with these Articles. The Company shall cause the Promoters to direct their respective Depository participants not to accept any instruction slip or delivery slip or other authorisation for Transfer in contravention of these Articles.
- (d) If a Person opts to hold his Securities with a Depository, the Company shall intimate such Depository the details of allotment of the Securities and on receipt of the information, the Depository shall enter in its record the name of the allottee as the Beneficial Owner of the Securities.
- (e) Securities in Depositories to be in fungible form:

All Securities held by a Depository shall be dematerialized and be held in fungible form. Nothing contained in Sections 88, 89 and 186 of the Act shall apply to a Depository in respect of the Securities held by it on behalf of the Beneficial Owners.

(f) Rights of Depositories & Beneficial Owners:

- (i) Notwithstanding anything to the contrary contained in the Act or these Articles, a Depository shall be deemed to be the Registered Owner for the purposes of effecting transfer of ownership of Securities on behalf of the Beneficial Owner.
- (ii) Save as otherwise provided in (i) above, the Depository as the Registered Owner of the Securities shall not have any voting rights or any other rights in respect of the Securities held by it.
- (iii) Every person holding shares of the Company and whose name is entered as the Beneficial Owner in the records of the Depository shall be deemed to be a Shareholder of the Company.
- (iv) The Beneficial Owner of Securities shall, in accordance with the provisions of these Articles and the Act, be entitled to all the rights and subject to all the liabilities in respect of his Securities, which are held by a Depository.
- (g) Except as ordered by a court of competent jurisdiction or as may be required by Law required and subject to the applicable provisions of the Act, the Company shall be entitled to treat the person whose name appears on the Register as the holder of any share or whose name appears as the Beneficial Owner of any share in the records of the Depository as the absolute owner thereof and accordingly shall not be bound to recognize any benami trust or equity, equitable contingent, future, partial interest, other claim to or interest in respect of such shares or (except only as by these Articles otherwise expressly provided) any right in respect of a share

other than an absolute right thereto in accordance with these Articles, on the part of any other person whether or not it has expressed or implied notice thereof but the Board shall at their sole discretion register any share in the joint names of any two or more persons or the survivor or survivors of them.

(h) Register and Index of Beneficial Owners:

The Company shall cause to be kept a register and index of members with details of shares and debentures held in materialized and dematerialized forms in any media as may be permitted by Law including any form of electronic media.

The register and index of Beneficial Owners maintained by a Depository under the Depositories Act shall be deemed to be a register and index of members for the purposes of this Act. The Company shall have the power to keep in any state or country outside India a register resident in that state or country.

(i) Cancellation of Certificates upon surrender by Person:

Upon receipt of certificate of securities on surrender by a person who has entered into an agreement with the Depository through a participant, the Company shall cancel such certificates and shall substitute in its record, the name of the Depository as the registered owner in respect of the said Securities and shall also inform the Depository accordingly.

(j) Service of Documents:

Notwithstanding anything contained in the Act or these Articles to the contrary, where Securities are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of floppies or discs.

(k) Transfer of Securities:

(i) Nothing contained in Section 56 of the Act or these Articles shall apply to a transfer of Securities effected by transferor and transferee both of whom are entered as Beneficial Owners in the records of a Depository.

(ii) In the case of transfer or transmission of shares or other marketable Securities where the Company has not issued any certificates and where such shares or Securities are being held in any electronic or fungible form in a Depository, the provisions of the Depositories Act shall apply.

(l) Allotment of Securities dealt with in a Depository:

Notwithstanding anything in the Act or these Articles, where Securities are dealt with by a Depository, the Company shall intimate the details of allotment of relevant Securities thereof to the Depository immediately on allotment of such Securities.

(m) Certificate Number and other details of Securities in Depository:

Nothing contained in the Act or these Articles regarding the necessity of having certificate number/distinctive numbers for Securities issued by the Company shall apply to Securities held with a Depository.

(n) Register and Index of Beneficial Owners:

The Register and Index of Beneficial Owners maintained by a Depository under the Depositories Act, shall be deemed to be the Register and Index (if applicable) of Shareholders and Security-holders for the purposes of these Articles.

(o) Provisions of Articles to apply to Shares held in Depository:

Except as specifically provided in these Articles, the provisions relating to joint holders of shares, calls, lien on shares, forfeiture of shares and transfer and transmission of shares shall be applicable to shares held in Depository so far as they apply to shares held in physical form subject to the provisions of the Depositories Act.

(p) Depository to furnish information:

Every Depository shall furnish to the Company information about the transfer of securities in the name of the Beneficial Owner at such intervals and in such manner as may be specified by Law and the Company in that behalf.

(q) Option to opt out in respect of any such Security:

If a Beneficial Owner seeks to opt out of a Depository in respect of any Security, he shall inform the Depository accordingly. The Depository shall on receipt of such information make appropriate entries in its records and shall inform the Company. The Company shall within 30 (thirty) days of the receipt of intimation from a Depository and on fulfillment of such conditions and on payment of such fees as may be specified by the regulations, issue the certificate of securities to the Beneficial Owner or the transferee as the case may be.

(r) Overriding effect of this Article:

Provisions of this Article will have full effect and force not withstanding anything to the contrary or inconsistent contained in any other Articles.

24. NOMINATION BY SECURITIES HOLDERS

- (a) Every holder of Securities of the Company may, at any time, nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as his nominee in whom the Securities of the Company held by him shall vest in the event of his death.
- (b) Where the Securities of the Company are held by more than one Person jointly, the joint holders may together nominate, in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, a Person as their nominee in whom all the rights in the Securities Company shall vest in the event of death of all the joint holders.
- (c) Notwithstanding anything contained in any other Law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of the Securities of the Company, where a nomination made in the manner prescribed under the Companies (Share Capital and Debentures) Rules, 2014, purports to confer on any Person the right to vest the Securities of the Company, the nominee shall, on the death of the holder of Securities of the Company or, as the case may be, on the death of the joint holders become entitled to all the rights in Securities of the holder or, as the case may be, of all the joint holders, in relation to such Securities of the Company to the exclusion of all other Persons, unless the nomination is varied or cancelled in the prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014.
- (d) Where the nominee is a minor, the holder of the Securities concerned, can make the nomination to appoint in prescribed manner under the Companies (Share Capital and Debentures) Rules, 2014, any Person to become entitled to the Securities of the Company in the event of his death, during the minority.
- (e) The transmission of Securities of the Company by the holders of such Securities and transfer in case of nomination shall be subject to and in accordance with the provisions of the Companies (Share Capital and Debentures) Rules, 2014.

25. NOMINATION FOR FIXED DEPOSITS

A depositor (who shall be the member of the Company) may, at any time, make a nomination and the provisions of Section 72 of the Act shall, as far as may be, apply to the nominations made in relation to the deposits made subject to the provisions of the Rules as may be prescribed in this regard.

26. NOMINATION IN CERTAIN OTHER CASES

Subject to the applicable provisions of the Act and these Articles, any person becoming entitled to Securities in consequence of the death, lunacy, bankruptcy or insolvency of any holder of Securities, or by any lawful means other than by a transfer in accordance with these Articles, may, with the consent of the Board (which it shall not be under any obligation to give), upon producing such evidence that he sustains the character in respect of which he proposes to act under this Article or of such title as the Board thinks sufficient, either be registered himself as the holder of the Securities or elect to have some Person nominated by him and approved by the Board registered as such holder; provided nevertheless that, if such Person shall elect to have his nominee registered, he shall testify the election by executing in favour of his nominee an instrument of transfer in accordance with the provisions herein contained and

until he does so, he shall not be freed from any liability in respect of the Securities.

27. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Act shall be sent by the Company to every Shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

28. BORROWING POWERS

- (a) Subject to the provisions of Sections 73, 179 and 180, and other applicable provisions of the Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
- (i) accept or renew deposits from Shareholders;
 - (ii) borrow money by way of issuance of Debentures;
 - (iii) borrow money otherwise than on Debentures;
 - (iv) accept deposits from Shareholders either in advance of calls or otherwise; and
 - (v) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in a General Meeting.

- (b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable Debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company by way of a Special Resolution in General Meeting mortgage, charge or otherwise encumber, the Company's uncalled Capital for the time being or any part thereof and Debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.
- (c) Any bonds, Debentures, debenture-stock or other Securities may if permissible in Law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Equity Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that Debentures with rights to allotment of or conversion into Equity Shares shall not be issued except with, the sanction of the Company in General Meeting accorded by a Special Resolution.
- (d) Subject to the applicable provisions of the Act and these Articles, if any uncalled Capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the Shareholders in respect of such uncalled Capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the Shareholders in respect of such uncalled Capital and the provisions hereinafter contained in regard to calls shall *mutatis mutandis* apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- (e) The Board shall cause a proper Register to be kept in accordance with the provisions of Section 85 of the Act of all mortgages, Debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the relevant provisions of the Act in that behalf to be duly complied with within the time

prescribed under the Act or such extensions thereof as may be permitted under the Act, as the case may be, so far as they are required to be complied with by the Board.

- (f) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.
- (g) The Company shall also comply with the provisions of the Companies (Registration of Charges) Rules, 2014 in relation to the creation and registration of aforesaid charges by the Company.

29. SHARE WARRANTS

- (a) The Company may issue share warrants subject to, and in accordance with, the provisions of Sections 114 and 115 of the Companies Act, 1956; and accordingly the Board may in its discretion, with respect to any Share which is fully Paid-up, on application in writing signed by the Persons registered as holder of the Share, and authenticated by such evidence (if any) as the Board may, from time to time, require as to the identity of the Person signing the application, and on receiving the certificate (if any) of the Share, and the amount of the stamp duty on the warrant and such fee as the Board may from time to time require, issue a share warrant.
- (b)
 - (i) The bearer of a share warrant may at any time deposit the warrant at the Office of the Company, and so long as the warrant remains so deposited, the depositor shall have the same right of signing a requisition for calling a meeting of the Company, and of attending, and voting and exercising the other privileges of a Shareholder at any meeting held after the expiry of 2 (two) clear days from the time of deposit, as if his name were inserted in the Register of Members as the holder of the Share included in the deposited warrant.
 - (ii) Not more than one person shall be recognised as depositor of the share warrant.
 - (iii) The Company shall, on 2 (two) days' written notice, return the deposited share warrant to the depositor.
- (c)
 - (i) Subject as herein otherwise expressly provided, no person shall, as bearer of a share warrant, sign a requisition for calling a meeting of the Company, or attend, or vote or exercise any other privileges of a Shareholder at a meeting of the Company, or be entitled to receive any notices from the Company.
 - (ii) The bearer of a share warrant shall be entitled in all other respects to the same privileges and advantages as if he were named in the Register of Members as the Shareholder included in the warrant, and he shall be a Shareholder of the Company.
- (d) The Board may, from time to time, make rules as to the terms on which (if it shall think fit) a new share warrant or coupon may be issued by way of renewal in case of defacement, loss or destruction.
- (e) The provisions contained under this Article shall cease to have effect post the notification of section 465 of the Act which shall repeal the provisions of Companies Act, 1956.

30. CONVERSION OF SHARES INTO STOCK AND RECONVERSION

- (a) The Company in General Meeting may, by Ordinary Resolution, convert any Paid-up shares into stock and when any shares shall have been converted into stock, the several holders of such stock may henceforth transfer their respective interest therein, or any part of such interests, in the same manner and subject to the same regulations as those subject to which shares from which the stock arose might have been transferred, if no such conversion had taken place or as near thereto as circumstances will admit. The Company may, by an Ordinary Resolution, at any time reconvert any stock into Paid-up shares of any denomination. Provided that the Board may, from time to time, fix the minimum amount of stock transferable, so however such minimum shall not exceed the nominal account from which the stock arose.
- (b) The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividends, voting at meetings of the Company, and other matters, as if they held the shares from which the stock arose, but no such privileges or advantages, (except participation in the Dividends and profits of the Company and in the assets on winding-up), shall be conferred by an amount of stock which would not, if existing in shares, have conferred that privilege or advantage.

31. ANNUAL GENERAL MEETING

In accordance with the provisions of the Act, the Company shall in each year hold a General Meeting specified as its Annual General Meeting and shall specify the meeting as such in the notices convening such meetings. Further, not more than 15 (fifteen) months gap shall exist between the date of one Annual General Meeting and the date of the next. All General Meetings other than Annual General Meetings shall be Extraordinary General Meetings.

32. WHEN ANNUAL GENERAL MEETING TO BE HELD

Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96(1) of the Act to extend the time within which any Annual General Meeting may be held.

33. VENUE, DAY AND TIME FOR HOLDING ANNUAL GENERAL MEETING

- (a) Every Annual General Meeting shall be called during business hours, that is, between 9 A.M. and 6 P.M. on a day that is not a national holiday, and shall be held at the Office of the Company or at some other place within the city, town or village in which the Office of the Company is situated, as the Board may determine and the notices calling the Meeting shall specify it as the Annual General Meeting.
- (b) Every Shareholder of the Company shall be entitled to attend the Annual General Meeting either in person or by proxy and the Auditor of the Company shall have the right to attend and to be heard at any General Meeting which he attends on any part of the business which concerns him as Auditor. At every Annual General Meeting of the Company there shall be laid on the table, the Directors' Report and Audited Statement of Accounts, Auditors' Report, (if not already incorporated in the Audited Statement of Accounts), the proxy Register with proxies and the Register of Directors' shareholdings which latter Register shall remain open and accessible during the continuance of the Meeting. The Board shall cause to be prepared the Annual Return and forward the same to the concerned Registrar of Companies, in accordance with Sections 92 and 137 of the Act. The Directors are also entitled to attend the Annual General Meeting.

34. NOTICE OF GENERAL MEETINGS

- (a) Number of days' notice of General Meeting to be given: A General Meeting of the Company may be called by giving not less than 21 (twenty one) days clear notice in writing or in electronic mode, excluding the day on which notice is served or deemed to be served (i.e., on expiry of 48 (forty eight) hours after the letter containing the same is posted). However, a General Meeting may be called after giving shorter notice if consent is given in writing or by electronic mode by not less than 95 (ninety five) percent of the Shareholders entitled to vote at that meeting.

The notice of every meeting shall be given to:

- (a) every Shareholder, legal representative of any deceased Shareholder or the assignee of an insolvent member of the Company,
 - (b) Auditor or Auditors of the Company, and
 - (c) all Directors.
- (b) Notice of meeting to specify place, etc., and to contain statement of business: Notice of every meeting of the Company shall specify the place, date, day and hour of the meeting, and shall contain a statement of the business to be transacted thereat shall be given in the manner prescribed under Section 102 of the Act.
 - (c) Contents and manner of service of notice and Persons on whom it is to be served: Every notice may be served by the Company on any Shareholder thereof either personally or by sending it by post to their/its registered address in India and if there be no registered address in India, to the address supplied by the Shareholder to the Company for giving the notice to the Shareholder.
 - (d) Special Business: Subject to the applicable provisions of the Act, where any items of business to be transacted at the meeting are deemed to be special, there shall be annexed to the notice of the meeting a statement setting out all material facts concerning each item of business including any particular nature of the concern or interest if any therein of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid and where any item of special business relates to or affects any other company, the extent of shareholding interest

in that other company of every Director or manager (as defined under the provisions of the Act), if any or key managerial personnel (as defined under the provisions of the Act) or the relatives of any of the aforesaid of the first mentioned company shall also be set out in the statement if the extent of such interest is not less than 2 per cent of the paid up share capital of that other company. All business transacted at any meeting of the Company shall be deemed to be special and all business transacted at the Annual General Meeting of the Company with the exception of the business specified in Section 102 of the Act shall be deemed to be special.

- (e) Resolution requiring Special Notice: With regard to resolutions in respect of which special notice is required to be given by the Act, a special notice shall be given as required by Section 115 of the Act.
- (f) Notice of Adjourned Meeting when necessary: When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting in accordance with the applicable provisions of the Act.
- (g) Notice when not necessary: Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- (h) The notice of the General Meeting shall comply with the provisions of Companies (Management and Administration) Rules, 2014.

35. REQUISITION OF EXTRAORDINARY GENERAL MEETING

- (a) The Board may, whenever it thinks fit, call an Extraordinary General Meeting and it shall do so upon a requisition received from such number of Shareholders who hold, on the date of receipt of the requisition, not less than one-tenth of such of the Paid up Share Capital of the Company as on that date carries the right of voting and such meeting shall be held at the Office or at such place and at such time as the Board thinks fit.
- (b) Any valid requisition so made by Shareholders must state the object or objects of the meeting proposed to be called, and must be signed by the requisitionists and be deposited at the Office; provided that such requisition may consist of several documents in like form each signed by one or more requisitionists.
- (c) Upon the receipt of any such valid requisition, the Board shall forthwith call an Extraordinary General Meeting and if they do not proceed within 21 (twenty-one) days from the date of the requisition being deposited at the Office to cause a meeting to be called on a day not later than 45 (forty-five) days from the date of deposit of the requisition, the requisitionists or such of their number as represent either a majority in value of the Paid up Share Capital held by all of them or not less than one-tenth of such of the Paid-up Share Capital of the Company as is referred to in Section 100 of the Act, whichever is less, may themselves call the meeting, but in either case any meeting so called shall be held within three months from the date of the delivery of the requisition as aforesaid.
- (d) Any meeting called under the foregoing sub-articles by the requisitionists, shall be called in the same manner, as nearly as possible, as that in which a meeting is to be called by the Board.
- (e) The accidental omission to give any such notice as aforesaid to any of the Shareholders, or the non-receipt thereof, shall not invalidate any resolution passed at any such meeting.
- (f) No General Meeting, Annual or Extraordinary, shall be competent to enter into, discuss or transact any business which has not been mentioned in the notice or notices by which it was convened.
- (g) The Extraordinary General Meeting called under this article shall be subject to and in accordance with the provisions contained under the Companies (Management and Administration) Rules, 2014.

36. NO BUSINESS TO BE TRANSACTED IN GENERAL MEETING IF QUORUM IS NOT PRESENT

The quorum for the Shareholders' Meeting shall be in accordance with Section 103 of the Act. Subject to the provisions of Section 103(2) of the Act, if such a quorum is not present within half an hour from the time set for the Shareholders' Meeting, the Shareholders' Meeting shall be adjourned to the same time and place or to such other date and such other time and place as the Board may determine and the agenda for the adjourned Shareholders' Meeting shall remain the same. If at such adjourned meeting also, a quorum is not present, at the expiration of half an hour from the time appointed for holding the meeting, the members present shall be a quorum, and may transact the business for which the meeting was called.

37. CHAIRMAN OF THE GENERAL MEETING

The Chairman of the Board shall be entitled to take the Chair at every General Meeting, whether Annual or Extraordinary. If there is no such Chairman of the Board or if at any meeting he shall not be present within fifteen minutes of the time appointed for holding such meeting or if he is unable or unwilling to take the Chair, then the Directors present shall elect one of them as Chairman. If no Director is present or if all the Directors present decline to take the Chair, then the Shareholders present shall elect one of their member to be the Chairman of the meeting. No business shall be discussed at any General Meeting except the election of a Chairman while the Chair is vacant.

38. CHAIRMAN CAN ADJOURN THE GENERAL MEETING

The Chairman may, with the consent given in the meeting at which a quorum is present (and if so directed by the meeting) adjourn the General Meeting from time to time and from place to place within the city, town or village in which the Office of the Company is situate but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.

39. QUESTIONS AT GENERAL MEETING HOW DECIDED

- (a) At any General Meeting, a resolution put to the vote of the General Meeting shall, unless a poll is demanded, be decided by a show of hands. Before or on the declaration of the result of the voting on any resolution by a show of hands, a poll may be carried out in accordance with the applicable provisions of the Act or the voting is carried out electronically. Unless a poll is demanded, a declaration by the Chairman that a resolution has, on a show of hands, been carried or carried unanimously, or by a particular majority, or lost and an entry to that effect in the Minute Book of the Company shall be conclusive evidence of the fact, of passing of such resolution or otherwise.
- (b) In the case of equal votes, the Chairman shall both on a show of hands and at a poll, (if any), have a casting vote in addition to the vote or votes to which he may be entitled as a Shareholder.
- (c) If a poll is demanded as aforesaid, the same shall subject to anything stated in these Articles be taken at such time, (not later than forty-eight hours from the time when the demand was made), and place within the City, Town or Village in which the Office of the Company is situate and either by a show of hands or by ballot or by postal ballot, as the Chairman shall direct and either at once or after an interval or adjournment, or otherwise and the result of the poll shall be deemed to be the decision of the meeting at which the poll was demanded. Any business other than that upon which a poll has been demanded may be proceeded with, pending the taking of the poll. The demand for a poll may be withdrawn at any time by the Person or Persons who made the demand.
- (d) Where a poll is to be taken, the Chairman of the meeting shall appoint two scrutinizers to scrutinise the votes given on the poll and to report thereon to him. One of the scrutinizers so appointed shall always be a Shareholder, (not being an officer or employee of the Company), present at the meeting provided such a Shareholder is available and willing to be appointed. The Chairman shall have power at any time before the result of the poll is declared, to remove a scrutinizer from office and fill vacancies in the office of scrutinizer arising from such removal or from any other cause.
- (e) Any poll duly demanded on the election of a Chairman of a meeting or any question of adjournment, shall be taken at the meeting forthwith. A poll demanded on any other question shall be taken at such time not later than 48 hours from the time of demand, as the Chairman of the meeting directs.
- (f) The demand for a poll except on the question of the election of the Chairman and of an adjournment shall not prevent the continuance of a meeting for the transaction of any business other than the question on which the poll has been demanded.
- (g) No report of the proceedings of any General Meeting of the Company shall be circulated or advertised at the expense of the Company unless it includes the matters required by these Articles or Section 118 of the Act to be contained in the Minutes of the proceedings of such meeting.
- (h) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.

40. PASSING RESOLUTIONS BY POSTAL BALLOT

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other Law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

41. VOTES OF MEMBERS

- (a) No Shareholder shall be entitled to vote either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any shares registered in his name on which calls or other sums presently payable by him have not been paid or in regard to which the Company has exercised any right of lien.
- (b) No member shall be entitled to vote at a General Meeting unless all calls or other sums presently payable by him have been paid, or in regard to which the Company has lien and has exercised any right of lien.
- (c) Subject to the provisions of these Articles, without prejudice to any special privilege or restrictions as to voting for the time being attached to any class of shares for the time being forming a part of the Capital of the Company, every Shareholder not disqualified by the last preceding Article, shall be entitled to be present, and to speak and vote at such meeting, and on a show of hands, every Shareholder present in person shall have one vote and upon a poll, the voting right of such Shareholder present, either in person or by proxy, shall be in proportion to his share of the Paid Up Share Capital of the Company held alone or jointly with any other Person or Persons.

Provided however, if any Shareholder holding Preference shares be present at any meeting of the Company, save as provided in Section 47(2) of the Act, he shall have a right to vote only on resolutions placed before the Meeting, which directly affect the rights attached to his preference shares.

- (d) On a poll taken at a meeting of the Company, a Shareholder entitled to more than one vote, or his proxy, or any other Person entitled to vote for him (as the case may be), need not, if he votes, use or cast all his votes in the same way.
- (e) A Shareholder of unsound mind or in respect of whom an order has been made by any court having jurisdiction in lunacy, may vote, whether on a show of hands or on a poll, through a committee or through his legal guardian; and any such committee or guardian may, on a poll vote by proxy. If any Shareholder be a minor his vote in respect of his Share(s) shall be exercised by his guardian(s), who may be selected (in case of dispute) by the Chairman of the meeting.
- (f) If there be joint registered holders of any shares, any one of such Persons may vote at any meeting or may appoint another Person, (whether a Shareholder or not) as his proxy in respect of such shares, as if he were solely entitled thereto; but the proxy so appointed shall not have any right to speak at the meeting and if more than one of such joint-holders be present at any meeting, then one of the said Persons so present whose name stands higher in the Register of Members shall alone be entitled to speak and to vote in respect of such shares, but the other joint- holders shall be entitled to be present at the meeting. Several Executors or Administrators of a deceased Shareholder in whose name shares stand shall for the purpose of these Articles be deemed joint-holders thereof.
- (g) Subject to the provision of these Articles, votes may be given personally or by an attorney or by proxy. A body corporate, whether or not a Company within the meaning of the Act, being a Shareholder may vote either by a proxy or by a representative duly authorised in accordance with Section 113 of the Act and such representative shall be entitled to exercise the same rights and powers, (including the right to vote by proxy), on behalf of the body corporate which he represents as that body could have exercised if it were an individual Shareholder.
- (h) Any Person entitled to transfer any shares of the Company may vote at any General Meeting in respect thereof in the same manner as if he were the registered holder of such shares, provided that forty-eight hours at least before the time of holding the meeting or adjourned meeting, as the case may be, at which he proposes to

vote, he shall satisfy the Board of his right to such shares and give such indemnity (if any) as the Board may require unless the Board shall have previously admitted his right to vote at such meeting in respect thereof.

- (i) Every proxy, (whether a Shareholder or not), shall be appointed in writing under the hand of the appointer or his attorney, or if such appointer is a corporation under the Common Seal of such corporation or be signed by an officer or an attorney duly authorised by it, and any committee or guardian may appoint proxy. The proxy so appointed shall not have any right to speak at a meeting.
- (j) An instrument of proxy may appoint a proxy either for (i) the purposes of a particular meeting (as specified in the instrument) or (ii) for any adjournment thereof or (iii) it may appoint a proxy for the purposes of every meeting of the Company, or (iv) of every meeting to be held before a date specified in the instrument for every adjournment of any such meeting.
- (k) A Shareholder present by proxy shall be entitled to vote only on a poll.
- (l) An instrument appointing a proxy and a power of attorney or other authority (including by way of a Board Resolution, (if any),) under which it is signed or a notarially certified copy of that power or authority or resolution as the case may be, shall be deposited at the Office not later than forty-eight hours before the time for holding the meeting at which the Person named in the instrument proposes to vote and in default the instrument of proxy shall not be treated as valid. No instrument appointing a proxy shall be valid after the expiration of 12 months from the date of its execution. An attorney shall not be entitled to vote unless the power of attorney or other instrument or resolution as the case may be appointing him or a notarially certified copy thereof has either been registered in the records of the Company at any time not less than forty-eight hours before the time for holding the meeting at which the attorney proposes to vote, or is deposited at the Office of the Company not less than forty-eight hours before the time fixed for such meeting as aforesaid. Notwithstanding that a power of attorney or other authority has been registered in the records of the Company, the Company may, by notice in writing addressed to the Shareholder or the attorney, given at least 48 (forty eight) hours before the meeting, require him to produce the original power of attorney or authority or resolution as the case may be and unless the same is deposited with the Company not less than forty-eight hours before the time fixed for the meeting, the attorney shall not be entitled to vote at such meeting unless the Board in their absolute discretion excuse such non-production and deposit.
- (m) Every instrument of proxy whether for a specified meeting or otherwise should, as far as circumstances admit, be in any of the forms set out in the Companies (Management and Administration) Rules, 2014.
- (n) If any such instrument of appointment be confined to the object of appointing an attorney or proxy for voting at meetings of the Company it shall remain permanently or for such time as the Directors may determine in the custody of the Company; if embracing other objects a copy thereof, examined with the original, shall be delivered to the Company to remain in the custody of the Company.
- (o) A vote given in accordance with the terms of an instrument of proxy shall be valid notwithstanding the previous death of the principal, or revocation of the proxy or of any power of attorney under which such proxy was signed, or the transfer of the Share in respect of which the vote is given, provided that no intimation in writing of the death, revocation or transfer shall have been received at the Office before the meeting.
- (p) No objection shall be made to the validity of any vote, except at the Meeting or poll at which such vote shall be tendered, and every vote whether given personally or by proxy, not disallowed at such meeting or poll shall be deemed valid for all purposes of such meeting or poll whatsoever.
- (q) The Chairman of any meeting shall be the sole judge of the validity of every vote tendered at such meeting. The Chairman present at the taking of a poll shall be in the sole judge of the validity of every vote tendered at such poll.
 - (i) The Company shall cause minutes of all proceedings of every General Meeting to be kept by making within 30 (thirty) days of the conclusion of every such meeting concerned, entries thereof in books kept for that purpose with their pages consecutively numbered.
 - (ii) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 30 (thirty) days or in the event of the death or inability of that Chairman within that period, by a Director duly authorised by the Board for that purpose.

- (iii) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (iv) The Minutes of each meeting shall contain a fair and correct summary of the proceedings thereat.
- (v) All appointments of Directors of the Company made at any meeting aforesaid shall be included in the minutes of the meeting.
- (vi) Nothing herein contained shall require or be deemed to require the inclusion in any such Minutes of any matter which in the opinion of the Chairman of the Meeting (i) is or could reasonably be regarded as, defamatory of any person, or (ii) is irrelevant or immaterial to the proceedings, or (iii) is detrimental to the interests of the Company. The Chairman of the meeting shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the Minutes on the aforesaid grounds.
- (vii) Any such Minutes shall be evidence of the proceedings recorded therein.
- (viii) The book containing the Minutes of proceedings of General Meetings shall be kept at the Office of the Company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the Board determines, for the inspection of any Shareholder without charge.
- (ix) The Company shall cause minutes to be duly entered in books provided for the purpose of: -
 - a) the names of the Directors and Alternate Directors present at each General Meeting;
 - b) all Resolutions and proceedings of General Meeting.
- (r) The Shareholders shall vote (whether in person or by proxy) all of the shares owned or held on record by them at any Annual or Extraordinary General Meeting of the Company called for the purpose of filling positions to the Board, appointed as a Director of the Company under Sections 152 and 164(1) of the Act in accordance with these Articles.
- (s) The Shareholders will do nothing to prevent the taking of any action by the Company or act contrary to or with the intent to evade or defeat the terms as contained in these Articles.
- (t) All matters arising at a General Meeting of the Company, other than as specified in the Act or these Articles if any, shall be decided by a majority vote.
- (u) The Shareholders shall exercise their voting rights as shareholders of the Company to ensure that the Act or these Articles are implemented and acted upon by the Shareholders, and by the Company and to prevent the taking of any action by the Company or by any Shareholder, which is contrary to or with a view or intention to evade or defeat the terms as contained in these Articles.
- (v) Any corporation which is a Shareholder of the Company may, by resolution of the Board or other governing body, authorise such person as it thinks fit to act as its representative at any meeting of the Company and the said person so authorised shall be entitled to exercise the same powers on behalf of the corporation which he represents as that corporation could have exercised if it were an individual Shareholder in the Company (including the right to vote by proxy).
- (w) The Company shall also provide e-voting facility to the Shareholders of the Company in terms of the provisions of the Companies (Management and Administration) Rules, 2014, the Listing Agreement or any other Law, if applicable to the Company.

42. DIRECTORS

Subject to the applicable provisions of the Act, the number of Directors of the Company shall not be less than 3 (three) and not more than 15 (fifteen). The Company shall also comply with the provisions of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the provisions of the Listing Agreement. The Board shall have an optimum combination of executive and Independent Directors with at least 1 (one) woman Director, as may be prescribed by Law from time to time.

43. CHAIRMAN OF THE BOARD OF DIRECTORS

- (a) The members of the Board shall elect any one of them as the Chairman of the Board. The Chairman shall preside at all meetings of the Board and the General Meeting of the Company. The Chairman shall have a casting vote in the event of a tie.
- (b) If for any reason the Chairman is not present at the meeting or is unwilling to act as Chairman, the members of the Board shall appoint any one of the remaining Directors as the Chairman.

44. APPOINTMENT OF ALTERNATE DIRECTORS

Subject to Section 161 of the Act, any Director shall be entitled to nominate an alternate director to act for him during his absence for a period of not less than 3 (three) months. The Board may appoint such a person as an Alternate Director to act for a Director (hereinafter called “**the Original Director**”) (subject to such person being acceptable to the Chairman) during the Original Director’s absence for a period of not less than three months from the State in which the meetings of the Board are ordinarily held. An Alternate Director appointed under this Article shall not hold office for a period longer than that permissible to the Original Director in whose place he has been appointed and shall vacate office if and when the Original Director returns to the State. If the term of the office of the Original Director is determined before he so returns to the State, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.

45. CASUAL VACANCY AND ADDITIONAL DIRECTORS

Subject to the applicable provisions of the Act and these Articles, the Board shall have the power at any time and from time to time to appoint any qualified Person to be a Director either as an addition to the Board or to fill a casual vacancy but so that the total number of Directors shall not at any time exceed the maximum number fixed under Article 42. Any Person so appointed as an addition shall hold office only up to the earlier of the date of the next Annual General Meeting or at the last date on which the Annual General Meeting should have been held but shall be eligible for appointment by the Company as a Director at that meeting subject to the applicable provisions of the Act.

46. DEBENTURE DIRECTORS

If it is provided by a trust deed, securing or otherwise, in connection with any issue of Debentures of the Company, that any Person/lender or Persons/lenders shall have power to nominate a Director of the Company, then in the case of any and every such issue of Debentures, the Person/lender or Persons/lenders having such power may exercise such power from time to time and appoint a Director accordingly. Any Director so appointed is herein referred to a Debenture Director. A Debenture Director may be removed from office at any time by the Person/lender or Persons/lenders in whom for the time being is vested the power under which he was appointed and another Director may be appointed in his place. A Debenture Director shall not be bound to hold any qualification shares and shall not be liable to retire by rotation or be removed by the Company. The trust deed may contain ancillary provisions as may be arranged between the Company and the trustees and all such provisions shall have effect notwithstanding any other provisions contained herein.

47. INDEPENDENT DIRECTORS

The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other Law, as may be applicable. Further, the appointment of such Independent Directors shall be in terms of the aforesaid provisions of Law and subject to the requirements prescribed under Clause 49 of the Listing Agreement.

48. EQUAL POWER TO DIRECTOR

Except as otherwise provided in these Articles, all the Directors of the Company shall have in all matters, equal rights and privileges and shall be subject to equal obligations and duties in respect of the affairs of the Company.

49. NOMINEE DIRECTORS

Whenever the Board enters into a contract with any lenders for borrowing any money or for providing any guarantee or security or for technical collaboration or assistance or enter into any other arrangement, the Board shall have, subject to the provisions of Section 152 of the Act the power to agree that such lenders shall have the right to appoint

or nominate by a notice in writing addressed to the Company one or more Directors on the Board for such period and upon such conditions as may be mentioned in the common loan agreement/ facility agreement. The nominee director representing lenders shall not be required to hold qualification shares and not be liable to retire by rotation. The Directors may also agree that any such Director, or Directors may be removed from time to time by the lenders entitled to appoint or nominate them and such lenders may appoint another or other or others in his or their place and also fill in any vacancy which may occur as a result of any such Director, or Directors ceasing to hold that office for any reason whatsoever. The nominee director shall hold office only so long as any monies remain owed by the Company to such lenders.

The nominee director shall be entitled to all the rights and privileges of other Directors including the sitting fees and expenses as payable to other Directors but, if any other fees, commission, monies or remuneration in any form are payable to the Directors, the fees, commission, monies and remuneration in relation to such nominee director shall accrue to the lenders and the same shall accordingly be paid by the Company directly to the lenders.

Provided that if any such nominee director is an officer of any of the lenders, the sittings fees in relation to such nominee director shall also accrue to the lenders concerned and the same shall accordingly be paid by the Company directly to that lenders.

Any expenditure that may be incurred by the lenders or the nominee director in connection with the appointment or directorship shall be borne by the Company.

The nominee director so appointed shall be a member of the project management sub-committee, audit sub-committee and other sub-committees of the Board, if so desired by the lenders.

The nominee director shall be entitled to receive all notices, agenda, etc. and to attend all general meetings and Board meetings and meetings of any committee(s) of the Board of which he is a member and to receive all notices, agenda and minutes, etc. of the said meeting.

If at any time, the nominee director is not able to attend a meeting of Board or any of its committees, of which he is a member, the lenders may depute an observer to attend the meeting. The expenses incurred by the lenders in this connection shall be borne by the Company.

50. NO QUALIFICATION SHARES FOR DIRECTORS

A Director shall not be required to hold any qualification shares of the Company.

51. REMUNERATION OF DIRECTORS

- (a) Subject to the applicable provisions of the Act, the Rules, Law including the provisions of the Listing Agreement, a Managing Director or Managing Directors, and any other Director/s who is/are in the whole time employment of the Company may be paid remuneration either by a way of monthly payment or at a specified percentage of the net profits of the Company or partly by one way and partly by the other, subject to the limits prescribed under the Act.
- (b) Subject to the applicable provisions of the Act, a Director (other than a Managing Director or an executive Director) may receive a sitting fee not exceeding such sum as may be prescribed by the Act or the central government from time to time for each meeting of the Board or any Committee thereof attended by him.
- (c) The remuneration payable to each Director for every meeting of the Board or Committee of the Board attended by them shall be such sum as may be determined by the Board from time to time within the maximum limits prescribed from time to time by the Central Government pursuant to the first proviso to Section 197 of the Act.
- (d) All fees/compensation to be paid to non-executive Directors including Independent Directors shall be as fixed by the Board and shall require the prior approval of the Shareholders in a General meeting. Such approval shall also specify the limits for the maximum number of stock options that can be granted to a non-executive Director, in any financial year, and in aggregate. However, such prior approval of the Shareholders shall not be required in relation to the payment of sitting fees to non-executive Directors if the same is made within the prescribed limits under the Act for payment of sitting fees with approval of Central Government. Notwithstanding anything contained in this article, the Independent Directors shall not be eligible to receive any stock options.

52. SPECIAL REMUNERATION FOR EXTRA SERVICES RENDERED BY A DIRECTOR

If any Director be called upon to perform extra services or special exertions or efforts (which expression shall include work done by a Director as a member of any Committee formed by the Directors), the Board may arrange with such Director for such special remuneration for such extra services or special exertions or efforts either by a fixed sum or otherwise as may be determined by the Board. Such remuneration may either be in addition, to or in substitution for his remuneration otherwise provided, subject to the applicable provisions of the Act.

53. TRAVEL EXPENSES OF DIRECTORS

The Board may allow and pay to any Director, who is not a bona fide resident of the place where the meetings of the Board/Committee meetings are ordinarily held; and who shall come to such place for the purpose of attending any meeting, such sum as the Board may consider fair compensation for travelling, lodging and/ or other expenses, in addition to his fee for attending such Board / Committee meetings as above specified; and if any Director be called upon to go or reside out of his ordinary place of his residence on the Company's business, he shall be entitled to be repaid and reimbursed travelling and other expenses incurred in connection with the business of the Company in accordance with the provisions of the Act.

54. CONTINUING DIRECTORS

The continuing Directors may act notwithstanding any vacancy in their body, but if, and so long as their number is reduced below the minimum number fixed by Article 42 hereof, the continuing Directors not being less than two may act for the purpose of increasing the number of Directors to that number, or for summoning a General Meeting, but for no other purpose.

55. VACATION OF OFFICE BY DIRECTOR

- (a) Subject to relevant provisions of Sections 167 and 188 of the Act, the office of a Director, shall *ipso facto* be vacated if:
 - (i) he is found to be of unsound mind by a court of competent jurisdiction; or
 - (ii) he applies to be adjudicated an insolvent; or
 - (iii) he is adjudged an insolvent; or
 - (iv) he is convicted by a court of any offence involving moral turpitude and is sentenced in respect thereof to imprisonment for not less than 6 (six) months; or
 - (v) he fails to pay any calls made on him in respect of shares of the Company held by him whether alone or jointly with others, within 6 (six) months from the date fixed for the payment of such call, unless the Central Government has by notification in the Official Gazette removed the disqualification incurred by such failure; or
 - (vi) he absents himself from 3 (three) consecutive meetings of the Board or from all Meetings of the Board for a continuous period of 3 (three) months, whichever is longer, without obtaining leave of absence from the Board; or
 - (vii) he, (whether by himself or by any Person for his benefit or on his account), or any firm in which he is a partner, or any private company of which he is a director, accepts a loan, or any guarantee or security for a loan, from the Company, in contravention of Section 185 of the Act; or
 - (viii) having been appointed a Director by virtue of his holding any office or other employment in the Company, he ceases to hold such office or other employment in the Company; or
 - (ix) he acts in contravention of Section 184 of the Act; or
 - (x) he becomes disqualified by an order of the court under Section 203 of the Companies Act, 1956; or
 - (xi) he is removed in pursuance of Section 169 of the Act; or

- (xii) he is disqualified under Section 164(2) of the Act.

Subject to the applicable provisions of the Act, a Director may resign his office at any time by notice in writing addressed to the Board and such resignation shall become effective upon its acceptance by the Board.

56. RELATED PARTY TRANSACTIONS

- (a) Except with the consent of the Board or the Shareholders, as may be required in terms of the provisions of section 188 of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014, no company shall enter into any contract or arrangement with a 'related party' with respect to: :
- (i) sale, purchase or supply of any goods or materials;
 - (ii) selling or otherwise disposing of, or buying, property of any kind;
 - (iii) leasing of property of any kind;
 - (iv) availing or rendering of any services;
 - (v) appointment of any agent for purchase or sale of goods, materials, services or property;
 - (vi) such Director's or its relative's appointment to any office or place of profit in the company, its subsidiary company or associate company; and
 - (vii) underwriting the subscription of any securities or derivatives thereof, of the company:

without the consent of the Shareholders by way of a Special Resolution in accordance with Section 188 of the Act.

- (b) no Shareholder of the Company shall vote on such Special Resolution, to approve any contract or arrangement which may be entered into by the Company, if such Shareholder is a related party.
- (c) nothing in this Article shall apply to any transactions entered into by the Company in its ordinary course of business other than transactions which are not on an arm's length basis
- (d) The Director, so contracting or being so interested shall not be liable to the Company for any profit realised by any such contract or the fiduciary relation thereby established.
- (e) The terms "office of profit" and "arm's length basis" shall have the meaning ascribed to them under Section 188 of the Act.
- (f) The term 'related party' shall have the same meaning as ascribed to it under the Act.
- (g) The compliance of the Companies (Meetings of Board and its Powers) Rules, 2014 shall be made for the aforesaid contracts and arrangements.

57. DISCLOSURE OF INTEREST

- (a) A Director of the Company who is in any way, whether directly or indirectly concerned or interested in a contract or arrangement, or proposed contract or arrangement entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board in the manner provided in Section 184 of the Act; Provided that it shall not be necessary for a Director to disclose his concern or interest in any such contract or arrangement entered into or to be entered into with any other company where any of the Directors of the company or two or more of them together holds or hold not more than 2% (two per cent) of the Paid-up Share Capital in the other company or the Company as the case may be. A general notice given to the Board by the Director, to the effect that he is a director or member of a specified body corporate or is a member of a specified firm and is to be regarded as concerned or interested in any contract or arrangement which may, after the date of the notice, be entered into with that body corporate or firm, shall be deemed to be a sufficient disclosure of concern or interest in relation to any contract or arrangement so made. Any such general notice shall expire at the end of the Financial Year in which it is given but may be renewed for a further period of one Financial Year at a time by a fresh notice given in the last month of the Financial Year in which it would have otherwise expired. No such general notice, and no

renewal thereof shall be of effect unless, either it is given at a meeting of the Board or the Director concerned takes reasonable steps to secure that it is brought up and read at the first meeting of the Board after it is given.

- (b) No Director shall as a Director, take any part in the discussion of, vote on any contract or arrangement entered into or to be entered into by or on behalf of the Company, if he is in any way, whether directly or indirectly, concerned or interested in such contract or arrangements; nor shall his presence count for the purpose of forming a quorum at the time of any such discussion or vote; and if he does vote, his vote shall be void; provided however that nothing herein contained shall apply to:-
- (i) any contract or indemnity against any loss which the Directors, or any one or more of them, may suffer by reason of becoming or being sureties or a surety for the Company;
 - (ii) any contract or arrangement entered into or to be entered into with a public company or a private company which is subsidiary of a public company in which the interest of the Director consists solely,
 - 1. in his being –
 - I. a director of such company, and
 - II. the holder of not more than shares of such number or value therein as is requisite to qualify him for appointment as a Director thereof, he having been nominated as such Director by this Company, or
 - 2. in his being a member holding not more than 2 (two) per cent of its Paid-up Share Capital.

Subject to the provisions of Section 188 of the Act and other applicable provisions, if any, of the Act, any Director of the Company, any partner or relative of such Director, any firm in which such Director or a relative of such Director is a partner, any private company of which such Director is a director or member, and any director or manager of such private company, may hold any office or place of profit in the Company.

- (c) The Company shall keep a Register in accordance with Section 189 of the Act and shall within the time specified therein enter therein such of the particulars as may be. The Register aforesaid shall also specify, in relation to each Director of the Company, the names of the bodies corporate and firms of which notice has been given by him under Article 57(a). The Register shall be kept at the Office of the Company and shall be open to inspection at such Office, and extracts may be taken therefrom and copies thereof may be required by any Shareholder of the Company to the same extent, in the same manner, and on payment of the same fee as in the case of the Register of Members of the Company and the provisions of Section 94 of the Act shall apply accordingly.
- (d) A Director may be or become a Director of any Company promoted by the Company, or on which it may be interested as a vendor, shareholder, or otherwise, and no such Director shall be accountable for any benefits received as director or shareholder of such Company except in so far as Section 188 or Section 197 of the Act as may be applicable.

58. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

At the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election. Provided nevertheless that the managing Director or whole-time Director(s), appointed or the Directors appointed as a Debenture Director, or the Directors appointed as Independent Director(s) under Articles hereto shall not retire by rotation under this Article nor shall they be included in calculating the total number of Directors of whom one third shall retire from office under this Article.

59. PROCEDURE, IF PLACE OF RETIRING DIRECTORS IS NOT FILLED UP

- (a) If the place of the retiring Director is not so filled up and the meeting has not expressly resolved not to fill the vacancy, the meeting shall stand adjourned till the same day in the next week, at the same time and place, or if that day is a national holiday, till the next succeeding day which is not a national holiday, at the same time and place.

- (b) If at the adjourned meeting also, the place of the retiring Director is not filled up and that meeting also has not expressly resolved not to fill the vacancy, the retiring Director shall be deemed to have been reappointed at the adjourned meeting, unless:-
 - (i) at that meeting or at the previous meeting a resolution for the reappointment of such Director has been put to the meeting and lost;
 - (ii) retiring Director has, by a notice in writing addressed to the Company or its Board, expressed his unwillingness to be so reappointed;
 - (iii) he is not qualified or is disqualified for appointment; or
 - (iv) a resolution whether special or ordinary is required for the appointment or reappointment by virtue of any applicable provisions of the Act.

60. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS.

Subject to Article 42 and Sections 149, 152 and 164 of the Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

61. REGISTER OF DIRECTORS ETC.

- (a) The Company shall keep at its Office, a Register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Act and shall otherwise comply with the provisions of the said Section in all respects.
- (b) The Company shall in respect of each of its Directors also keep at its Office a Register, as required by Section 170 of the Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

62. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE.

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules.

63. MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the provisions of Section 203 of the Act and of these Articles, the Board shall have the power to appoint from time to time any full time employee of the Company as Managing Director/ whole time director or executive director or manager of the Company. The Managing Director(s) or the whole time director(s) manager or executive director(s), as the case may be, so appointed, shall be responsible for and in charge of the day to day management and affairs of the Company and subject to the applicable provisions of the Act and these Articles, the Board shall vest in such Managing Director/s or the whole time director(s) or manager or executive director(s), as the case may be, all the powers vested in the Board generally. The remuneration of a Managing Director/ whole time director or executive director or manager may be by way of monthly payment, fee for each meeting or participation in profits, or by any or all those modes or any other mode not expressly prohibited by the Act. Board, subject to the consent of the shareholders of the Company shall have the power to appoint Chairman of the Board as the Managing Director / whole time director or executive director of the Company.

64. PROVISIONS TO WHICH MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER ARE SUBJECT

Notwithstanding anything contained herein, a Managing Director(s) / whole time director(s) / executive director(s) / manager shall subject to the provisions of any contract between him and the Company be subject to the same provisions as to resignation and removal as the other Directors of the Company, and if he ceases to hold the office of a Director he shall ipso facto and immediately cease to be a Managing Director(s) / whole time director(s) / executive director(s) / manager, and if he ceases to hold the office of a Managing Director(s) / whole time director(s) / executive director(s)/ manager he shall ipso facto and immediately cease to be a Director.

65. REMUNERATION OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

The remuneration of the Managing Director(s) / whole time director(s) / executive director(s) / manager shall (subject to Sections 196, 197 and 203 and other applicable provisions of the Act and of these Articles and of any contract between him and the Company) be fixed by the Directors, from time to time and may be by way of fixed salary and/or perquisites or commission or profits of the Company or by participation in such profits, or by any or all these modes or any other mode not expressly prohibited by the Act.

66. POWER AND DUTIES OF MANAGING DIRECTOR(S)/ WHOLE TIME DIRECTOR(S) / EXECUTIVE DIRECTOR(S)/ MANAGER

Subject to the superintendence, control and direction of the Board, the day-to-day management of the Company shall be in the hands of the Managing Director(s)/ whole time director(s) / executive director(s)/ manager s in the manner as deemed fit by the Board and subject to the applicable provisions of the Act, and these Articles, the Board may by resolution vest any such Managing Director(s)/ whole time director(s) / executive director(s)/ manager with such of the powers hereby vested in the Board generally as it thinks fit and such powers may be made exercisable for such period or periods and upon such conditions and subject to the applicable provisions of the Act, and these Articles confer such power either collaterally with or to the exclusion of or in substitution for all or any of the Directors in that behalf and may from time to time revoke, withdraw, alter or vary all or any of such powers.

67. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: -

- (a) to make calls on Shareholders in respect of money unpaid on their shares;
- (b) to authorise buy-back of securities under Section 68 of the Act;
- (c) to issue securities, including debentures, whether in or outside India;
- (d) to borrow money(ies);
- (e) to invest the funds of the Company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statements and the Board's report;
- (h) to diversify the business of the Company;
- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company;
- (k) fees/ compensation payable to non-executive directors including independent directors of the Company; and
- (l) any other matter which may be prescribed under the Companies (Meetings of Board and its Powers) Rules, 2014 and the Listing Agreement.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of section 180 of the Act.

In terms of Section 180 of the Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

- (a) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;

- (b) to borrow money; and
- (c) any such other matter as may be prescribed under the Act, the Listing Agreement and other applicable provisions of Law.

68. MAKING LIABILITY OF DIRECTORS UNLIMITED

The Company may, by Special Resolution in a General Meeting, alter its Memorandum of Association so as to render unlimited the liability of its Directors or of any Director or manager, in accordance with Section 323 of the Companies Act, 1956.

69. PROCEEDINGS OF THE BOARD OF DIRECTORS

- (a) Board Meetings shall be held at least once in every 3 (three) month period and there shall be at least 4 (four) Board Meetings in any calendar year and there should not be a gap of more than 120 (one hundred twenty) days between two consecutive Board Meetings. Meetings shall be held at the Registered Office, or such a place as may be decided by the Board.
- (b) The participation of Directors in a meeting of the Board may be either in person or through video conferencing or other audio visual means, as may be prescribed, which are capable of recording and recognising the participation of the Directors and of recording and storing the proceedings of such meetings along with date and time. However, such matters as provided under the Companies (Meetings of Board and its Powers) Rules, 2014 shall not be dealt with in a meeting through video conferencing or other audio visual means. Any meeting of the Board held through video conferencing or other audio visual means shall only be held in accordance with the Companies (Meetings of Board and its Powers) Rules, 2014.
- (c) The Company Secretary or any other Director shall, as and when directed by the Chairman or a Director convene a meeting of the Board by giving a notice in writing to every Director in accordance with the provisions of the Act and the Companies (Meetings of Board and its Powers) Rules, 2014.
- (d) The Board may meet either at the Office of the Company, or at any other location in India or outside India as the Chairman or Director may determine.
- (e) At least 7 (seven) days' notice of every meeting of the Board shall be given in writing to every Director for the time being at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means. A meeting of the Board may be convened in accordance with these Articles by a shorter notice in case of any emergency as directed by the Chairman or the Managing Director or the Executive Director, as the case may be, subject to the presence of 1 (one) Independent Director in the said meeting. If an Independent Director is not present in the said meeting, then decisions taken at the said meeting shall be circulated to all the Directors and shall be final only upon ratification by one independent Director. Such notice or shorter notice may be sent by post or by fax or e-mail depending upon the circumstances.
- (f) At any Board Meeting, each Director may exercise 1 (one) vote. The adoption of any resolution of the Board shall require the affirmative vote of a majority of the Directors present at a duly constituted Board Meeting.

70. QUORUM FOR BOARD MEETING

- (a) Quorum for Board Meetings

Subject to the provisions of Section 174 of the Act, the quorum for each Board Meeting shall be one-third of its total strength and the presence of Directors by video conferencing or by other audio visual means shall also be counted for the purposes of calculating quorum.

If any duly convened Board Meeting cannot be held for want of a quorum, then such a meeting shall automatically stand adjourned for 7 (seven) days after the original meeting at the same time and place, or if that day is a national holiday, on the succeeding day which is not a public holiday to the same time and place. Provided however, the adjourned meeting may be held on such other date and such other place as may be unanimously agreed to by all the Directors in accordance with the provisions of the Act.

- (b) If in the event of a quorum once again not being available at such an adjourned meeting, the Directors present shall constitute the quorum and may transact business for which the meeting has been called.

71. QUESTIONS AT THE BOARD MEETINGS HOW DECIDED

- (a) Questions arising at any meeting of the Board, other than as specified in these Articles and the Act, if any, shall be decided by a majority vote. In the case of an equality of votes, the Chairman shall have a second or casting vote.
- (b) No regulation made by the Company in General Meeting, shall invalidate any prior act of the Board, which would have been valid if that regulation had not been made.

72. ELECTION OF CHAIRMAN OF BOARD

- (a) The Board may elect a chairman of its meeting and determine the period for which he is to hold office.
- (b) If no such chairman is elected, or at any meeting the chairman is not present within five minutes after the time appointed for holding the meeting the Directors present may choose one among themselves to be the chairman of the meeting.

73. POWERS OF THE BOARD

Subject to the applicable provisions of the Act, these Articles and other applicable provisions of Law: -

- (a) The Board shall be entitled to exercise all such power and to do all such acts and things as the Company is authorised to exercise and do under the applicable provisions of the Act or by the memorandum and articles of association of the Company.
- (b) The Board is vested with the entire management and control of the Company, including as regards any and all decisions and resolutions to be passed, for and on behalf of the Company.
- (c) Provided that the Board shall not, except with the consent of the Company by a Special Resolution:-
 - i. Sell, lease or otherwise dispose of the whole, or substantially the whole, of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole, or substantially the whole, of any such undertaking. The term 'undertaking' and the expression 'substantially the whole of the undertaking' shall have the meaning ascribed to them under the provisions of Section 180 of the Act;
 - ii. Remit, or give time for repayment of, any debt due by a Director;
 - iii. Invest otherwise than in trust securities the amount of compensation received by the Company as a result of any merger or amalgamation; and
 - iv. Borrow money(ies) where the money(ies) to be borrowed together with the money(ies) already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of businesses), will exceed the aggregate of the paid-up capital of the Company and its free reserves.

74. COMMITTEES AND DELEGATION BY THE BOARD

- (a) The Company shall constitute such Committees as may be required under the Act, applicable provisions of Law and the Listing Agreement. Without prejudice to the powers conferred by the other Articles and so as not to in any way to limit or restrict those powers, the Board may, subject to the provisions of Section 179 of the Act, delegate any of its powers to the Managing Director(s), the executive director(s) or manager or the chief executive officer of the Company. The Managing Director(s), the executive director(s) or the manager or the chief executive officer(s) as aforesaid shall, in the exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on them by the Board and all acts done by them in exercise of the powers so delegated and in conformity with such regulations shall have the like force and effect as if done by the Board.
- (b) Subject to the applicable provisions of the Act, the requirements of Law and these Articles, the Board may delegate any of its powers to Committees of the Board consisting of such member or members of the Board as it thinks fit, and it may from time to time revoke and discharge any such committee of the Board either wholly or in part and either as to persons or purposes. Every Committee of the Board so formed shall, in the

exercise of the powers so delegated, conform to any regulations that may from time to time be imposed on it by the Board. All acts done by any such Committee of the Board in conformity with such regulations and in fulfillment of the purposes of their appointment but not otherwise, shall have the like force and effect as if done by the Board.

- (c) The meetings and proceedings of any such Committee of the Board consisting of two or more members shall be governed by the provisions herein contained for regulating the meetings and proceedings of the Directors, so far as the same are applicable thereto and are not superseded by any regulation made by the Directors under the last preceding Article.
- (d) The Board of the Company shall in accordance with the provisions of the Companies (Meetings of the Board and its Powers) Rules, 2014 or any other Law and the provisions of the Listing Agreement, form such committees as may be required under such rules in the manner specified therein, if the same are applicable to the Company.

75. ACTS OF BOARD OR COMMITTEE VALID NOTWITHSTANDING INFORMAL APPOINTMENT

All acts undertaken at any meeting of the Board or of a Committee of the Board, or by any person acting as a Director shall, notwithstanding that it may afterwards be discovered that there was some defect in the appointment of such Director or persons acting as aforesaid, or that they or any of them were disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions contained in the Act or in these Articles, be as valid as if every such person had been duly appointed, and was qualified to be a Director. Provided that nothing in this Article shall be deemed to give validity to the acts undertaken by a Director after his appointment has been shown to the Company to be invalid or to have been terminated.

76. PASSING OF RESOLUTION BY CIRCULATION

No resolution shall be deemed to have been duly passed by the Board or by a Committee thereof by circulation, unless the resolution has been circulated in draft form, together with the necessary papers, if any, to all the Directors, or members of the Committee, as the case may be, at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be provided under the Companies (Meetings of Board and its Powers) Rules, 2014 and has been approved by majority of Directors or members, who are entitled to vote on the resolution. However, in case one-third of the total number of Directors for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

A resolution mentioned above shall be noted at a subsequent meeting of the Board or the Committee thereof, as the case may be, and made part of the minutes of such meeting.

77. MINUTES OF THE PROCEEDINGS OF THE MEETING OF THE BOARD

- (a) The Company shall prepare minutes of each Board Meeting and the entries thereof in books kept for that purpose with their pages consecutively numbered. Such minutes shall contain a fair and correct summary of the proceedings conducted at the Board Meeting.
- (b) The Company shall circulate the minutes of the meeting to each Director within 7 (seven) Business Days after the Board Meeting.
- (c) Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting in such book shall be dated and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting.
- (d) In no case the minutes of proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise.
- (e) The minutes of each meeting shall contain a fair and correct summary of the proceedings thereat and shall also contain: -
 - (i) all appointments of Officers;
 - (ii) the names of the Directors present at each meeting of the Board;

- (iii) all resolutions and proceedings of the meetings of the Board;
 - (iv) the names of the Directors, if any, dissenting from, or not concurring in, any resolution passed by the Board.
- (f) Nothing contained in sub Articles (a) to (e) above shall be deemed to require the inclusion in any such minutes of any matter which in the opinion of the Chairman of the meeting: -
- (i) is or could reasonably be regarded as defamatory of any person;
 - (ii) is irrelevant or immaterial to the proceedings; or
 - (iii) is detrimental to the interests of the Company.
- (g) The Chairman shall exercise absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the ground specified in sub Article (f) above.
- (h) Minutes of meetings kept in accordance with the aforesaid provisions shall be evidence of the proceedings recorded therein.
- (i) The minutes kept and recorded under this Article shall also comply with the provisions of Secretarial Standard 3 issued by the Institute of Company Secretaries of India constituted under the Company Secretaries Act, 1980 and approved as such by the Central Government and applicable provisions of the Act and Law.

78. REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Act in regard to the registration of mortgages and charges therein specified.

79. CHARGE OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged as security or other security is created on such uncalled capital, the Directors may authorize, subject to the applicable provisions of the Act and these Articles, making calls on the Shareholders in respect of such uncalled capital in trust for the person in whose favour such charge is executed.

80. SUBSEQUENT ASSIGNS OF UNCALLED CAPITAL

Where any uncalled capital of the Company is charged, all persons taking any subsequent charge thereon shall take the same subject to such prior charges and shall not be entitled to obtain priority over such prior charge.

81. CHARGE IN FAVOUR OF DIRECTOR FOR INDEMNITY

If the Director or any person, shall become personally liable for the payment of any sum primarily due from the Company, the Board may execute or cause to be executed, any mortgage, charge or security over or affecting the whole or part of the assets of the Company by way of indemnity to secure the Directors or other persons so becoming liable as aforesaid from any loss in respect of such liability.

82. OFFICERS

- (a) The Company shall have its own professional management and such officers shall be appointed from time to time as designated by its Board. The officers of the Company shall serve at the discretion of the Board.
- (b) The officers of the Company shall be responsible for the implementation of the decisions of the Board, subject to the authority and directions of the Board and shall conduct the day to day business of the Company.
- (c) The officers of the Company shall be the Persons in charge of and responsible to the Company for the conduct of the business of the Company and shall be concerned and responsible to ensure full and due compliance with all statutory laws, rules and regulations as are required to be complied with by the Company and/or by the Board of the Company.

- (d) Qualified experienced managerial and marketing executives and other officers shall be appointed for the operation and conduct of the business of the Company.
- (e) The Board shall appoint with the approval of the Chairman, the President and/or Chief Executive Officer and/or Chief Operating Officer of the Company, as well as persons who will be appointed to the posts of senior executive management.

83. THE SECRETARY

- (a) Subject to the provisions of Section 203 of the Act, the Board may, from time to time, appoint any individual as Secretary of the Company to perform such functions, which by the Act or these Articles for the time being of the Company are to be performed by the Secretary and to execute any other duties which may from time to time be assigned to him by the Board. The Board may confer upon the Secretary so appointed any powers and duties as are not by the Act or by these Articles required to be exercised by the Board and may from time to time revoke, withdraw, alter or vary all or any of them. The Board may also at any time appoint some individual (who need not be the Secretary), to maintain the Registers required to be kept by the Company.
- (b) The Secretary shall be an individual responsible to ensure that there shall be no default, non-compliance, failure, refusal or contravention of any of the applicable provisions of the Act, or any rules, regulations or directions which the Company is required to conform to or which the Board of the Company are required to conform to and shall be designated as such and be the officer in default.

84. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Subject to the provisions of the Act and Law, the Company shall procure, at its own cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Act: -

- (a) on terms approved by the Board;
- (b) which includes each Director as a policyholder;
- (c) is from an internationally recognised insurer approved by the Board; and
- (d) for a coverage for claims of an amount as may be decided by the Board, from time to time.

85. SEAL

- (a) The Board shall provide a Common Seal for the purposes of the Company, and shall have power from time to time to destroy the same and substitute a new Seal in lieu thereof, and the Board shall provide for the safe custody of the Seal for the time being, and the Seal shall never be used except by the authority of the Board or a Committee of the Board, previously given.
- (b) The Company shall also be at liberty to have an official Seal(s) in accordance with Section 50 of the Companies Act, 1956, for use in any territory, district or place outside India.
- (c) Every deed or other instrument to which the Seal of the Company is required to be affixed shall unless the same is executed by a duly constituted attorney, be signed by any one of the Directors or the Secretary of the Company under an authority of a resolution.

86. ACCOUNTS

- (a) The Company shall prepare and keep at the Office books of accounts or other relevant books and papers and financial statements for every financial year which give a true and fair view of the state of affairs of the Company, including its branch office or offices, if any, and explain the transactions effected both at the Office and its branches and such books shall be kept on accrual basis and according to the double entry system of accounting.
- (b) Where the Board decides to keep all or any of the books of account at any place other than the Office, the Company shall, within 7 (seven) days of the decision, file with the Registrar, a notice in writing giving the full address of that other place. The Company may also keep such books of accounts or other relevant papers

in electronic mode in accordance with the provisions of the Act.

- (c) The Company shall preserve in good order the books of account relating to a period of not less than eight years preceding the current year.
- (d) When the Company has a branch office, whether in or outside India, the Company shall be deemed to have complied with this Article if proper books of account relating to the transactions effected at the branch office are kept at the branch office and proper summarized returns made up to dates at intervals of not more than three months, are sent by the branch office to the Company at its office or at the other place in India, at which the Company's books of account are kept as aforesaid.
- (e) No Shareholder (not being a Director) shall have any right of inspecting any account or books or documents of the Company except specified under the Act and Law.
- (f) In accordance with the provisions of the Act, along with the financial statements laid before the Shareholders, there shall be laid a 'Board's report' which shall include:
 - i. the extract of the annual return as provided under sub-section (3) of Section 92 of the Act;
 - ii. number of meetings of the Board;
 - iii. Directors' responsibility statement as per the provisions of Section 134 (5) of the Act;
 - iv. a statement on declaration given by Independent Directors under sub-section (6) of Section 149 of the Act;
 - v. in the event applicable, as specified under sub-section (1) of Section 178 of the Act, Company's policy on directors' appointment and remuneration including criteria for determining qualifications, positive attributes, independence of a director and other matters provided under sub-section (3) of Section 178 of the Act;
 - vi. explanations or comments by the Board on every qualification, reservation or adverse remark or disclaimer made-
 - 1. by the auditor in his report; and
 - 2. by the company secretary in practice in his secretarial audit report;
 - vii. particulars of loans, guarantees or investments under Section 186 of the Act;
 - viii. particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 in the prescribed form;
 - ix. the state of the company's affairs;
 - x. the amounts, if any, which it proposes to carry to any reserves;
 - xi. the amount, if any, which it recommends should be paid by way of Dividends;
 - xii. material changes and commitments, if any, affecting the financial position of the company which have occurred between the end of the financial year of the company to which the financial statements relate and the date of the report;
 - xiii. the conservation of energy, technology absorption, foreign exchange earnings and outgo, in such manner as may be prescribed;
 - xiv. a statement indicating development and implementation of a risk management policy for the company including identification therein of elements of risk, if any, which in the opinion of the Board may threaten the existence of the company;
 - xv. the details about the policy developed and implemented by the company on corporate social responsibility initiatives taken during the year;

xvi. in case of a listed company and every other public company having such paid-up share capital as may be prescribed, a statement indicating the manner in which formal annual evaluation has been made by the Board of its own performance and that of its committees and individual directors; and

xvii. such other matters as may be prescribed under the Law, from time to time.

- (g) All the aforesaid books shall give a fair and true view of the affairs of the Company or its branch office, as the case may be, with respect to the matters herein and explain its transactions.

87. AUDIT AND AUDITORS

- (a) Auditors shall be appointed and their rights and duties shall be regulated in accordance with Sections 139 to 147 of the Act and as specified under Law.
- (b) Every account of the Company when audited shall be approved by a General Meeting and shall be conclusive except as regards any error discovered therein within three months next after the approval thereof. Whenever any such error is discovered within that period the account shall forthwith be corrected, and henceforth shall be conclusive.
- (c) Every balance sheet and profit and loss account shall be audited by one or more Auditors to be appointed as hereinafter set out.
- (d) The Company at the Annual General Meeting in each year shall appoint an Auditor or Auditors to hold office from the conclusion of that meeting until conclusion of the next Annual General Meeting and every Auditor so appointed shall be intimated of his appointment within 7 (seven) days.
- (e) Where at an Annual General Meeting, no Auditors are appointed, the Central Government may appoint a person to fill the vacancy and fix the remuneration to be paid to him by the Company for his services.
- (f) The Company shall within 7 (seven) days of the Central Government's power under sub clause (b) becoming exercisable, give notice of that fact to the Government.
- (g) The Directors may fill any casual vacancy in the office of an Auditor but while any such vacancy continues, the remaining auditors (if any) may act. Where such a vacancy is caused by the resignation of an Auditor, the vacancy shall only be filled by the Company in General Meeting.
- (h) A person, other than a retiring Auditor, shall not be capable of being appointed at an Annual General Meeting unless special notice of a resolution of appointment of that person to the office of Auditor has been given by a Shareholder to the Company not less than 14 (fourteen) days before the meeting in accordance with Section 115 of the Act, and the Company shall send a copy of any such notice to the retiring Auditor and shall give notice thereof to the Shareholders in accordance with provisions of Section 115 of the Act and all the other provision of Section 140 of the Act shall apply in the matter. The provisions of this sub-clause shall also apply to a resolution that a retiring auditor shall not be re-appointed.
- (i) The persons qualified for appointment as Auditors shall be only those referred to in Section 141 of the Act.
- (j) None of the persons mentioned in Section 141 of the Act as are not qualified for appointment as auditors shall be appointed as Auditors of the Company.

88. AUDIT OF BRANCH OFFICES

The Company shall comply with the applicable provisions of the Act and the Companies (Audit and Auditor) Rules, 2014 in relation to the audit of the accounts of branch offices of the Company.

89. REMUNERATION OF AUDITORS

The remuneration of the Auditors shall be fixed by the Company as authorized in General Meeting from time to time in accordance with the provisions of the Act and the Companies (Audit and Auditor) Rules, 2014.

90. DOCUMENTS AND NOTICES

- (a) A document or notice may be given or served by the Company to or on any Shareholder whether having his registered address within or outside India either personally or by sending it by post to him to his registered address.
- (b) Where a document or notice is sent by post, service of the document or notice shall be deemed to be effected by properly addressing, prepaying and posting a letter containing the document or notice, provided that where a Shareholder has intimated to the Company in advance that documents or notices should be sent to him under a certificate of posting or by registered post with or without acknowledgement due or by cable or telegram and has deposited with the Company a sum sufficient to defray the expenses of doing so, service of the document or notice shall be deemed to be effected unless it is sent in the manner intimated by the Shareholder. Such service shall be deemed to have effected in the case of a notice of a meeting, at the expiration of forty eight hours after the letter containing the document or notice is posted or after a telegram has been dispatched and in any case, at the time at which the letter would be delivered in the ordinary course of post or the cable or telegram would be transmitted in the ordinary course.
- (c) A document or notice may be given or served by the Company to or on the joint-holders of a Share by giving or serving the document or notice to or on the joint-holder named first in the Register of Members in respect of the Share.
- (d) Every person, who by operation of Law, transfer or other means whatsoever, shall become entitled to any Share, shall be bound by every document or notice in respect of such Share, which previous to his name and address being entered on the register of Shareholders, shall have been duly served on or given to the Person from whom he derives his title to such Share.
- (e) Any document or notice to be given or served by the Company may be signed by a Director or the Secretary or some Person duly authorised by the Board for such purpose and the signature thereto may be written, printed, photostat or lithographed.
- (f) All documents or notices to be given or served by Shareholders on or to the Company or to any officer thereof shall be served or given by sending the same to the Company or officer at the Office by post under a certificate of posting or by registered post or by leaving it at the Office.
- (g) Where a Document is sent by electronic mail, service thereof shall be deemed to be effected properly, where a member has registered his electronic mail address with the Company and has intimated the Company that documents should be sent to his registered email address, without acknowledgement due. Provided that the Company, shall provide each member an opportunity to register his email address and change therein from time to time with the Company or the concerned depository. The Company shall fulfill all conditions required by Law, in this regard.

91. SHAREHOLDERS TO NOTIFY ADDRESS IN INDIA

Each registered Shareholder from time to time notify in writing to the Company such place in India to be registered as his address and such registered place of address shall for all purposes be deemed to be his place of residence.

92. SERVICE ON MEMBERS HAVING NO REGISTERED ADDRESS

If a Shareholder does not have registered address in India, and has not supplied to the Company any address within India, for the giving of the notices to him, a document advertised in a newspaper circulating in the neighbourhood of Office of the Company shall be deemed to be duly served to him on the day on which the advertisement appears.

93. SERVICE ON PERSONS ACQUIRING SHARES ON DEATH OR INSOLVENCY OF SHAREHOLDERS

A document may be served by the Company on the persons entitled to a share in consequence of the death or insolvency of a Shareholders by sending it through the post in a prepaid letter addressed to them by name or by the title or representatives of the deceased, assignees of the insolvent by any like description at the address (if any) in India supplied for the purpose by the persons claiming to be so entitled, or (until such an address has been so supplied) by serving the document in any manner in which the same might have been served as if the death or insolvency had not occurred.

94. PERSONS ENTITLED TO NOTICE OF GENERAL MEETINGS

Subject to the applicable provisions of the Act and these Articles, notice of General Meeting shall be given:

- (i) To the Shareholders of the Company as provided by these Articles.
- (ii) To the persons entitled to a share in consequence of the death or insolvency of a Shareholder.
- (iii) To the Auditors for the time being of the Company; in the manner authorized by as in the case of any Shareholder of the Company.

95. NOTICE BY ADVERTISEMENT

Subject to the applicable provisions of the Act, any document required to be served or sent by the Company on or to the Shareholders, or any of them and not expressly provided for by these Articles, shall be deemed to be duly served or sent if advertised in a newspaper circulating in the District in which the Office is situated.

96. DIVIDEND POLICY

- (a) The profits of the Company, subject to any special rights relating thereto being created or authorised to be created by the Memorandum or these Articles and subject to the provisions of these Articles shall be divisible among the Shareholders in proportion to the amount of Capital Paid-up or credited as Paid-up and to the period during the year for which the Capital is Paid-up on the shares held by them respectively. Provided always that, (subject as aforesaid), any Capital Paid-up on a Share during the period in respect of which a Dividend is declared, shall unless the Directors otherwise determine, only entitle the holder of such Share to an apportioned amount of such Dividend as from the date of payment.
- (b) Subject to the provisions of Section 123 of the Act the Company in General Meeting may declare Dividends, to be paid to Shareholders according to their respective rights and interests in the profits. No Dividends shall exceed the amount recommended by the Board, but the Company in General Meeting may, declare a smaller Dividend, and may fix the time for payments not exceeding 30 (thirty) days from the declaration thereof.
- (c)
 - (i) No Dividend shall be declared or paid otherwise than out of profits of the Financial Year arrived at after providing for depreciation in accordance with the provisions of Section 123 of the Act out of the profits of the Company for any previous Financial Year or years arrived at after providing for depreciation in accordance with those provisions and remaining undistributed or out of both provided that: -
 - 1. if the Company has not provided for depreciation for any previous Financial Year or years it shall, before declaring or paying a Dividend for any Financial Year provide for such depreciation out of the profits of that Financial Year or out of the profits of any other previous Financial Year or years, and
 - 2. if the Company has incurred any loss in any previous Financial Year or years the amount of the loss or an amount which is equal to the amount provided for depreciation for that year or those years whichever is less, shall be set off against the profits of the Company for the year for which the Dividend is proposed to be declared or paid or against the profits of the Company for any previous Financial Year or years arrived at in both cases after providing for depreciation in accordance with the provisions of Section 123 of the Act against both.
 - (ii) The declaration of the Board as to the amount of the net profits shall be conclusive.
- (d) The Board may, from time to time, pay to the Shareholders such interim Dividend as in their judgment the position of the Company justifies.
- (e) Where Capital is paid in advance of calls upon the footing that the same shall carry interest, such Capital shall not whilst carrying interest, confer a right to participate in profits or Dividend.
- (f)
 - (i) Subject to the rights of Persons, if any, entitled to shares with special rights as to Dividend, all Dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof Dividend is paid but if and so long as nothing is Paid upon any shares in the Company, Dividends may be declared and paid according to the amount of the shares.
 - (ii) No amount paid or credited as paid on shares in advance of calls shall be treated for the

purpose of this regulation as paid on shares.

- (iii) All Dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the shares during any portion or portions of the period in respect of which the Dividend is paid, but if any shares are issued on terms providing that it shall rank for Dividend as from a particular date such shares shall rank for Dividend accordingly.
- (g) Subject to the applicable provisions of the Act and these Articles, the Board may retain the Dividends payable upon shares in respect of any Person, until such Person shall have become a Shareholder, in respect of such shares or until such shares shall have been duly transferred to him.
- (h) Any one of several Persons who are registered as the joint-holders of any Share may give effectual receipts for all Dividends or bonus and payments on account of Dividends or bonus or sale proceeds of fractional certificates or other money(ies) payable in respect of such shares.
- (i) Subject to the applicable provisions of the Act, no Shareholder shall be entitled to receive payment of any interest or Dividends in respect of his Share(s), whilst any money may be due or owing from him to the Company in respect of such Share(s); either alone or jointly with any other Person or Persons; and the Board may deduct from the interest or Dividend payable to any such Shareholder all sums of money so due from him to the Company.
- (j) Subject to Section 126 of the Act, a transfer of shares shall not pass the right to any Dividend declared thereon before the registration of the transfer.
- (k) Unless otherwise directed any Dividend may be paid by cheque or warrant or by a pay slip or receipt (having the force of a cheque or warrant) and sent by post or courier or by any other legally permissible means to the registered address of the Shareholder or Person entitled or in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent and in case of joint-holders to that one of them first named in the Register of Members in respect of the joint-holding. The Company shall not be liable or responsible for any cheque or warrant or pay slip or receipt lost in transmission, or for any Dividend lost to a Shareholder or Person entitled thereto, by a forged endorsement of any cheque or warrant or a forged signature on any pay slip or receipt of a fraudulent recovery of Dividend. If 2 (two) or more Persons are registered as joint-holders of any Share(s) any one of them can give effectual receipts for any money(ies) payable in respect thereof. Several Executors or Administrators of a deceased Shareholder in whose sole name any Share stands shall for the purposes of this Article be deemed to be joint-holders thereof.
- (l) No unpaid Dividend shall bear interest as against the Company.
- (m) Any General Meeting declaring a Dividend may on the recommendation of the Board, make a call on the Shareholders of such amount as the Meeting fixes, but so that the call on each Shareholder shall not exceed the Dividend payable to him, and so that the call will be made payable at the same time as the Dividend; and the Dividend may, if so arranged as between the Company and the Shareholders, be set-off against such calls.
- (n) Notwithstanding anything contained in this Article, the dividend policy of the Company shall be governed by the applicable provisions of the Act and Law.
- (o) The Company may pay dividends on shares in proportion to the amount paid-up on each Share in accordance with Section 51 of the Act.

97. UNPAID OR UNCLAIMED DIVIDEND

- (a) If the Company has declared a Dividend but which has not been paid or the Dividend warrant in respect thereof has not been posted or sent within 30 (thirty) days from the date of declaration, transfer the total amount of dividend, which remained unpaid or unclaimed within 7 (seven) days from the date of expiry of the said period of 30 (thirty) days to a special account to be opened by the Company in that behalf in any scheduled bank or private sector bank.
- (b) Any money so transferred to the unpaid Dividend account of the Company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the Fund established under sub-section (1) of Section 125 of the Act, viz. "Investors Education and Protection Fund".

- (c) No unpaid or unclaimed Dividend shall be forfeited by the Board before the claim becomes barred by Law.

98. CAPITALIZATION OF PROFITS

The Company in General Meeting may, upon the recommendation of the Board, resolve:

- (a) that it is desirable to capitalize any part of the amount for the time being standing to the credit of any of the Company's reserve accounts or to the credit of the Company's profit and loss account or otherwise, as available for distribution, and
- (b) that such sum be accordingly set free from distribution in the manner specified herein below in sub-article (iii) as amongst the Shareholders who would have been entitled thereto, if distributed by way of Dividends and in the same proportions.
- (c) The sum aforesaid shall not be paid in cash but shall be applied either in or towards:
 - (i) paying up any amounts for the time being unpaid on any shares held by such Shareholders respectively;
 - (ii) paying up in full, un-issued shares of the Company to be allotted, distributed and credited as fully Paid up, to and amongst such Shareholders in the proportions aforesaid; or
 - (iii) partly in the way specified in sub-article (i) and partly in the way specified in sub-article (ii).
- (d) A share premium account may be applied as per Section 52 of the Act, and a capital redemption reserve account may, duly be applied in paying up of unissued shares to be issued to Shareholders of the Company as fully paid bonus shares.

99. RESOLUTION FOR CAPITALISATION OF RESERVES AND ISSUE OF FRACTIONAL CERTIFICATE

- (a) The Board shall give effect to a Resolution passed by the Company in pursuance of this regulation.
- (b) Whenever such a Resolution as aforesaid shall have been passed, the Board shall:
 - (i) make all appropriation and applications of undivided profits (resolved to be capitalized thereby), and all allotments and issues of fully paid shares or Securities, if any; and
 - (ii) generally do all acts and things required to give effect thereto.
- (c) The Board shall have full power:
 - i. to make such provisions, by the issue of fractional certificates or by payments in cash or otherwise as it thinks fit, in the case of shares or debentures becoming distributable in fraction; and
 - ii. to authorize any person, on behalf of all the Shareholders entitled thereto, to enter into an agreement with the Company providing for the allotment to such Shareholders, credited as fully paid up, of any further shares or debentures to which they may be entitled upon such capitalization or (as the case may require) for the payment of by the Company on their behalf, by the application thereto of their respective proportions of the profits resolved to be capitalised of the amounts or any parts of the amounts remaining unpaid on the shares.
- (d) Any agreement made under such authority shall be effective and binding on all such shareholders.

100. DISTRIBUTION OF ASSETS IN SPECIE OR KIND UPON WINDING UP

- (a) If the company shall be wound up, the Liquidator may, with the sanction of a special Resolution of the company and any other sanction required by the Act divide amongst the shareholders, in specie or kind the whole or any part of the assets of the company, whether they shall consist of property of the same kind or not.
- (b) For the purpose aforesaid, the Liquidator may set such value as he deems fair upon any property to be divided as aforesaid and may determine how such division shall be carried out as between the shareholders or

different classes of shareholders.

101. DIRECTOR'S AND OTHER'S RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Act, every Director, Manager and other officer or employee of the company shall be indemnified by the company against any liability incurred by him and it shall be the duty of the Directors to pay out of the funds of the company all costs, losses and expenses which any director, Manager, officer or employee may incur or become liable to by reason of any contract entered into by him on behalf of the company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provisions against all liabilities incurred by him as such Director, Manager, Officer or employee in defending any proceedings whether civil or criminal in which judgement is given in his favour or he is acquitted or in connection with any application under Section 463 of the Act in which relief is granted by the court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the company and have priority as between the shareholders over all the claims.

102. DIRECTOR'S ETC. NOT LIABLE FOR CERTAIN ACTS

Subject to the provision of Section 197 of the Act, no Director, Manager, Officer or Employee of the company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, Officer or employee or for joining in any receipts or other acts for the sake of conformity or for any loss or expenses happening to the company through the insufficiency or deficiency of any security in or upon which any of the monies of the company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any monies, securities or effects shall be deposited or for any loss occasioned by an error of judgement or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through negligence, default, misfeasance, breach of duty or breach of trust. Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with the registrar of the companies in respect of any act done or required to be done by any Director or other officer by reason of his holding the said office shall be paid and borne by the company.

103. INSPECTION BY SHAREHOLDERS

The register of charges, register of investments, register of shareholders, books of accounts and the minutes of the meeting of the board and shareholders shall be kept at the office of the company and shall be open, during business hours, for such periods not being less in the aggregate than two hours in each day as the board determines for inspection of any shareholder without charge. In the event such shareholder conducting inspection of the abovementioned documents requires extracts of the same, the company may charge a fee which shall not exceed Rupees ten per page or such other limit as may be prescribed under the Act or other applicable provisions of law.

104. AMENDMENT TO MEMORANDUM AND ARTICLES OF ASSOCIATION

- (a) The shareholders shall vote for all the equity shares owned or held on record by such shareholders at any annual or extraordinary General meeting of the company in accordance with these Articles.
- (b) The shareholders shall not pass any resolution or take any decision which is contrary to any of the terms of these Articles.
- (c) The Articles of the company shall not be amended unless (i) Shareholders holding not less than 75% of the Equity shares (and who are entitled to attend and vote) cast votes in favour of each such amendment/s to the Articles.

105. SECRECY

No shareholder shall be entitled to inspect the company's work without permission of the managing Director/Directors or to require discovery of any information respectively any details of company's trading or any matter which is or may be in the nature of a trade secret, history of trade or secret process which may be related to the conduct of the business of the company and which in the opinion of the managing Director/Directors will be inexpedient in the interest of the shareholders of the company to communicate to the public.

106. DUTIES OF THE OFFICER TO OBSERVE SECRECY

Every Director, managing Directors, manager, Secretary, Auditor, Trustee, members of the committee, officer, servant, agent, accountant or other persons employed in the business of the company shall, if so required by the

Director before entering upon his duties, or any time during his term of office, sign a declaration pledging himself to observe secrecy relating to all transactions of the company and the state of accounts and in matters relating thereto and shall by such declaration pledge himself not to reveal any of such matters which may come to his knowledge in the discharge of his official duties except which are required so to do by the Directors or the Auditors, or by resolution of the company in the general meeting or by a court of law and except so far as may be necessary in order to comply with any of the provision of these Articles or Law. Nothing herein contained shall affect the powers of the Central Government or any officer appointed by the government to require or to hold an investigation into the company's affair.

107. PROVISIONS OF THE COMPANIES ACT, 1956 SHALL CEASE TO HAVE EFFECT

Notwithstanding anything contained in these Articles, the provisions of the Companies Act, 1956, as are mentioned under these articles shall cease to have any effect once the said provisions are repealed upon notification of the corresponding provisions under the Act.

PART II

Part II of these Articles includes the rights and obligations of the parties to the Amended and Restated Shareholders' Agreement dated November 25, 2011 along with its Schedules as amended by the First Supplement dated January 12, 2012, Second Supplement dated January 18, 2012, Third Supplement dated May 6, 2014, Fourth Supplement dated January 12, 2015 and Share Subscription Agreement cum Fifth Supplement to the Amended and Restated Shareholders Agreement dated August 27, 2015.

In the event of any inconsistency between Part I and Part II of these Articles, the provisions of Part II of these Articles shall prevail over Part I of these Articles. Part II of these Articles shall automatically terminate and cease to have any force and effect and deemed to fall away on and from the date of listing of the Equity Shares on a stock exchange in India, subsequent to an initial public offering of the Equity Shares. It is clarified that if listing of the Equity Shares of the Company on the National Stock Exchange of India Limited or BSE Limited is not completed on or before the date agreed on between the Investors, the Company and the Promoter Group in the amendment agreement to the Agreement to be entered into prior to filing of the Draft Red Herring Prospectus with SEBI, all existing shareholders' of the Company, the Promoter Group and the Company undertake to take all such actions, and do all such things, necessary to ensure that the Investors are placed in the same position and possesses the same right as if these Articles had not been amended, approved and implemented except the procedural changes as required under the Companies Act and rules made thereunder, which are not prejudicial to the Investors in any manner whatsoever. However, the Investors may give consent for such procedural changes subject to their rights under the articles of the Company.

1. CONSTITUTION

- 1.1 Subject as hereinunder provided, the Regulations contained in Table "F" in the First Schedule to the Companies Act, 2013 as are applicable to a private company, shall apply to this Company. In case of any conflict between the provisions herein contained and the incorporated Regulations of Table "F", the provisions herein shall prevail.
- 1.2 The Regulations contained in these Articles shall be subject to the exercise of the statutory powers of the Company in respect of repeal, additions, alteration, substitution, modifications and variations thereto as per the terms of these regulations and by special resolution as prescribed under the Companies Act, 2013.

2. INTERPRETATION

- 2.1 In these presents, the following words and expressions shall have the following meanings, unless excluded by the subject or context:
- i. **"Accounts"** includes the relevant balance sheets and profit and loss accounts, prepared as per Indian GAAP or International Accounting Standards, together with all documents which are or would be required by law or these Articles to be annexed to the accounts of the relevant company, to be laid before the relevant company in general meeting for the accounting reference period in question;
 - ii. **"Acceptance Notice"** shall have the meaning given to it in Article 6.11.2.1;
 - iii. **"Adjourned Meeting"** shall have the meaning given to it in Article 11.2.6;
 - iv. **"Adjourned Shareholders Meeting"** shall have the meaning given to it in Article 13.2;
 - v. **"Affiliate"** of a Person (the "Subject Person") shall mean:
 - (a) in the case of any Subject Person other than a natural Person, any other Person that, either directly or indirectly through one or more intermediate Persons and whether alone or in combination with one or more other Persons, Controls, is Controlled by or is under common Control with the Subject Person;
 - (b) in the case of any Subject Person that is a natural person:
 - (i) any other Person that, either directly or indirectly through one or more intermediate Persons and whether alone or in combination with one or more other Persons, is Controlled by the Subject Person,

- (ii) any other Person who is a Relative of such Subject Person; or
- (iii) any member of a Hindu undivided family of which such Subject Person is a karta or member.

Notwithstanding anything stated in this definition the Existing Investor shall not be construed as an Affiliate of Indium;

- vi. **“Agreement”** means the Amended and Restated Shareholders' Agreement dated 25 November 2011 along with its Schedules as amended by the First Supplement dated January 12, 2012, Second Supplement dated January 18, 2012, Third Supplement dated 6 May 2014, Fourth Supplement dated 12 January 2015 and the Share Subscription Agreement cum Fifth Supplement to the Amended and Restated Shareholders' Agreement dated 27 August 2015, as may be further amended from time to time in accordance with its terms;
- vii. **“AHPL”** means Affinity Holdings Private Limited, a private company limited by shares incorporated and existing under the laws of the Republic of Mauritius with its registered office c/o CIM Corporate Services Ltd, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius;
- viii. **“AIPL”** means Ambady Infrastructure Private Limited, a private limited company organized and existing under the laws of India with its registered office at IX/475L, Aster Medcity, Kuttisahib Road, Near Kothad Bridge, South Chittoor P O, Cheranalloor, Kochi 682 027, Ernakulam, Kerala;
- ix. **“Annual Business Plan”** means, in relation to any Group Entity, a business plan with respect to any financial year of that Group Entity that has been prepared in accordance with Article 8.2 approved by Board at the beginning of the relevant financial year (subject to Articles 13.7);
- x. **“Annual General Meeting”** shall mean a general meeting of the holders of Equity Shares held in accordance with the applicable provisions of the Companies Act.
- xi. **“Applicable Law”** means any statute, law, bye-law, enactment, regulation, ordinance, policy, treaty, rule, notification, direction, directive, guideline, requirement, License, rule of common law, order, decree, judgment, or any restriction or condition, or any similar form of decision of, or determination application or execution by, or interpretation or pronouncement having the force of law of, any Governmental Authority having jurisdiction over the matter in question, whether in effect as of the date of these Articles or thereafter, in any jurisdiction or political sub-division, and includes any practice or custom under any applicable law;
- xii. **“Approved Firms”** shall mean KPMG, PricewaterhouseCoopers, Deloitte Haskins & Sells and Ernst & Young or any of their respective successors and “Approved Firm” shall mean any of them.
- xiii. **“Auditors”** means, in relation to the Company, the statutory auditors of the Company or the internal auditors of the Company as the case may be;
- xiv. **“Articles of Association”** or **“Articles”** means these Articles of Association of the Company as amended from time to time in accordance herewith and the Companies Act; **“Assets”** of any person shall be construed as a reference to the whole or any part of its business, undertaking, property, assets and revenues (including any right to receive revenues);
- xv. **“Board”** means the Board of Directors of the Company and such term shall be deemed to include any committees constituted/ to be constituted by the Board;
- xvi. **“Block Trade”** means any sale of Shares after an IPO that is made to a particular purchaser or group of purchasers with whom the selling Shareholder has an understanding, agreement or arrangement (written or otherwise) regarding such sale, as defined under SEBI regulations;
- xvii. **“Bulk Sales”** shall have the meaning ascribed to it in Article 6.6A.2.
- xviii. **“Bulk Deal Sales Limit”** shall have the meaning ascribed to it in Article 6.6A.2.
- xix. **“Bulk Sale Restricted Period”** shall have the meaning ascribed to it in Article 6.6A.2.
- xx. **“Business”** means the business of directly or indirectly providing, healthcare related services and products in India and in the countries comprising the Cooperation Council for the Arab States of the Gulf, and all

other businesses and activities carried on by any of the Group Entities as at the date of these Articles, and all other businesses and activities that may be carried on by any of the Group Entities at any time hereafter in accordance with the terms hereof;

- xxi. **“Business Days”** means any a day (other than a Saturday or Sunday) on which banks are generally open for normal business in Mumbai, New York, Dubai and Mauritius;
- xxii. **“Business Plan”** means the business development and financial plan for the expansion of the Group Entities for the period commencing on 1 April 2011 and ending on 31 March 2015 set out in Schedule “F” of the Agreement, as amended from time to time in accordance with an Investors' Affirmative Resolution;
- xxiii. **“The Chairman”** means the Chairman of the Board of Directors for the time being of the Company;
- xxiv. **“Closing Date”** shall have the meaning given to it in the Share Subscription cum Fifth Supplement to the Amended and Restated Shareholders Agreement dated August 27, 2015.
- xxv. **“Companies Act”** means the Companies Act, 2013 in force and any statutory amendment thereto or replacement thereof and applicable provisions of the Companies Act, 1956, if any;
- xxvi. **“The Company”** or **“This Company”** means Aster DM Healthcare Limited;
- xxvii. **“Company Notice”** shall have the meaning given to it in Article 6.11.1;
- xxviii. **“Completion Date”** shall mean 18th January, 2012;
- xxix. **“Confidential Information”** shall have the meaning given to it in Article 31.1;
- xxx. **“Contract(s)”** shall mean any and all contracts, agreements, arrangements, subcontract, commitments or other binding undertakings, including those that are franchises, arrangements, leases, licenses, mortgages, bonds, indentures and notes (whether written or oral and whether or not the same are absolute, revocable, contingent, conditional, binding or otherwise);
- xxxi. **“Control”** means (a) when used with respect to any Person, the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such Person, whether through the ownership of Securities, by contract or otherwise, and (b) when used with respect to any Security, possession, directly or indirectly, of the power to vote, or to direct the voting of, such Security or the power to dispose of, or to direct the disposition of, such Security. For avoidance of doubt, as of January 18, 2012, the Promoters shall be considered to Control the Group Entities;
- xxxii. **“Covered Activity”** shall mean the provision of advisory, consulting or any other services to any business or entity engaged in a business or activity identical to or that directly competes with the Business;
- xxxiii. **“DEDPL”** means DM Eyecare (Delhi) Private Limited, a private limited company organized and existing under the laws of India with its registered office at IX/475L, Aster Medcity, Kuttisahib Road, Near Kothad Bridge, South Chittoor P O, Cheranalloor, Kochi 682 027, Ernakulam, Kerala;
- xxxiv. **“Deed of Adherence”** means the deed in the form set out in Schedule E to the Agreement;
- xxxv. **“Designated Party”** shall have the meaning given to it in Article 31.1;
- xxxvi. **“DHIPL”** shall mean DM Med City Hospitals India Private Limited, a private limited company organized and existing under the laws of India with its registered office at IX/475L, Aster Medcity, Kuttisahib Road, Near Kothad Bridge, South Chittoor P O, Cheranalloor, Kochi 682 027, Ernakulam, Kerala.
- xxxvii. **“Dilutive Issuance”** shall have the meaning given to it in Article 7.1;
- xxxviii. **“Director”** means a director appointed to the Board of the Company;
- xxxix. **“Director Undertaking”** shall have the meaning given to it in Article 36.1.8;
- xl. **“Dr. Moopen’s FZC** means Dr. Moopen’s Holding FZC, a free zone company organized and registered in Hamriyah Free Zone with its registered office in Hamriya Free Zone, Sharjah, UAE;

- xli. **“Dr. Moopen** means Dr. Azad Moopen, a Promoter;
- xlii. **“Drag Along Right”** shall have the meaning given to it in Article 36.6.2;
- xliii. **“Drag Notice”** shall have the meaning given to it in Article 36.6.2;
- xliv. **“Drag Promoter Group Shares”** shall have the meaning given Article 36.6.2;
- xlv. **“Drag Purchaser”** shall have the meaning given to it in Article 36.6.1;
- xlvi. **“Effective Date”** means the 18th January, 2012;
- xlvii. **“Environmental Claim”** shall mean, with respect to any Person, any written or oral notice, claim, demand or other communication by any other Person alleging or asserting such Person’s liability for investigatory costs, cleanup costs, response costs, damages to natural resources, damage to public or private property, personal injuries, fines or penalties arising out of, based on or resulting from (a) the presence, or Release into the environment, of any Hazardous Material at any location, whether or not owned by such Person or (b) circumstances forming the basis of any violation, or alleged violation, of any Environmental Law or Environmental Requirement. The term “Environmental Claim” shall include, any claim by any Government Authority for enforcement, cleanup, removal, response, remedial or other actions or damages pursuant to any applicable Environmental Law, and any claim by any third party seeking damages, contribution, indemnification, cost recovery, compensation or injunctive relief resulting from the presence of Hazardous Materials or arising from alleged injury or threat of injury to health, safety or the environment;
- xlviii. **“Environmental Laws”** shall mean all Applicable Laws of India, UAE and any other relevant jurisdiction (including applicable limitation, restrictions, conditions, standards, prohibitions, requirements, obligations, schedules or timetables imposed or requirement by any Governmental Authority or Applicable Law) relating to the regulation or protection of the environment, including as it relates to human health and safety, or to emissions, discharges, Releases or threatened Releases of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes into the environment (including, ambient air, soil, surface water, ground water, drinking water supply, wetlands, land or subsurface strata), or otherwise relating to the generation, manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, contaminants, chemicals or industrial, toxic or hazardous substances or wastes;
- lix. **“Environmental License”** shall mean any license, permit, certificate, authorization, no-objection, registration, approval, consent, permission, order, qualification or similar authority issued or granted by any Governmental Authority under or pursuant to any Environmental Law or Environmental Requirement;
- l. **“Environmental Requirements”** shall mean, without duplication of Environmental Laws, (i) all environmental standards and policies promulgated by the World Bank and the International Finance Corporation relating to (A) air emissions, (B) discharges to surface water or ground water, (C) noise emissions, (D) solid or liquid waste disposal, (E) the use, generation, storage, transportation or disposal of toxic or hazardous substances or wastes, or (F) any other environmental, health or safety matters, (ii) international best practices regarding environmental, health and safety matters, and (iii) other environmental requirements as may be specified by any of the Investors;
- li. **“ESOP Trust”** means the DM Healthcare Employee Welfare Trust having its principal office at 39/4718, Sree Kandath Road, Ravipuram, Cochin 682016, Kerala, India.
- lii. **“Event of Default”** shall have the meaning given to it in Article 30.1;
- liii. **“Executive Directors”** shall have the meaning given to it in Article 11.1.1.2;
- liv. **“Existing Investor”** means IVF Trustee Company Private Limited incorporated and existing under the Companies Act, 1956 and having its registered office at 9/2, Ground Floor, Rocklines House, Museum Road, Bangalore, Karnataka 560001 (Permanent Account Number AABC15653B) as a trustee of the India Value Fund – III A, a trust established under the laws of India, holding Permanent Account Number AAAT16015M;
- lv. **“Existing Investor Dilutive Issuance”** shall have the meaning given to it in Article 7.2;

- lvi. **“Existing Investor Director”** shall mean the Director nominated by the Existing Investor under Article 11.1.1.2;
- lvii. **“Existing Investor Shares”** shall mean, the Shares held by the Existing Investor at the relevant time;
- lviii. **“Extraordinary General Meeting”** shall mean an extraordinary general meeting of the holders of Equity Shares duly called and constituted in accordance with the Companies Act and any adjournment thereof;
- lix. **“Fully Diluted Basis”**, with respect to any Share, security, note, option (including any employees stock options granted by the Company), warrant or instrument convertible into Shares, shall mean the deemed conversion of such Share, security, note, option, warrant or convertible instrument into equity shares of the Company in accordance with Applicable Law and the terms of issue of such Share, security, note, option, warrant or convertible instrument;
- lx. **“FZC Purchase Agreement”** means a purchase agreement entered into as of the Completion Date whereby the New Investor and the Existing Investor will each acquire one (1) ordinary share in capital of Dr. Moopen’s FZC;
- lxi. **“GCC”** means countries, which are members of the Gulf Co-operation Council;
- lxii. **“Governmental Authority”** shall mean any government, or any governmental, legislative, executive, administrative, fiscal, judicial or regulatory, authority, body, board, ministry, department, commission, tribunal, instrumentality or other person exercising legislative, executive, administrative, fiscal, judicial or regulatory functions (including any court, tribunal, mediator, arbitrator of competent jurisdiction), having jurisdiction over the matter in question, whether as of Effective Date or thereafter, in any jurisdiction or political sub-division and includes any relevant Tax Authority;
- lxiii. **“Group Entities”** means the Company, AHPL, Dr. Moopen’s FZC, AIPL, DEDPL, DHIPL, PHL, and each company that is a Subsidiary of the Company, or any of their respective Subsidiaries, or any other health-care related entity that is owned and controlled by the Promoter Group and **“Group Entity”** means any of them. For the purpose of avoidance of doubt, the DM Foundation (a trust established for charitable activities), the Medical College at Wayanad, and their associated entities as well as any educational institutions promoted and/or controlled by Dr. Moopen shall not be considered to be one of the Group Entities;
- lxiv. **“Hazardous Material”** shall mean (a) any petroleum or petroleum products, flammable explosives, radioactive materials, asbestos, urea formaldehyde foam insulation and transformers or other equipment containing polychlorinated biphenyls (PCBs), (b) any chemicals or other materials or substances which are now or hereafter become defined as or included in the definition of “hazardous substances,” “hazardous wastes,” “hazardous materials,” “extremely hazardous wastes,” “restricted hazardous wastes,” “toxic substances,” “toxic pollutants” or words of similar import in any language and under any Environmental Law or Environmental Requirement and (c) any other chemical or other material or substance, exposure to which is now or hereafter becomes prohibited, limited or regulated by any Government Authority under any Environmental Law or Environmental Requirement.
- lxv. **“Healthcare Business”** shall have the meaning given to it in Article 10.1.
- lxvi. **“IFRS”** shall mean the International Financial Reporting Standards issued by the International Accounting Standards Board, consistently applied from period to period and throughout any period in accordance with past practices of the relevant Group Entity;
- lxvii. **“Independent Director”** shall mean an independent director as defined under the Companies Act and under clause 49 of the listing agreement;
- lxviii. **“Indian GAAP”** means the generally accepted accounting principles recommended by the Institute of Chartered Accountants of India and where there are no such principles recommended, the accounting principles accepted in India and consistently applied from period to period and throughout any period in accordance with past practices of the relevant Group Entity;
- lxix. **“Indium”** means INDIUM IV (MAURITIUS) HOLDINGS LIMITED, a company incorporated under Companies Act, 2001 of Mauritius having its registered office at Office 201, Sterling Tower 14 Poudrière Street, Port-Louis, Mauritius;

- lxx. “**Indium Shares**” shall mean, the Shares held by Indium pursuant to the Share Subscription Agreement Round 2 and the UIPL Share Purchase Agreement on Fully Diluted Basis and/or as if converted basis, including any further entitlement on these Shares, at the relevant time.
- lxxi. “**Initial Public Offering**” or “**IPO**” shall mean the first public offering of Shares or an instrument with underlying Shares of the Company upon the consummation of which the Shares or the instrument are listed on National Stock Exchange Limited, BSE Limited or any other recognized international stock exchange (acceptable to the Investors), including the Qualified IPO, the Investors' Qualified IPO, the Round 2 Qualified IPO and the Round 2 Investors' Qualified IPO;
- lxxii. “**Initial Meeting**” shall have the meaning given to it in Article 11.2.6;
- lxxiii. “**Initial Shareholders Meeting**” shall have the meaning given to it in Article 13.2;
- lxxiv. “**Insolvency Proceedings**” shall mean any form of bankruptcy, liquidation, receivership, administration, arrangement or scheme with creditors, interim or provisional supervision by the court or court appointee, whether in the jurisdiction of the place of incorporation or in any other jurisdiction, whether in or out of court.
- lxxv. “**Intellectual Property**” means all intellectual property including patents, inventions (whether or not patentable and whether or not reduced to practice), utility models, trade and service marks, trade names, brand and the goodwill associated therewith, domain names, right in designs, copyrights, rights in databases, proprietary rights, technical, commercial or financial information of a proprietary or confidential nature (including without limitation manufacturing and production processes and techniques, improvements, customer proposals, technical and computer data and software), trade secrets and know-how, in all cases whether or not registered or registrable and including registrations and applications for registration or renewal of any of these, and all rights to apply for the same, rights to receive equitable remuneration in respect of any of these and all rights and forms of protection of a similar nature or having equivalent or similar effect to any of these anywhere in the world;
- lxxvi. “**Investors**” shall mean the Existing Investor, the New Investor, Indium and (to the extent set out in the relevant Deed of Adherence) every transferee or assignee of any Investor who has accepted to adhere to these Articles pursuant to Article 28.6, and whose rights and obligations as an Investor have not terminated as provided by Article 30.2, and “Investor” shall mean any of them;
- lxxvii. “**Investor Directors**” means the New Investor Director(s) and the Existing Investor Director(s), collectively;
- lxxviii. “**Investor Observers**” shall have the meaning given to it in Article 11.1.4;
- lxxix. “**Investor Shares**” shall mean, with respect to any Investor, the Shares held by such Investor on a Fully Diluted Basis and as if converted basis, at the relevant time;
- lxxx. “**Investor Proportionate Share**” shall mean, with respect to each Investor, a fraction (expressed as a percentage), the numerator of which is the number of Investor Shares on Fully Diluted Basis and as if converted basis held by such Investor at the relevant time, and the denominator of which is the total number of Investor Shares held by all the Investors on Fully Diluted Basis and as if converted basis, at the relevant time;
- lxxxi. “**Investors' Affirmative Resolution**” shall mean a resolution passed at a duly convened and quorate meeting of the Board approved by a majority of the Directors present and voting at such meeting, which majority shall include (a) at least one of the New Investor Directors (or one of their respective alternate Directors) or (b) the Existing Investor Director (or his/her alternate Director), in each case present and voting at such meeting;
- lxxxii. “**Investors' Qualified IPO**” shall have the meaning given to it in Article 36.3.1;
- lxxxiii. “**Issued Share Capital**” shall mean the issued and fully paid-up equity share capital and voting rights of the Company;

- lxxxiv. **“Key Employees”** shall mean any individual who is at any time a whole time director or whole time senior/key employee of any Group Entity (including without limitation the chief executive officer, chief operating officer and chief financial officer of the Company), and the physicians who from time to time are the top 10 revenue generators of the Group Entities as a whole;
- lxxxv. **“License”** shall mean any authorisation, approval, license, permit, consent, permission or other authorizations issued by any Governmental Authority.
- lxxxvi. **“Lien”** shall mean any encumbrance whatsoever, including right, title or interest existing or created or purported to be created by way of or in the nature of, sale, agreement to sell, assignment (including assignment by way of trust or security), co-ownership, attachment, mortgage, pledge, hypothecation, charge (fixed or floating), deposit arrangement, security interest, lien, voting agreement, right or option to acquire or sell, right of pre-emption, entitlement to ownership (including usufruct and similar entitlements), right of first refusal, conditional sale agreement, title retention agreement, restriction, easement, or similar agreement of any kind or nature whatsoever, or any statutory liability recoverable by sale of property, or any Contract to create any of the foregoing;
- lxxxvii. **“Major Management Default”** shall have the meaning given to it in Article 8.10.3;
- lxxxviii. **“Management Default”** shall have the meaning given to it in Article 8.10.3;
- lxxxix. **“Managing Director”** shall have the meaning assigned to it under the Companies Act.
- xc. **“Memorandum”** means the Memorandum of Association of the Company, as amended from time to time in accordance herewith;
- xc. **“MIMS”** means Malabar Institute of Medical Sciences Limited, a public company organized and existing under the laws of India with its registered office at Mini Bypass Road, Govindapuram, P.O. Calicut – 673016;
- xcii. **“Minimum Number of Shares”** shall have the meaning given to it in Article 36.1.10.
- xciii. **“Mr. Wilson”** shall mean Mr. T.J. Wilson, a Shareholder;
- xciv. **“New Investor”** means Olympus Capital Asia Investments Ltd incorporated and existing under the laws of the Republic of Mauritius and having its registered office at c/o International Financial Services Limited, IFS Court, Twenty Eight, Cybercity, Ebene, Mauritius;
- xcv. **“New Investor Shares”** shall mean, the Shares held by the New Investor prior to the Olympus Completion Date (as defined in Share Subscription **Agreement** Round 2), including any entitlement on these Shares, at the relevant time;
- xcvi. **“New Investor Director(s)”** shall have the meaning given to it in Article 11.1.1.2;
- xcvii. **“New Investor Round 2 Shares”** shall mean, the Shares held by the New Investor pursuant to the Share Subscription Agreement Round 2 and the UIPL Share Purchase Agreement, on Fully Diluted Basis and/or as if converted basis, including any further entitlement on these Shares, at the relevant time;
- xcviii. **“New Investor Share Price”** means INR 158,916.20 (Indian Rupees one hundred and fifty eight thousand nine hundred and sixteen and paise twenty only) per Share;
- xcix. **“New Securities”** shall have the meaning given to it in Article 6.11.1;
- c. **“Nominee Arrangement”** shall have the meaning given to it in Article 6.16;
- ci. **“Non-Selling Investor”** shall have the meaning given to it in Article 6.8.1;
- cii. **“Non-Selling Investor Tag-Along Notice”** shall have the meaning given to it in Article 6.8.2;
- ciii. **“Non-Selling Investor Tag-Along Shares”** shall have the meaning given to it in Article 6.8.2;
- civ. **“Non-Specified Reserved Matters”** shall have the meaning given to it in Article 11.2.3.2;

- cv. “**OFAC**” shall mean the U.S. Department of the Treasury’s Office of Foreign Assets Control or its successor
- cvi. “**Officer**” shall have the meaning assigned thereto by Section 2(59) of the Companies Act.
- cvi. “**Original Director**” shall have the meaning given to it in Article 11.1.3;
- cvi. “**Ordinary Resolution**” shall have the meaning assigned thereto by Section 114 of the Companies Act.
- cix. “**Oversubscribing Shareholder**” shall have the meaning given to it in Article 6.11.3.2;
- cx. “**Parties**” shall mean the Company, the Existing Investor, the New Investor, Indium, Promoter Group and each other Person that has entered into a Deed of Adherence (or such one or more of them as the context may require) and “**Party**” shall mean any one of them individually.
- cxi. “**Party Shareholder**” shall mean each of, the Existing Investor, the New Investor, Indium, UIPL and each other Person in whose name Shares are registered in the Company’s register of members and who becomes a party to the Agreement in accordance with the terms of the Agreement, and “**Party Shareholder**” shall mean any of them;
- cxii. “**Person**” means any person (including a natural person), firm, company, corporation, Governmental Authority or any association or partnership (whether or not having separate legal personality) of two or more of the foregoing;
- cxiii. “**PHL**” means Prerana Hospitals Limited, a domestic company in which the public is not interested organized and existing under the laws of India with its registered office at 2811/K, B Ward, Belbaug, Mangalwar Peth, Kolhapur 416012;
- cxiv. “**Proceeding**” shall mean any litigation, action, suit, hearing, petition, legal, quasi-judicial, administrative, regulatory, arbitration or other alternative dispute resolution proceeding or investigation.
- cxv. “**Prohibited Lists**” shall mean the “Specially Designated Nationals” and “Blocked Persons” list, and any other publicly available list of terrorists, terrorist organizations, narcotics traffickers or other similarly proscribed parties, maintained by OFAC or by any other United States Governmental Authority;
- cxvi. “**Promoters**” means Dr. Azad Moopen and Union Investments Private Limited;
- cxvii. “**Promoter Connected Person**” means an Affiliate of any of the members of Promoter Group (provided that Relatives shall only constitute Promoter Connected Persons to the extent that Dr. Moopen is aware of the relationship);
- cxviii. “**Promoter Directors**” shall have the meaning given to it in Article 11.1.1.2;
- cxix. “**Promoter Group**” means and includes Promoters, Mrs. Naseera Azad, Mrs. Alisha Moopen, Mrs. Ziham Moopen and Miss. Zeba Moopen;
- cxx. “**Promoter ROFO Period**” shall have the meaning given to it in Article 6.4.3;
- cxxi. “**Promoter ROFO Price**” shall have the meaning given to it in Article 6.4.3;
- cxxii. “**Promoter ROFO Purchaser**” shall have the meaning given to it in Article 6.4.5.
- cxxiii. “**Promoter ROFO Response Notice**” shall have the meaning given to it in Article 6.4.3;
- cxxiv. “**Purchaser**” shall have the meaning given to it in Article 6.5.1;
- cxxv. “**Purchase Price**” shall have the meaning given to it in Article 6.5.2;
- cxxvi. “**Qualified IPO**” means an IPO of the Shares of the Company: (a) at a price per Share not less than the Qualified IPO Target Price, (b) that meets the minimum public shareholding requirements prescribed under Applicable Law, (c) that results in a primary fund-raise of at least INR 5,000,000,000 by the Company, (d)

in which the Investors have the right to sell Investor Shares in a secondary sale of Shares for net proceeds of INR 2,500,000,000 (provided that it is understood and agreed that each Investor may, in its sole discretion, (i) elect not to sell its Shares in the IPO (or may elect to sell a lesser amount of its Shares in the IPO), and (ii) waive, in whole or in part, in writing the condition of the secondary sale of Shares), (e) that results in the listing of the Shares of the Company on the National Stock Exchange Limited, Bombay Stock Exchange Limited or any other recognized stock exchange as decided by the mutual written agreement of the Investors, the Promoter Group and the Company, and (f) which is made in accordance with Article 19.1;

- cxxvii. **“QIPO Investment Bank(s)”** means one or more investment banks appointed by the Company in accordance with Article 19.1.3 or Article 19.2.2 or otherwise, to advise on, manage and implement, the Qualified IPO or the Investor Qualified IPO, as the case may be; provided that any such appointee shall be among the top six (6) investment banks from the most recent IPO league tables published by Bloomberg in the **country** where the Company is proposed to be listed;
- cxxviii. **“Qualified IPO Target Date”** means the third anniversary of the Completion Date;
- cxxix. **“Qualified IPO Target Price”** means the price per Share which reflects the higher of (a) one and a half times return (1.5x) (or, if the Qualified IPO is consummated after the second anniversary of the Effective Date, one and three-quarters times return (1.75x)) and (b) a twenty percent (20%) IRR, measured from the Completion Date till the date of listing of the Shares on the relevant recognised stock exchange; in each case on the New Investor Share Price, as adjusted for share combinations, consolidations, subdivisions, share splits, share dividends or the like with respect to the Shares and any accrued and unpaid dividends, whether or not declared;
- cxxx. **“RAR CCPS”** shall mean the compulsorily convertible preference shares of the Company and having the terms and conditions attached to them as set out in the Schedule B attached hereto;
- cxxxi. **“Receiving Party”** shall **have** the meaning given to it in Article 31.1;
- cxxxi. **“Regency”** means Regency Group, represented by Mr. Shamsudheen Bin Mohideen Mammu Haji, Holder of UAE Passport No. A1049691;
- cxxxi. **“Regency Director”** shall have the meaning given to it in Article 11.1.1.2;
- cxix. **“Regency Offer Notice”** shall have the meaning given to it in Article 6.16;
- cxix. **“Regency ROFR”** shall have the meaning given to it in Article 7.15;
- cxix. **“Register of Shareholders”** shall mean the Register of Shareholders to be kept pursuant to Section 88 of the Companies Act.
- cxix. **“Related Party”** means each member of the Promoter Group, each of the Promoter Connected Persons, each Shareholder (except Investors), and entities Controlled by each of the foregoing and “Related Party” means any of them;
- cxix. **“Relative”** shall have the meaning ascribed to such term in Section 2(77) of the Companies Act read with Rule 4 of the Companies (Specification of Definitions Details) Rules, 2014;
- cxix. **“Release”** shall mean any release, **spill**, emission, leaking, pumping, injection, deposit, disposal, discharge, dispersal, leaching or migration into the indoor or outdoor environment, including the movement of Hazardous Materials through air, soil, surface water, ground water, wetlands, land or subsurface strata.
- cx. **“Reserved Matters”** shall mean collectively the Specified Reserved Matters and the Non-Specified Reserved Matters with respect to **any** of the Group Entities;
- cx. **“Restricted Purchaser”** means each of Apollo Hospitals/ Healthcare Group, Fortis Healthcare Ltd., Reliance Healthcare, Acibadem Healthcare Group, Parkway Group, and Varkey Group (i.e., World Healthcare Systems Ltd., Medi-clinic, EHL) or any Affiliate of any of the above Persons;
- cx. **“Restructuring”** and the **“Restructuring Plan”** shall have the meanings given to them in the Share Subscription Agreement;

- cxliii. **“Restructuring Transfers”** shall have the meaning given to it in Article 6.2;
- cxliv. **“Right of Liquidation”** shall have the meaning given to it in Article 36.7.1
- cxlv. **“Rights Acceptance Notice”** shall have the meaning given to it in Article 6.11.3.1;
- cxlvi. **“Rights Allocation”** shall have the meaning given to it in Article 6.11.3.1;
- cxlvii. **“Rimco”** means Rimco (Mauritius) Limited incorporated and existing under the laws of the Republic of Mauritius and having its place of business at Fifth Floor, Ebene Esplanade, 24 Bank Street, Cybercity, Ebene, Mauritius;
- cxlviii. **“ROFO Exercising Parties”** shall have the meaning given to it in Article 6.7.3;
- cxlix. **“ROFO Party”** shall have the meaning given to it in Article 6.7.1;
- cl. **“ROFO Period”** shall have the meaning given to it in Article 6.7.3;
- cli. **“ROFO Price”** shall have the meaning given to it in Article 6.7.3;
- clii. **“ROFO Purchaser”** shall have the meaning given to it in Article 6.7.5;
- cliii. **“ROFO Response Notice”** shall have the meaning given to it in Article 6.7.3;
- cliv. **“ROFO Shares”** shall have the meaning given to it in Article 6.7.1;
- clv. **“ROFO Transfer Notice”** shall have the meaning given to it in Article 6.7.1;
- clvi. **“ROFO Transferor”** shall have the meaning given to it in Article 6.7;
- clvii. **“Round 1 Investor Shares”** shall mean, collectively the New Investor Shares and the Existing Investor Shares;
- clviii. **“Round 2 Completion Date”** shall mean 6th May, 2014;
- clix. **“Round 2 Investor Proportionate Share”** shall mean, with respect to New Investor and Indium, a fraction (expressed as a percentage), the numerator of which is the number of Round 2 Investor Shares on Fully Diluted Basis and as if converted basis held by such Investor at the relevant time, and the denominator of which is the total number of Round 2 Investor Shares held by both New Investor and Indium on Fully Diluted Basis and as if converted basis, at the relevant time;
- clx. **“Round 2 Investor Shares”** shall mean, collectively the New Investor Round 2 Shares and the Indium Shares;
- clxi. **“Round 2 QIPO Investment Bank(s)”** shall mean one or more investment banks appointed by the Company in accordance with Article 19.1B.3 or Article 19.2B.2 or otherwise, to advise on, manage and implement, the Round 2 Qualified IPO or the Round 2 Investor Qualified IPO, as the case may be; provided that any such appointee shall be among the top six (6) investment banks from the most recent IPO league tables published by Bloomberg in the country where the Company is proposed to be listed;
- clxii. **“Round 2 Qualified IPO”** shall mean an IPO of the Shares of the Company: (a) at a price per Share not less than the Round 2 Qualified IPO Target Price, (b) that meets the minimum public shareholding requirements prescribed under Applicable Law, (c) that results in a primary fund-raise of at least INR 3,500,000,000 by the Company, (d) in which the Investors have the right to sell the Investor Shares in a secondary sale of Shares for net proceeds of INR 4,000,000,000 (provided that it is understood and agreed that each of the Investors may, in its sole discretion, (i) elect not to sell their respective Investor Shares in the IPO or may elect to sell a lesser amount of their respective Investor Shares in the IPO, and (ii) waive, in whole or in part, in writing the condition of the secondary sale of the Investor Shares), (e) that results in the listing of the Investor Shares of the Company on the National Stock Exchange Limited, Bombay Stock Exchange Limited or any other recognized stock exchange as decided by the mutual written agreement of

the Investors, the Promoter Group and the Company, and (f) which is made in accordance with Article 19.1B;

- clxiii. **“Round 2 Qualified IPO Target Date”** shall mean date falling on the expiry of two years and six months from the Round 2 Completion Date;
- clxiv. **“Round 2 Qualified IPO Target Price”** shall mean the price per Share which reflects an eighteen (18%) IRR, measured from the Round 2 Completion Date till the date of listing of the Round 2 Investor Shares on the relevant recognised stock exchange on the post money equity valuation of the Company of USD 840 mn, as adjusted for share combinations, consolidations, subdivisions, share splits, share dividends or the like with respect to the Round 2 Investor Shares on Fully Diluted Basis and as if converted basis, and any accrued and unpaid dividends, whether or not declared;
- clxv. **“Rules”** shall mean the rules made under the Companies Act and notified from time to time;
- clxvi. **“Sale Shares”** shall have the meaning given to it in Article 6.4.2;
- clxvii. **“The Seal”** means the common seal for the time being of the Company;
- clxviii. **“SEBI”** means the Securities and Exchange Board of India;
- clxix. **“Second Transfer Notice”** shall have the meaning given to it in Article 6.5.2;
- clxx. **“Securities”** means any Shares, scrips, stocks, bonds, debentures or other securities of a like nature, or any rights, options, warrants, or instruments entitling the holder to receive Shares or to purchase or rights to subscribe for securities which by their terms are convertible into or exchangeable for Shares;
- clxxi. **“Secretary”** shall mean a Company Secretary within the meaning of clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980 and includes any other individual possessing the prescribed qualifications and appointed to perform the duties which may be performed by a secretary under the Companies Act and any other administrative duties.
- clxxii. **“Seller”** shall have the meaning given to it in Article 6.4;
- clxxiii. **“Selling Investor”** shall have the meaning given to it in Article 6.8.1;
- clxxiv. **“Selling Investor Notice”** shall have the meaning given to it in Article 6.8.1;
- clxxv. **“Series A CCPS”** shall mean the series ‘A’ compulsorily convertible preference shares of the Company and having the terms and conditions attached to them as set out in the Schedule A attached hereto;
- clxxvi. **“Significant Block Trade”** means any sale of Shares (or series of sales in any 12-month period) constituting singly or in aggregate 5% or more of the Issued Share Capital after the Qualified IPO, the Investors’ Qualified IPO, the Round 2 Qualified IPO or the Round 2 Investors’ Qualified IPO that is made to a particular **purchaser** or group of purchasers or persons acting in concert with the purchasers as per the Applicable Law;
- clxxvii. **“Shareholder”** means, from time to time, any Person in whose name any Share is registered in the Company’s register of members and/or register of preference shares and **“Shareholders”** shall mean all of them;
- clxxviii. **“Shares”** shall mean the equity shares and/or the preference shares of the Company including Round 1 Investor Shares and Round 2 Investor Shares;
- clxxix. **“Share Subscription Agreement”** means the agreement dated 25 November 2011 executed between the Company, the Promoter Group, the Existing Investor and the New Investor pursuant to which the Company has agreed to issue and the New Investor has agreed to subscribe to 24,843 (twenty four thousand eight hundred forty three) Shares of the Company;
- clxxx. **“Share Subscription Agreement cum Fifth Supplement to the Amended and Restated Shareholders Agreement”** means the agreement dated 27 August 2015, executed between the Company, the Promoters, the Promoter Group, Olympus Capital Asia Investments Limited, IVF Trustee Company Private Limited,

Indium IV (Mauritius) Holdings Limited and Rimco (Mauritius) Limited pursuant to which the Company has agreed to issue and Rimco has agreed to subscribe (a) 1 (one) equity shares of the Company for a subscription price of INR equivalent of US\$4.928 (US Dollars Four point Nine Two Eight) including premium, per equity share; and (b) 5,01,55,666 (Five Crores One Lakh Fifty Five Thousand Six Hundred and Sixty Six) compulsorily convertible preference shares of the Company for a subscription price of INR equivalent of US\$4.928 (US Dollars Four point Nine Two Eight), per compulsorily convertible preference share (“**RAR CCPS**”).

- clxxxii. “**Share Subscription Agreement Round 2**” means the agreement dated 6 May, 2014 executed between the Company, the Promoter Group, the New Investor and Indium pursuant to which the Company has agreed to issue and (i) the New Investor has agreed to subscribe 2,123,293 (Two Million One Hundred Twenty Three Thousand Two Hundred and Ninety Three) equity shares and 3,103,274 (Three Million One Hundred Three Thousand Two Hundred and Seventy Four) Series A CCPS, and (ii) Indium has agreed to subscribe to 1,036,369 (One Million Thirty Six Hundred Thousand Three Hundred and Sixty Nine) equity shares and 1,514,693 (One Million Five Hundred Fourteen Thousand Six Hundred and Ninety Three) Series A CCPS;
- clxxxiii. “**Share Purchase Agreement**” means the agreement dated 25 November 2011 executed between the Company, the Promoter Group, the Existing Investor and the New Investor pursuant to which the Existing Investor has agreed to sell and the New Investor has agreed to purchase 6,917 (six thousand nine hundred seventeen) Shares held by the Existing Investor;
- clxxxiiii. “**Special Resolution**” shall have the meaning assigned to it by Section 114 of the Companies Act, 2013.
- clxxxv. “**Specified Reserved Matters**” shall have the meaning given to it in Article 11.2.3.1;
- clxxxvi. “**Subscribing Shareholder**” shall have the meaning given to it in Article 6.11.3.2;
- clxxxvii. “**Subsidiary**” shall have the meaning given to it in the Companies Act (provided that for entities operating in the GCC, “Subsidiary” shall include any entity that is more than 50% beneficially owned by the Company);
- clxxxviii. “**Tag-Along Notice**” shall have the meaning given to it in Article 6.5.3;
- clxxxix. “**Tag-Along Right**” shall have the meaning given to it in Article 6.5.4;
- clxxx. “**Tag-Along Party**” shall have the meaning given to it in Article 6.5.5;
- cxci. “**Tag-Along Shares**” shall have the meaning given to it in Article 6.5.3;
- cxci. “**Taxation**” or “**Taxes**” means all forms of taxation, duties (including stamp duties), levies, imposts and social security charges, whether direct or indirect **including corporate** income tax, wage withholding tax, national social security contributions and employee social security contributions, value added tax, customs and excise duties, capital tax and other legal transaction taxes, dividend withholding tax, real property taxes, environmental taxes and duties and any other type of taxes or duties payable by virtue of any applicable national, regional or local law or regulation and which may be due directly or by virtue of joint and several liability in any relevant jurisdiction; together with any interest, penalties, surcharges or fines relating to them, due, payable, levied, imposed upon or claimed to be owed in any relevant jurisdiction or political sub-division, and “Tax” shall be construed accordingly;
- cxcii. “**Tax Authority**” shall mean any Governmental Authority having jurisdiction over or responsibility with respect to, the administration, assessment, determination, collection or imposition of any Tax;
- cxci. “**Total Drag Shares**” shall have the meaning given to it in Article 36.6.3;
- cxci. “**Transaction**” shall have the meaning given to it in Article 27;
- cxci. “**Transfer**” means to sell, gift, give, assign, transfer, transfer any interest in trust, mortgage, alienate, hypothecate, pledge, encumber, grant a security interest in, amalgamate, merge (whether by operation of law or otherwise) grant lien on, any Shares or any right, title or interest therein or otherwise dispose of in any manner whatsoever voluntarily or involuntarily, but shall not include to transfer by way of testamentary

or intestate successions, and the term “Transferred” shall have a meaning correlative to the foregoing. The term “Transfer”, when used as a noun, shall have a correlative meaning;

cxcvi. “**Transfer Notice**” shall have the meaning given to it in Article 6.4.1;

cxcvii. “**Transfer Terms**” shall have the meaning given to it in Article 6.5.3;

cxcviii. “**UIPL**” shall mean Union Investments Pvt Limited, incorporated and existing under the laws of the Republic of Mauritius and having its registered office at c/o CIM Corporate Services Ltd, Les Cascades Building, Edith Cavell Street Port Louis, Mauritius

cxcix. “**UIPL Share Purchase Agreement**” means the agreement dated 6 May, 2014 executed between UIPL, Dr. Moopen, Mrs. Naseera Azad, Mrs. Ziham Moopen, Ms. Zeba Moopen, Indium and the New Investor pursuant to which (i) UIPL has agreed to sell upto a maximum of 2,613,283 (Two Million Six Hundred Thirteen Thousand Two Hundred and Eights Three) Shares and the New Investor has agreed to purchase upto a maximum of 2,613,283 (Two Million Six Hundred Thirteen Thousand Two Hundred and Eights Three) Shares and (ii) UIPL has agreed to sell upto a maximum of 1,275,531 (One Million Two Hundred Seventy Five Thousand Five Hundred and Thirty One) Shares and Indium has agreed to purchase upto a maximum of 1,275,531 (One Million Two Hundred Seventy Five Thousand Five Hundred and Thirty One) Shares;

cc. “**Undersubscribing Shareholder**” shall have the meaning given to it in Article 7.9.3.2;

cci. “**Written**” or “**In writing**” means written or printed or partly written and partly printed or lithographed or typewritten or reproduced by any other substitute for writing; and

ccii. “**Year**” means the financial year of the Company as defined in the Act.

3. **GENERAL INTERPRETATIVE PRINCIPLES**

- i. The table of contents and headings in these Articles are inserted for convenience only and shall not affect its construction.
- ii. Any date or period as set out in any Article of these Articles of Association may be extended with the written consent of the Parties, failing which time shall be of the essence.
- iii. References in these Articles to any statute or statutory provision include a reference to such statute or statutory provision as from time to time amended, modified, re-enacted, extended, consolidated or replaced (whether before or after the date of these Articles) and to any subordinate legislation made from time to time under the statute or statutory provision.
- iv. Reference to these Articles or to any other document include a reference to these Articles or such other document as renewed, restated, amended, novated or supplemented from time to time.
- v. Another grammatical form of a defined word or expression has a corresponding meaning.
- vi. The singular includes the plural and vice versa, and a gender includes other genders.
- vii. References to the word “include” or “including” are to be construed without limitation.
- viii. References to times of day are to India time unless otherwise indicated and references to a day are to a period of twenty four (24) hours running from midnight.
- ix. References in these Articles to any person shall include, or be deemed to be references to (as may be appropriate) its successors, personal representatives and permitted assignees or transferees.
- x. In these Articles, any undertaking by a person not to do or to omit to do any act or thing includes an undertaking not to allow, cause or assist in the doing of or omission of such act or thing.

- xi. The liability of the Promoter Group under these Articles shall be joint and several. Where any obligation, representation, warranty or undertaking in these Articles is expressed to be made, undertaken or given by the Promoter Group, they shall be jointly and severally responsible in respect of it.
- xii. All the rights provided to the Investors under these Articles shall be exercisable by each of the Investors severally and not jointly, unless expressly provided otherwise in these Articles.
- xiii. Any reference to the term 'Shares' in these Articles as amended from time to time in context of the shares held/owned by the Investors shall be interpreted/construed as the shares held by the Investors on a Fully Diluted Basis and as if converted basis.
- xiv. References made to any provision of the Companies Act shall be construed as meaning and including the references to the rules and regulations made in relation to the same by the Ministry of Corporate Affairs. The applicable provisions of the Companies Act, 1956 shall cease to have effect from the date on which the corresponding provisions under the Companies Act have been notified.
- xv. In the event any of the provisions of the Articles are contrary to the provisions of the Companies Act and the Rules, the provisions of the Companies Act and the Rules will prevail.

4. CAPITAL

- 4.1 If two or more Persons are registered as joint-holders of any Shares, any of such Persons may give effectual receipts for any dividends or other moneys payable in respect of such Shares.
- 4.2 Subject to the other provisions of the Articles, if, at any time, the share capital is divided into different classes of Shares, the rights attached to any class of Shares (unless otherwise provided by the terms of issue of the share of that class) may, subject to the provisions of the Companies Act, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class or with the sanction of Special Resolution passed at the separate meeting of the holders of the Shares of that class.
- 4.3 Subject to the provisions of these Articles, the Company may at any time, issue any number of convertible and/or redeemable Preference Shares which are or at the option of the Company liable to be redeemed and the resolution authorizing such issue shall prescribe the manner, terms and conditions of redemption.
- 4.4 Subject to the other provisions of the Articles, the Company in General Meeting may from time to time increase its capital by the creation of new shares divided into shares of respective amount, as the resolution shall prescribe. The new shares may be issued upon such terms and conditions and with such rights and privileges annexed thereto as the resolution shall prescribe and in particular such rights and privileges may relate to rights to participate in the distribution of assets of the Company, qualified rights to dividend or voting rights to be exercised at the General Meetings of the Company.
- 4.5 The Authorized Share Capital of the Company shall be as per Clause V of the Memorandum.
- 4.6 The Paid-up Share Capital shall be at all times a minimum of Rs. 500,000 (Rupees Five Hundred Thousand only) as required under the Act.
- 4.7 The Shares in the capital of the Company for the time being, whether original, increased or decreased, may, subject to any provision of the Articles, be divided into several classes with preferential, qualified or other special rights, privileges, conditions or restrictions attached thereto, whether in regards to dividend, voting, return of capital or otherwise.
- 4.8 All dividends shall be apportioned and paid proportionately to the amounts paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid.

5. GENERAL AUTHORITY

- 5.1 Subject to the provisions of the Articles, the Board shall be entitled to exercise all such powers and to do all such acts and things as the Company is authorised to exercise and do, provided that the Board shall not exercise any power or do any act or thing, which is directed or required by the Companies Act or any other provisions of law or by the Memorandum of the Company or by these Articles to be exercised or done by the Company in General Meeting.

- 5.2 Wherever in the Companies Act it has been provided that the Company shall have any right, privilege or authority or that the Company could carry out any transaction only if the Company is so authorised by its Articles, then and in that case by virtue of this Regulation, the Company is hereby, subject to the provisions of the Articles and the Agreement, specifically authorised, empowered and entitled to have such right, privilege or authority, to carry out such transactions as have been permitted by the Companies Act without there being any separate Regulations in that behalf herein provided.
- 5.3 Subject to the other provisions of the Articles, the Company shall have the following rights, privileges, authorities to carry out the transactions as set out below under the relevant Sections of the Companies Act:
- S. 40(6): To pay commission on issue of Securities;
 - S. 68: To buyback the Securities of the Company;
 - S. 55: To issue redeemable preference shares;
 - S. 50: To accept unpaid share capital although not called up;
 - S. 51: To pay dividend in proportion to amount paid-up;
 - S. 61: To alter the share capital of the Company;
 - S. 66: To reduce the share capital of the Company;
 - S. 48: To alter/vary the rights of Shareholders;
 - S.163: To adopt proportional representation for the appointment of Directors;
 - S. 161: To appoint alternate Directors.
- 5.4 Subject to the provisions of the Articles, the Company hereby, has the authority and the power to authorise any Director or any officer of the Company to carry out all or any of the functions of the Company set out in these Articles.

6. TRANSFER OF SHARES

6.1 Restrictions on transfer

Subject to Applicable Laws, any Transfer of Shares by any Shareholder that is not in accordance with these Articles shall be null and *void ab initio*.

6.2 Non-disposal undertaking from the Promoter Group.

Each member of the Promoter Group shall not, except with the prior written consent of each Investor, directly or indirectly, Transfer to any Person any of its Shares or enter into any derivative transaction in respect of the Shares; provided that nothing in this Article 6.2 restricts (a) Transfer of shares (in one transaction) by Dr. Moopen within 12 months from the Effective Date part of the shares held by him in UIPL to the members of Promoter Group, provided that the members of Promoter Group shall individually not have a shareholding higher than Dr. Moopen in UIPL, (b) any member of the Promoter Group to Transfer its shares or other securities in UIPL to Dr. Moopen or Transfer its Shares to Dr. Moopen, as and when it becomes applicable or (c) UIPL to transfer its Shares to Regency and Mr. Wilson as expressly provided in the Restructuring Plan the (“**Restructuring Transfers**”). Without prejudice to the right of the foregoing permitted Transfers, there can be no change in the shareholding of the Group Entities without the consent of each Investor (including but not limited to any Transfer of legal title to shares or other securities in Dr. Moopen’s FZC held by any member of the Promoter Group except for Transfers of such legal title to Dr. Moopen).

6.2.1 Without prejudice to the Promoter Group’s obligations and rights as specified in Article 6.2, no member of the Promoter Group shall Transfer any of its Shares, except by way of (a) a sale of its Shares which shall be subject to the Investors’ rights of first offer set out in Article 6.4 and to the Investors’ tag-along rights set out in Article 6.5 or (b) a sale of its Shares under and in accordance with Article 26.1 (Qualified IPO), Article 26.2 (Investors’ Qualified IPO), Article 36.4 (Round 2 Qualified IPO), Article 36.5 (Round 2 Investors’ Qualified IPO) or Article 36.6 (Drag-Along).

6.2.2 Notwithstanding anything in the foregoing to the contrary and notwithstanding Article 11.2.3 and Article 13.7, UIPL shall be permitted to sell up to 6,293 (six thousand two hundred ninety three) Shares at a price per Share at least equal to the New Investor Share Price (in each case as adjusted for share combinations, consolidations, subdivisions, share splits, share dividends or the like with respect to the Shares) to any Person other than a Restricted Purchaser; provided that the substantial proceeds of such sale are used by Dr. Moopen to fund the establishment of the Medical College at Wayanad in Kerala. Such sale shall be subject to the Investors’ rights of first offer set out in Article 6.4, but the Investors shall not have any Tag-Along Rights under Article 6.5 in respect of such sale.

6.2.3 In addition, notwithstanding anything in the foregoing to the contrary and notwithstanding Article 11.2.3 and Article 12.7, the Promoter Group shall be permitted to sell the following number of Shares in and following a Qualified IPO or the Round 2 Qualified IPO:

- (i) in a Qualified IPO or the Round 2 Qualified IPO, up to five per cent (5%) of the Issued Share Capital immediately prior to such Qualified IPO in accordance with Article 26.1.12 or Round 2 Qualified IPO in accordance with Article 19.1B.9;
- (ii) during the 12-month period commencing on the second anniversary of a Qualified IPO or the Round 2 Qualified IPO, up to two and half percent (2.5%) of the Issued Share Capital at the beginning of such period;
- (iii) during the 12-month period commencing on the third anniversary of a Qualified IPO or the Round 2 Qualified IPO, up to two and half percent (2.5%) of the Issued Share Capital at the beginning of such period;
- (iv) during the 12-month period commencing on the fourth anniversary of a Qualified IPO or the Round 2 Qualified IPO, up to two and half percent (2.5%) of the Issued Share Capital at the beginning of such period; and
- (v) following the fifth anniversary of a Qualified IPO or the Round 2 Qualified IPO, the remainder of any Shares held by the Promoter Group.

Subject to the foregoing, the number of Shares to be sold by the Promoter Group in any quarterly period shall not exceed twenty per cent (20%) of the trading volume for the immediately preceding calendar quarter, and the Promoter Group shall use its commercially reasonable efforts to limit the number of Shares sold on a daily basis to twenty per cent (20%) of the trading volume on such day; provided that the limitation in this sentence shall not apply to any Block Trade. Any sales permitted by this Article 6.2.3 shall not be subject to the Investors' rights of first offer set out in Article 6.5 or the Investors' Tag-Along Rights under Article 6.5; provided that any Significant Block Trade shall remain subject to the Investors' Tag-Along Rights under Article 6.5.

6.2.4 Provisions of this Article 6.2 restrict direct and indirect transfers of the Shares as well as direct and indirect transfers of shares in any other Group Entity. Without limiting the generality of the foregoing, the Promoter Group shall be equally bound by these provisions in respect of their shareholding in UIPL or any other investment vehicle used by them for investment in the Company. The restrictions in this Article 6 shall not be capable of being avoided by holding Shares through another entity any shares of which can be sold or control of which can be transferred in order to indirectly dispose of any member of the Promoter Groups' interests in the Company. Any such transfer or disposal or dilution of any shares or other interest resulting in change or direction of control, directly or indirectly, in any member of the Promoter Group or any Affiliate of the Promoter Group directly or indirectly holding shares in any Group Entity shall constitute a Transfer which is subject to all restrictions provided in this Article 6, and the restrictions of under the Agreement that apply in respect of Transfer shall apply in such a case.

6.3 Non-disposal undertaking from the Company.

The Company shall not, and the Promoter Group shall procure that the Company shall not, Transfer any of the shares held, directly or indirectly, by the Company in any other Group Entity without the prior written consent of each Investor.

6.4 Investors' Rights of First Offer on Transfers by the Promoter Group:

Without prejudice to Article 6.1 and Article 6.2 hereof, if any member of the Promoter Group ("**Seller**") proposes to sell, directly or indirectly, any of its Shares to any Person, the following shall apply:

- 6.4.1 The Seller shall give a notice in writing (a "**Transfer Notice**"), to each Investor indicating its desire to sell its Shares and specifying the number of Shares that it proposes to sell (the "**Sale Shares**");
- 6.4.2 If one or more Investors are willing to make an offer to purchase all (but not less than all) of the Sale Shares, the Seller shall have the right but not the obligation to sell to the Investor who offers

the highest price; provided that any Investor who offered a lower price shall have the right to match the highest price by written notice delivered within seven (7) days following written notice by the Seller of the highest price. In the event the price offered by the Investors is the same (either initially or as a result of a match as provided above), each Investor shall have the right to participate in any such offer at such price in proportion to the number of Shares owned by each of them, and if any Investor does not wish to participate at its proportionate share, the other Investor shall be entitled to take up the portion of the Sale Shares that is not offered to be taken up (it being understood and agreed that the Investors must individually or collectively offer to take up all (but not less than all) of the Sale Shares or the Seller shall not be required to sell the Sale Shares hereunder). The participation of each Investor participating in the offer shall be evidenced by such Investors execution of Promoter ROFO Response Notice.

- 6.4.3 If one or more Investors are willing to make an offer to purchase all (but not less than all) of the Sale Shares (it being understood that the Investors may determine to submit a joint offer), such Investors shall, within twenty three (23) days following receipt of the Transfer Notice (“**Promoter ROFO Period**”), respond in writing to the Seller (“**Promoter ROFO Response Notice**”) indicating their desire to purchase all (but not less than all) of the Sale Shares, specifying the purchase price for the Sale Shares (the “**Promoter ROFO Price**”) and the number of Sale Shares to be acquired by the relevant Investor(s) (determined as provided in Article 6.4.2). Each Promoter ROFO Response Notice shall constitute an irrevocable offer, subject to the terms and conditions of this Article 6.4, by the relevant Investor for the purchase of the Sale Shares from the Promoter at the Promoter ROFO Price. No later than two (2) days following receipt of the last Promoter ROFO Response Notice or the expiry of the Promoter ROFO Period, whichever is later, if Seller desires to accept the offer contained in a Promoter ROFO Response Notice, Seller shall provide written notice of the amount of the highest price to the Investor that has delivered a Promoter ROFO Response Notice with a lower price.
- 6.4.4 If the Promoter ROFO Price in any Promoter ROFO Response Notice is acceptable to the Seller, the Seller shall have the right, exercisable by written notice, to require the relevant Investor(s) to complete the purchase of all of the Sale Shares within a period of 45 days from the date of such written acceptance (which shall be delivered (if at all) within 12 days following the expiry of the Promoter ROFO Period). The Seller shall sell the Sale Shares to the relevant Investor(s) (in each case, together with all legal and beneficial interest therein and free from all Liens), by the delivery of duly executed transfer forms together with the original share certificates in respect of such Sale Shares simultaneously against receipt of the relevant purchase price for the Sale Shares. If the Seller shall fail to sell the Sale Shares in accordance with the immediately preceding sentence, any Director (other than a Promoter Director) shall be deemed to have been appointed attorney of the Seller with full power to execute, complete and deliver, in the name and on behalf of the Seller, transfers of Sale Shares to each the relevant Investor against payment of the relevant purchase price for such Sale Shares to the Seller. Such Director shall ensure receipt of such purchase price by the Seller. On payment of such purchase price to the Seller, such Investor shall be deemed to have obtained a good quittance for such payment and on execution and delivery of the transfer, such Investor shall be entitled to insist upon its name being entered in the register of members of the Company as the holder by transfer of the Sale Shares.
- 6.4.5 If (a) the Investors do not agree to purchase the Sale Shares (b) the relevant Investor(s) fail to purchase the Sale Shares within the time period specified in Article 6.4.4, (c) the Investors do not issue a Promoter ROFO Response Notice within the Promoter ROFO Period or (d) the Promoter ROFO Price is not acceptable to the Seller, the Seller shall have the right during the 150 days following the end of the Promoter ROFO Period to transfer all the Sale Shares to a third party (“**Promoter ROFO Purchaser**”) on terms and conditions not more favorable to the Promoter ROFO Purchaser than those offered by the relevant Investor(s) in the Promoter ROFO Response Notice. If the Seller does not complete the sale of the Sale Shares within such one hundred fifty (150) day period, then the Sale Shares shall not be offered or sold to any Person(s) unless and until first re-offered to the Investors in accordance with this Article 6.4.
- 6.4.6 Notwithstanding anything herein to the contrary, this Article 6.4 shall not apply to any sale of Shares by any Promoter to Dr. Moopen (as and when it becomes applicable), to the Restructuring Transfers, or under and in accordance with Article 6.2.4 (Transfers in and following Qualified IPO or the Round 2 Qualified IPO), Article 26.1 (Qualified IPO), Article 26.3 (Investors’ Qualified IPO), Article 36.4 (Round 2 Qualified IPO), Article 36.5 (Round 2 Investors’ Qualified IPO), or Article 36.6 (Drag-Along).

- 6.4.7 The exercise or non-exercise of the rights by an Investor under this Article 6.4 to participate in sales by the Seller shall not affect its right to participate in subsequent sale by any Seller. The rights of each of the Investors under this Article 6.4 may be exercised by or in combination with one (1) or more of its Affiliates who execute a Deed of Adherence.
- 6.5 Investors' and Rimco's Tag –Along Rights on Sales by the Promoter Group: Without prejudice to Articles 6.1, 6.2 and 6.4:
- 6.5.1 If a Seller (as defined in Article 6.4) proposes to sell any Sale Shares pursuant to Article 6.4.4 to an Investor exercising its right of first offer, or pursuant to Article 6.4.5 to any Promoter ROFO Purchaser, or to any Person following the falling away of rights under Article 6.4 with respect to any Investor or to any Person in connection a sale pursuant to exercise of the Drag Along Right under Article 36.6 (as the case may be, the “**Purchaser**”), such Seller shall deliver to Regency, Rimco and each Investor that is not the Purchaser, written notice containing the details described in Article 6.8.1 (a “**Second Transfer Notice**”) as soon as practicable (but in no event later than three (3) days) following receipt of the written offer from the Purchaser and where such sale is pursuant to Article 6.4.4, at least thirty (30) days prior to the proposed completion of such sale (or fifteen (15) days as to any Investor that holds less than one percent (1%) of the Issued Share Capital).
- 6.5.2 Following receipt of a Second Transfer Notice with respect to a proposed Transfer, Regency, Rimco and each Investor that is not the Purchaser shall have the right in its sole discretion (“**Tag-Along Right**”) to sell all or a portion of its Shares (determined as provided in Article 6.5.3) to the Purchaser at the same price (the “**Purchase Price**”) and on the same terms (the “**Transfer Terms**”) specified in the Second Transfer Notice, in accordance with this Article 6.5 by delivering a written notice to the Seller (a “**Tag-Along Notice**”) no later than twenty one (21) days (or ten (10) days as to any Investor that holds less than one percent (1%) of the Issued Share Capital) following receipt of the Second Transfer Notice, which Tag-Along Notice shall specify the number of Shares with respect to which it has elected to exercise its Tag-Along Right (the “**Tag-Along Shares**”).
- 6.5.3 The number of Shares with respect to which each Person receiving a Tag-Along Notice has Tag-Along Rights shall equal the number of Shares held by it multiplied by a fraction, the numerator of which is the total number of Shares transferred by the Seller and the denominator of which is the total number of Shares held by the Seller immediately prior to the Transfer (it being understood in this case that if the aggregate number of Shares to be sold by the Seller and Persons exercising Tag-Along Rights exceeds the maximum number of Shares the Purchaser is willing to acquire, the sale allocations of the Seller and such Persons shall be reduced pro rata to their inter-se shareholding in the Company); provided that if the proposed sale will result in a change in the management or Control of the Company or if the Sale Shares constitute more than fifty per cent (50%) of the Shares held by the Promoter Group, any of Regency, Rimco or an Investor who chooses to exercise the Tag- Along Rights shall have Tag-Along Rights to sell 100% (one hundred percent) of its Shares.
- 6.5.4 Upon receipt of a Tag-Along Notice, the Seller shall cause the Purchaser to purchase from each party that has delivered a Tag-Along Notice (a “**Tag-Along Party**”) the Tag-Along Shares specified in its Tag-Along Notice at the Purchase Price and on the Transfer Terms; provided that no Tag-Along Party will be required to make any representations and warranties, except in so far as it relates to the title to its Shares.
- 6.5.5 The Seller shall not be entitled to sell any of the Sale Shares to the Purchaser unless the Purchaser simultaneously purchases and pays for the Tag-Along Shares in accordance with the provisions of this Article 6.5. If any Tag-Along Party has exercised its Tag-Along Rights and the Purchaser fails to purchase the Tag Along Shares from such Tag-Along Party, the Seller shall not sell the Sale Shares to the Purchaser, and if purported to be made, such sale shall be void and shall not be binding on the Company.
- 6.5.6 The purchase of the Sale Shares and the Tag Along Shares by the Purchaser shall be held at the registered office of the Company at 11 a.m. local time within the forty five (45) day period prescribed by Article 6.4.4 or the one hundred fifty (150) day period prescribed by Article 6.4.5, as the case may be, or at such other time and place as the parties to the transaction may mutually

agree. At such closing, the Seller and any Tag-Along Parties shall deliver certificates representing the Sale Shares and the Tag-Along Shares, respectively, accompanied by duly executed instruments of transfer or duly executed transfer instructions to the relevant depository participant, as the case may be. The Purchaser shall deliver at such closing, payment in full of the price in respect of the Sale Shares and the Tag-Along Shares to the Seller and the Tag-Along Parties, respectively. The Promoter Group shall ensure that the Purchaser bears and pays the stamp duty leviable on the purchase of Sale Shares and Tag-Along Shares. At such closing, all of the parties to the transaction shall execute such additional documents as may be necessary or appropriate to give effect to the sale of the Sale Shares and the Tag-Along Shares to the Purchaser.

6.5.7 The exercise or non-exercise of the Tag-Along Rights by the Investors and/ or Rimco under this Article 6.5 to participate in sales by members of the Promoter Group shall not affect either of Rimco's or the Investor's right to participate in subsequent sale(s) by any member of the Promoter Group.

6.5.8 Notwithstanding anything herein to the contrary, this Article 7.5 shall not apply to any sale of Shares by any Promoter to Dr.Moopen (as and when it becomes applicable), to the Restructuring Transfers, or under and in accordance with Article 6.2.4 (Transfers in and following Qualified IPO or the Round 2 Qualified IPO), Article 26.1 (Qualified IPO) Article 36.4 (Round 2 Qualified IPO), Article 36.5 (Round 2 Investors' Qualified IPO) or Article 36.3 (Investors' Qualified IPO).

6.6 Transfer of Shares by the Investors

6.6.1 Subject to the provisions of Article 6.7 and Article 6.8, the Investor Shares shall be freely transferable and each Investor shall at all times have the right to Transfer all or any of its Investor Shares (or other Securities) in its discretion and without any restriction or condition.

6.6.2 Each Investor shall have the right to sell all or any of its Investor Shares to its Affiliates without any restriction or condition; and

6.6.3 Notwithstanding anything to the contrary in this Article 6.6, an Investor shall not Transfer any Shares to any Restricted Purchaser without the prior written consent of the Promoter Group prior to the earliest to occur of (a) a material breach (as such term is defined in Article 13.1), (b) a Major Management Default and (c) the fifth (5th) anniversary of the Effective Date, after which time this restriction shall lapse.

Provided however, in the event any of the Investors transfers the Investor Shares to a Restricted Purchaser post the fifth (5th) anniversary of the Effective Date but prior to fourth (4th) anniversary of Round 2 Completion Date, the selling Investor shall in the Deed of Adherence or the share purchase agreement executed with the Restricted Purchaser contractually ensure that the Restricted Purchaser agrees not to block the Qualified IPO or the Round 2 Qualified IPO that may be proposed by the Promoter Group and the Company as per the terms of these Articles.

6.6A Transfer Restriction on RIMCO

6.6A.1 Subject to the provisions of Article 6.5, Rimco shall not Transfer any Shares to any Restricted Purchaser without the prior written consent of the Promoter Group prior to the fifth (5th) anniversary of the Closing Date, after which time this restriction shall lapse.

6.6A.2 It is hereby agreed that the aforesaid provision in Article 6.6A.1 shall ipso facto cease to be applicable on the Company or the Promoters being in breach of Article 6.5 (to the extent it relates to Rimco) and Article 6.11 (to the extent it relates to Rimco). Further, the aforesaid provision in Article 6.6A.1 shall not apply to Rimco in any negotiated sale on a stock exchange (whether in any specially designated bulk deal window or otherwise) where Rimco is not aware of the identity of the purchaser (such sales, the "**Bulk Sales**"), provided that the total quantity of Shares sold in such manner does not (in aggregate) exceed 40% (forty percent) of its shareholding in the Company as on the Closing Date (the aforesaid restriction is referred to as the "**Bulk Deal Sales Limit**").

Rimco shall not be entitled to conduct any further Bulk Sales till the expiry of the first anniversary of the date on which Bulk Sales by Rimco have reached the Bulk Deal Sales Limit ("**Bulk Sale Restricted Period**"). Thereafter, Rimco shall be entitled to again conduct Bulk Sales up to the Bulk Deal Sales Limit

after the Bulk Sale Restricted Period. It is clarified that the Bulk Sale Restricted Period shall apply (i) each time the Bulk Deal Sales Limit is achieved; and (ii) until the fifth (5th) anniversary of the Closing Date. For the avoidance of doubt, after the fifth (5th) anniversary of the Closing Date the restrictions set out in Article 6.6A1 and in this Article 6.6A2 shall lapse.

6.6A.3 The provisions of this Article 6.6A shall not apply in case Rimco intends to Transfer its Shares to any Person pursuant to/ under a Qualified IPO, an Investors' Qualified IPO or any other initial public offering of Shares, or in exercise of its Tag-Along Right. The provisions of this Article 6.6A shall not apply only to those Shares of Rimco (if any) which are sold pursuant to/under a Qualified IPO, an Investors' Qualified IPO or any other initial public offering of Shares or in exercise of its Tag Along Right. All of Rimco's Shares left over after such sale shall continue to be bound by provisions of Article 6.6A.

6.7 Rights of First Offer over Sales by Investors. Without prejudice to Article 6.1 and Article 6.6.3 and subject to Article 6.7.6, if an Investor (a "**ROFO Transferor**") proposes to sell any of its Shares to any Person (other than pursuant to Article 6.5, Article 6.6.2 or Article 36.6 or pursuant to any initial public offering of Shares), the following shall apply:

6.7.1 The ROFO Transferor shall give a notice in writing (a "**ROFO Transfer Notice**") to the Promoter Group and the other Investor (each, a "**ROFO Party**") indicating its desire to sell its Shares and specifying the number of Shares that it proposes to sell (the "**ROFO Shares**");

6.7.2 If one or more ROFO Parties are willing to make an offer to purchase all (but not less than all) of the ROFO Shares (it being understood that the ROFO Parties may determine to submit a joint offer), the ROFO Transferor shall have the right but not the obligation to sell to the ROFO Party who offers the highest price; provided that, any ROFO Party who offered a lower price shall have the right to match the highest price by written notice delivered within seven (7) days following written notice by the ROFO Transferor of the highest price. In the event the price offered by the ROFO Parties is the same (either initially or as a result of a match as provided above), each ROFO Party shall have the right to participate in any such offer at such price in proportion to the number of Shares owned by each of them, and if any ROFO Party does not wish to participate at its proportionate share, the other ROFO Parties shall be entitled to take up the portion of the ROFO Shares that is not offered to be taken up (it being understood and agreed that the ROFO Parties must individually or collectively offer to take up all (but not less than all) of the ROFO Shares or the ROFO Transfer Party shall not be required to sell the ROFO Shares hereunder). The participation of each ROFO Party participating in the offer shall be evidenced by such ROFO Party's execution of ROFO Response Notice.

6.7.3 If one or more ROFO Parties are willing to make an offer to purchase all (but not less than all) of the ROFO Shares (the "**ROFO Exercising Parties**"), such ROFO Parties shall, within twenty five (25) days following receipt of the ROFO Transfer Notice (the "**ROFO Period**"), respond in writing to the ROFO Transferor ("**ROFO Response Notice**") indicating their desire to purchase all (but not less than all) of the ROFO Shares, specifying the purchase price for the ROFO Shares (the "**ROFO Price**"), the number of ROFO Shares to be acquired by each ROFO Exercising Party (determined as provided in Article 6.7.2). Each ROFO Response Notice shall constitute an irrevocable offer, subject to the terms and conditions of this Article 6.7, by the ROFO Exercising Parties for the purchase of the ROFO Shares from the ROFO Transferor at the ROFO Price. No later than three (3) days following receipt of the last ROFO Response Notice or the expiry of the ROFO Period, whichever is later, if ROFO Transferor desires to accept the offer contained in a ROFO Response Notice, ROFO Transferor shall provide written notice of the amount of the highest price to the ROFO Party that has delivered a ROFO Response Notice with a lower price.

6.7.4 If the ROFO Price in any ROFO Response Notice is acceptable to the ROFO Transferor, the ROFO Transferor shall have the right, exercisable by written notice, to require the ROFO Exercising Parties delivering such ROFO Response Notice to complete the purchase of all of the ROFO Shares within a period of sixty (60) days from the date of such written acceptance (which shall be delivered (if at all) within fifteen (15) days following the expiry of the ROFO Period). The ROFO Transferor shall sell the ROFO Shares to the ROFO Exercising Parties (in each case, together with all legal and beneficial interest therein and free from all Liens), by the delivery of duly executed transfer forms together with the original share certificates in respect of such ROFO Shares simultaneously against receipt of the ROFO Price for the ROFO Shares. If the ROFO Transferor shall fail to sell the ROFO Shares in accordance with the immediately preceding sentence, any Director (other than a/the Director(s) nominated by the ROFO Transferor) shall be

deemed to have been appointed attorney of the ROFO Transferor with full power to execute, complete and deliver, in the name and on behalf of the ROFO Transferor, transfers of ROFO Shares to each of the relevant ROFO Exercising Parties against payment of the relevant purchase price for such ROFO Shares to the ROFO Transferor. Such Director shall ensure receipt of such ROFO Price by the ROFO Transferor. On payment of such ROFO Price to the ROFO Transferor, such ROFO Exercising Parties shall be deemed to have obtained a good quittance for such payment and on execution and delivery of the transfer, such ROFO Exercising Parties shall be entitled to insist upon its name being entered in the register of members of the Company as the holder by transfer of the ROFO Shares.

- 6.7.5 If (a) the ROFO Parties do not agree to purchase all of the ROFO Shares, (b) the ROFO Exercising Parties fail to purchase the ROFO Shares within the time period specified in Article 6.7.4, (c) the ROFO Parties do not issue a ROFO Response Notice within the ROFO Period or (d) the ROFO Price is not acceptable to the ROFO Transferor, the ROFO Transferor shall have the right during the one hundred fifty (150) days following the end of the ROFO Period to transfer all the ROFO Shares to a third party (“**ROFO Purchaser**”) on terms and conditions not more favorable to the ROFO Purchaser than those offered by the ROFO Exercising Parties in the ROFO Response Notice. If the ROFO Transferor does not complete the sale of the ROFO Shares within such one hundred fifty (150) day period, then the ROFO Shares shall not be offered or sold to any Person(s) unless and until first re-offered to the ROFO Parties in accordance with this Article 6.7.
- 6.7.6 Notwithstanding anything in this Article 6.7 or Article 14.4 to the contrary, (a) the ROFO Transferor’s obligations to the Promoter Group shall terminate upon the earliest to occur of (i) a material breach (as such term is defined in Article 30.4) and (ii) a Major Management Default and (b) the ROFO Transferor’s obligations to all ROFO Parties (including the Promoter Group) shall terminate upon (A) the fifth (5th) anniversary of the Effective Date in relation to the Shares held by the Investors other than New Investor Round 2 Shares (in the event that no IPO has taken place prior to such date), and (B) the fifth (5th) anniversary of the Olympus Completion Date (as defined in the Share Subscription Agreement Round 2) in relation to the New Investor Round 2 Shares (in the event that no IPO has taken place prior to such date). In addition, the Investors shall not have any obligations to the Promoter Group under this Article 6.7 with respect to any proposed sale of the Investor Shares (other than in the case of a Significant Block Trade) following the consummation of the IPO.
- 6.7.7 The exercise or non-exercise of the rights by a ROFO Party under this Article 6.7 to participate in sales by the ROFO Transferor shall not affect its right to participate in subsequent sale by any ROFO Transferor.
- 6.7.8 The rights of each of the members of the Promoter Group under this Article 6.7 may be exercised by or in combination with one (1) or more of its respective Affiliates who sign a Deed of Adherence.
- 6.8 Investors’ Tag Along Rights on Sales by Investors. Without prejudice to Article 6.1, Article 6.6.3 and Article 6.7:
 - 6.8.1 If either Investor (the “**Selling Investor**”) proposes to sell any Shares to any Person (other than pursuant to Article 7.5, Article 6.6.2, Article 6.7 or pursuant to a Qualified IPO, an Investors’ Qualified IPO or any other initial public offering of Shares) at any time following the third anniversary of the Effective Date, such Selling Investor shall at least thirty (30) days prior to the proposed completion of such sale deliver a written notice (“**Selling Investor Notice**”) to the other Investor (the “**Non-Selling Investor**”), which Selling Investor Notice shall specify:
 - 6.8.1.1 the identity of the buyer to whom the Selling Investor proposes to sell such Shares with information regarding its ultimate owners;
 - 6.8.1.2 the total number of Shares that it proposes to sell to such buyer and the number of Shares that the Selling Investor will hold after such sale;
 - 6.8.1.3 the price per Share offered by such buyer for the Selling Investor’s Shares (including, where such price includes non-cash consideration, the its calculation of the fair market

value of such consideration and an explanation of the basis for such calculation), and the Selling Investor's representation that no other consideration, tangible or intangible, is being provided, directly or indirectly, to the Selling Investor or any of its Affiliates that is not reflected in such purchase price; and

- 6.8.1.4 the other terms and conditions of the sale (if any) including manner of payment of the purchase price.
- 6.8.2 The Non-Selling Investor shall have the right, but not the obligation, exercisable in its sole discretion, to require that the Selling Investor includes in the proposed sale a portion of its Investor Shares (determined as provided in Article 6.8.3) at the same price and on the same terms as the Selling Investor by delivering written notice to the Selling Investor (a "**Non-Selling Investor Tag-Along Notice**") no later than twenty-one (21) days following receipt of the Selling Investor Notice, which notice shall specify the number of shares that it has elected to include in such sale (the "**Non-Selling Investor Tag-Along Shares**").
- 6.8.3 If the Non-Selling Investor delivers a Non-Selling Investor Tag-Along Notice to the Selling Investor in accordance with Article 6.8.2 above, then (a) if the Selling Investor is the Existing Investor, the Non-Selling Investor shall be entitled to sell one (1) of its Investor Shares for every one (1) Investor Share proposed to be sold by the Existing Investor and (b) if the Selling Investor is the New Investor, the Non-Selling Investor shall be entitled to sell its Investor Proportionate Share of the Investor Shares being sold by the New Investor.
- 6.8.4 The completion of any sale of any Investor Shares (including any Non-Selling Investor Tag-Along Shares specified by the Non-Selling Investor in a Non-Selling Investor Tag-Along Notice) pursuant to this Article 6.8 shall occur simultaneously with respect to each Investor participating in the sale on or before the date that is thirty (30) days after the date of service of the Non-Selling Investor Tag-Along Notice. For the avoidance of doubt, if the Non-Selling Investor does not elect to participate in the sale by delivering a Non-Selling Investor Tag-Along Notice within the twenty one (21) day period specified in Article 6.8.2, the Selling Investor shall have the right to sell the number of Investor Shares set forth in the Selling Investor Notice on the terms and to the purchaser set forth in the Selling Investor Notice within forty five (45) days following delivery of the Selling Investor Notice. It is hereby clarified that the Investor shall not be obligated to provide any representations and warranties other than those relating to title to such Investor Shares.
- 6.8.5 In the event that any sale of Investor Shares is not completed within forty five (45) days following delivery of the Selling Investor Notice, then the provisions of this Article 6.8 shall apply again.
- 6.8.6 Notwithstanding anything in this Article 6.8 or Article 30.4 to the contrary, each Investor's obligations to the other Investor under this Article 6.8 shall terminate upon the fifth (5th) anniversary of the Effective Date or the consummation of a Qualified IPO or Investors' Qualified IPO, whichever is earlier.
- 6.8.7 It is hereby clarified that for the purpose of this Article 6.8, reference to the term "Shares" shall be read as the "Round 1 Investor Shares" and reference to the term "Investor(s)" shall be read as "New Investor and/or the Existing Investor."
- 6.9 New Investor and Indium Tag Along Rights on Sales by New Investor and Indium. Without prejudice to Article 6.1, Article 6.6.3 and Article 6.7 (only applicable to the New Investor), the New Investor and Indium shall abide by the following provisions:
- 6.10 If either of the New Investor or Indium (the "**Round 2 Selling Investor**") proposes to sell any Round 2 Investor Shares to any Person (other than pursuant to Article 6.5, Article 6.6.2, Article 6.7 (only applicable to the New Investor) or pursuant to a Round 2 Qualified IPO, Round 2 Investors' Qualified IPO or any other initial public offering of Shares) at any time, such Round 2 Selling Investor shall at least thirty (30) days prior to the proposed completion of such sale deliver a written notice ("**Round 2 Selling Investor Notice**") to the New Investor or Indium, as the case may be (the "**Round 2 Non-Selling Investor**"), which Round 2 Selling Investor Notice shall specify:
- 6.10.1 the identity of the buyer to whom the Round 2 Selling Investor proposes to sell such Round 2 Investor Shares with information regarding its ultimate owners;

- 6.10.2 the total number of Round 2 Investor Shares that it proposes to sell to such buyer and the number of Round 2 Investor Shares that the Round 2 Selling Investor will hold after such sale;
- 6.10.3 the price per Round 2 Investor Share offered by such buyer for the Round 2 Selling Investor's Shares (including, where such price includes non-cash consideration, its calculation of the fair market value of such consideration and an explanation of the basis for such calculation), and the Round 2 Selling Investor's representation that no other consideration, tangible or intangible, is being provided, directly or indirectly, to the Round 2 Selling Investor or any of its Affiliates that is not reflected in such purchase price; and
- 6.10.4 the other terms and conditions of the sale (if any) including manner of payment of the purchase price.
- 6.10.5 The Round 2 Non-Selling Investor shall have the right, but not the obligation, exercisable in its sole discretion, to require that the Round 2 Selling Investor includes in the proposed sale a portion of its Round 2 Investor Shares (determined as provided in Article 6.10.6) at the same price and on the same terms as the Round 2 Selling Investor by delivering written notice to the Round 2 Selling Investor (a "**Round 2 Non-Selling Investor Tag-Along Notice**") no later than twenty-one (21) days following receipt of the Round 2 Selling Investor Notice, which notice shall specify the number of shares that it has elected to include in such sale (the "**Round 2 Non-Selling Investor Tag-Along Shares**").
- 6.10.6 If the Round 2 Non-Selling Investor delivers a Round 2 Non-Selling Investor Tag-Along Notice to the Round 2 Selling Investor in accordance with Article 6.10.5 above, then (a) if the Round 2 Selling Investor is Indium, the Round 2 Non-Selling Investor shall be entitled to sell one (1) of its Round 2 Investor Shares for every one (1) Round 2 Investor Share proposed to be sold by Indium and (b) if the Round 2 Selling Investor is the New Investor, the Round 2 Non-Selling Investor shall be entitled to sell its Round 2 Investor Proportionate Share of the Round 2 Investor Shares being sold by the New Investor.
- 6.10.7 The completion of any sale of any Round 2 Investor Shares (including any Round 2 Non-Selling Investor Tag-Along Shares specified by the Round 2 Non-Selling Investor in a Round 2 Non-Selling Investor Tag-Along Notice) pursuant to this Article 6.9 shall occur simultaneously with respect to both the New Investor and Indium participating in the sale on or before the date that is thirty (30) days after the date of service of the Round 2 Non-Selling Investor Tag-Along Notice. For the avoidance of doubt, if the Round 2 Non-Selling Investor does not elect to participate in the sale by delivering a Round 2 Non-Selling Investor Tag-Along Notice within the twenty one (21) day period specified in Article 6.10.5, the Round 2 Selling Investor shall have the right to sell the number of Round 2 Investor Shares set forth in the Round 2 Selling Investor Notice on the terms and to the purchaser set forth in the Round 2 Selling Investor Notice within forty five (45) days following delivery of the Round 2 Selling Investor Notice. It is hereby clarified that the New Investor and Indium shall not be obligated to provide any representations and warranties other than those relating to title to such Round 2 Investor Shares.
- 6.10.8 In the event that any sale of Round 2 Investor Shares is not completed within forty five (45) days following delivery of the Round 2 Selling Investor Notice, then the provisions of this Article 6.10 shall apply again.
- 6.10.9 Notwithstanding anything in this Article 6.10 or Article 20.4 to the contrary, New Investor and Indium's obligations to each other under this Article 6.10 shall terminate upon the fourth (4th) anniversary of the Round 2 Completion Date or the consummation of the IPO, whichever is earlier.

It is clarified that the Tag Along Right under this Article 6.10 shall be applicable only to the extent of the Round 2 Investor Shares held by the New Investor and Indium. For the purpose of determining the Round 2 Investor Shares held by the New Investor, the number of Shares proposed to be transferred by the New Investor over and above the number of New Investor Round 1 Shares shall be the New Investor Round 2 Shares.

For the purpose of this Article the term “**New Investor Round 1 Shares**” shall mean 31,791,760 Shares held by the New Investor immediately prior to the Olympus Completion Date (as defined in the Share Subscription Agreement Round 2).

6.11 Investors’ and Rimco’s Right of First Offer on Further Issue of Securities:

- 6.11.1 **New Securities:** Without prejudice to the rights of the Investors with respect to the Reserved Matters, in the event the Company proposes to issue any Shares or any other Securities of the Company to any Person other than to the ESOP Trust (as such term is defined in the Subscription Agreement) (“**New Securities**”), the Company shall give a written notice (the “**Company Notice**”) to each Investor and to Rimco (if issued on a preferential basis) or to each Shareholder (if issued on a rights basis) prior to any such proposed issuance of any New Securities, stating the number of New Securities proposed to be issued, the price per New Security, the terms of payment and all other terms and conditions on which the Company proposes to make such issuance.

It is clarified that for the purpose of this Article 6.11.1, reference to the term “Investors” does not include a reference to Rimco.

- 6.11.2 **Preferential Issue:** In the event the Company proposes to issue the New Securities on a preferential basis, the following shall apply:

6.11.2.1 Each Investor shall have the right to subscribe on the terms and conditions set forth in the Company Notice to its Investor Proportionate Share of such New Securities by delivering notice in writing to the Company (an “**Acceptance Notice**”) no later than thirty (30) days following receipt of the Company Notice which Acceptance Notice shall indicate the maximum number of New Securities that such Investor desires to purchase.

6.11.2.2 Each Investor that fails to deliver an Acceptance Notice within the thirty (30) day period referred to in Article 6.11.2.1 shall be deemed to have waived its right to subscribe to any New Securities described in the applicable Company Notice.

6.11.2.3 If any Investor delivers an Acceptance Notice containing an offer to purchase any New Securities, the Company shall be bound to issue and allot to such Investor the maximum number of New Securities specified in its Acceptance Notice; provided, that if the Investors, collectively, elect to purchase more New Securities than the Company is offering for sale, each Investor shall only be entitled to purchase its Investor Proportionate Share of such New Securities.

6.11.2.4 If the Investors, collectively, elect to purchase fewer New Securities than is set forth in the Company Notice, then any remaining New Securities may be offered/ issued by the Company to such Person(s) as the Board may determine on terms specified in the Company Notice; provided, that the issue and allotment of such New Securities shall be completed within ninety (90) days following the date of the Company Notice; provided further, that if the Company does not complete the issue and allotment of the New Securities within such ninety (90) day period, then the New Securities shall not be issued, offered or sold to any Person(s) unless and until first re-offered to the Investors in accordance with this Article 6.11.2.

6.11.2.5 The rights of each of the Investors under this Article 6.11.2 may be exercised by or in combination with one (1) or more of its Affiliates who execute a Deed of Adherence.

6.11.2.6 For the purposes of this Article 6.11.2, (a) reference to the term “Investors” shall also include a reference to Rimco; and (b) for purposes of determining the “Investor Proportionate Share”, in terms of Article 6.11.2, the shareholding of Rimco shall also be reckoned, and in so including the shareholding of Rimco, the usage of the term “Investor Shares” (as used within the remit of the term “Investor Proportionate Share”) shall include the Shares held by Rimco (i.e., Investor

Shares shall include in addition to the Shares held by the Investors, the Shares held by Rimco, computed in each case, on a Fully Diluted Basis).

- 6.11.2.7 The provisions contained in this Article 6.11.2 shall *mutatis mutandis* apply to Rimco in letter and spirit, such that Rimco shall always have a pari passu right of pre-emption on issue of further Shares or Securities so as to maintain its shareholding in the Company in accordance with the provisions set out in this Article 6.11.2. However, it is clarified that in the event Rimco does not subscribe or exercise its right under this Section, Rimco agrees and acknowledges that its percentage shareholding in the Company on a Fully Diluted Basis shall be diluted/reduced on a pro rata basis.
- 6.11.3 Rights Issue: In the event the Company proposes to issue the New Securities on a rights basis, the following shall apply:
- 6.11.3.1 Each Shareholder shall have the right to subscribe on the terms and conditions set forth in the Company Notice to its pro rata share of such New Securities based on its shareholding in the Company (as to each Shareholder, its “**Rights Allocation**”) by delivering notice in writing to the Company (a “**Rights Acceptance Notice**”) no later than thirty (30) days following receipt of the Company Notice, which Rights Acceptance Notice shall indicate the maximum number of New Securities described in the Company Notice that such Shareholder desires to purchase.
- 6.11.3.2 (a) Each Shareholder that fails to deliver a Rights Acceptance Notice within the thirty (30) day period referred to in Article 6.11.3.1 shall be deemed to have renounced its right to subscribe to any such New Securities to the other Shareholders pro rata to their inter-se Rights Allocations. (b) Each Shareholder that delivers a Rights Acceptance Notice offering to subscribe to less than all of its Rights Allocation (an “**Undersubscribing Shareholder**”) shall be deemed to have renounced its right to subscribe to the remainder of its Rights Allocation to other Shareholder(s) delivering Rights Acceptance Notice(s) offering to subscribe to more than their Rights Allocations (each, an “**Oversubscribing Shareholder**”) pro rata to their inter-se Rights Allocations (provided that no Oversubscribing Shareholder shall be allocated more than the maximum number of New Securities specified in its Rights Acceptance Notice). (c) Each Shareholder that delivers a Rights Acceptance Notice offering to subscribe to a number of such New Securities equal to its Rights Allocation is referred to as a “**Subscribing Shareholder**” herein.
- 6.11.3.3 If any Shareholder delivers a Rights Acceptance Notice containing an offer to purchase any New Securities, the Company shall be bound to issue and allot to such Shareholder (a) if such Shareholder is a Subscribing Shareholder, its Rights Allocation, (b) if such Shareholder is an Undersubscribing Shareholder, the number of New Securities specified in its Rights Acceptance Notice, and (c) if such Shareholder is an Oversubscribing Shareholder, its Rights Allocation plus the number of New Securities allocated to such Oversubscribing Shareholder pursuant to Article 6.11.3.2 (b)
- 6.11.4 If, at any time, Rimco or any of its Affiliates acquire or agree to acquire, directly or indirectly, Equity Shares or any other security convertible into Equity Shares, Rimco hereby undertakes and covenants to the Company as follows:
- (a) Rimco shall furnish prior written intimation to the Company along with such information in respect of the proposed acquisition of Equity Shares or securities convertible into Equity Shares as may be required by the Company, to the satisfaction of the Company, at least 30 (thirty) days prior to acquiring OR agreeing to acquire, whichever is earlier, if any such acquisition or proposed acquisition may result in the shareholding of Rimco (together with the shareholding of its Affiliates or persons acting in concert with it) in the Company to exceed 15% (fifteen percent) of the aggregate issued and paid-up equity share capital of the Company on a fully diluted basis; and

- (b) Rimco and its Affiliates or persons acting in concert with Rimco, shall not acquire or agree to acquire Equity Shares or any other security convertible into Equity Shares without obtaining the prior written consent of the Promoters at least 30 (thirty) days prior to acquiring or agreeing to acquire such Equity Shares or securities, whichever is earlier, if any such acquisition or proposed acquisition may result in the shareholding of Rimco (together with the shareholding of its Affiliates or persons acting in concert with Rimco) to exceed 20% (twenty percent) of the aggregate issued and paid-up equity share capital of the Company on a fully diluted basis.

Rimco and its Affiliates or persons acting in concert with Rimco, shall not make or cause any investments in the Company or its Affiliates that is likely to result in Rimco directly or indirectly (including through its Affiliates) acquiring greater than 24.9% (twenty four point nine percent) of the share capital or voting rights of the Company or the Promoters not having the largest share capital or voting rights block of the Company or the Promoters ceasing to be the sole Promoters of the Company.

- 6.12 Invalid Transfers. The Company shall not recognize or register, and the Board shall not approve, any Transfer or other disposal of Shares in breach of these Articles.
- 6.13 Government Approvals:
 - 6.13.1 Any Transfer contemplated under the provisions of these Articles shall be subject to any necessary approvals from Governmental Authorities.
 - 6.13.2 Any time limit imposed by the provisions of these Articles shall be extended for such period as may be reasonably necessary to obtain any necessary approvals from any Governmental Authority, provided that, all reasonable endeavors to expedite the obtaining of any such approvals are made.
 - 6.13.3 In the event, an Investor is unable to purchase or subscribe to any Shares to be acquired in accordance with the provisions of these Articles due to any Applicable Laws, such Investor shall be entitled to nominate any Affiliate or any other Person acceptable to the Promoter Group, in each case acceptable under Applicable Law to purchase such Shares.
- 6.14 Deed of Adherence. Subject to Article 28.6, except for any sale of Shares under and in accordance with in accordance with Article 36.1 (Qualified IPO), Article 36.2 (Investors' Qualified IPO), Article 36.3 (Round 2 Qualified IPO), Article 36.4 (Round2 Investors' Qualified IPO) and/or Article 36.6 (Drag-Along), it shall be a condition of any transfer of Shares by any Party Shareholder that the transferee enters into a Deed of Adherence. Any transfer of Shares by a Party Shareholder without the transferee entering into a Deed of Adherence shall be null and void ab initio unless otherwise agreed between all the Party Shareholders.
- 6.15 Cooperation with Potential Purchasers. In connection with any proposed sale of Investor Shares permitted by these Articles (including without limitation pursuant to exercise of the Drag Along Right), the Promoter Group shall use their best efforts to facilitate and assist in such sale and shall provide, and shall ensure that the management of Group Entities provides, such transition support as may be requested by the relevant Investor, including by providing all requisite representations and warranties, providing access to Confidential Information, documents, facilities and employees for the purposes of due diligence, making presentations to potential purchasers, discussing the Business, plans and prospects of the Group Entities with potential purchasers, and the execution of any documents required for the transfer by the Investor of any or all its rights under these Articles and/or the Agreement as may be reasonably required by the transferee.
- 6.16 Regency Transfers. The Promoter Group has rights of preemption over Transfers by Regency (the "**Regency ROFR**") and that, in the event of any proposed Transfer by Regency, the Promoter Group shall be free to exercise the Regency ROFR either directly or through a Nominee Arrangement, or to assign its rights under the Regency ROFR to a Promoter Connected Person. For purposes of this Article 6.16, a "**Nominee Arrangement**" means a written contract between the Promoter Group and any third party pursuant to which the Regency ROFR is assigned to and exercised by such third party (or the third party nominee otherwise acquires the Regency Shares in question on behalf of the Promoter Group) with the

understanding that the Promoter Group shall have the right to reacquire such Regency Shares within twelve (12) months. The Promoter Group shall provide the Investors written notice as soon as practicable (but in no event later than five (5) days) following receipt of any offer notice from Regency (the “**Regency Offer Notice**”), specifying any material terms thereof. To the extent that any member of the Promoter Group determines not to exercise the Regency ROFR (either directly or through a Nominee Arrangement), determines not to assign its rights under the Regency ROFR to a Promoter Connected Person or determines not to exercise the right under the Nominee Arrangement to reacquire such Shares or such right to reacquire is to lapse unexercised, then the Promoter Group shall notify the Investors as soon as practicable (but in no event later than fifteen (15) days) following receipt of the Regency Offer Notice, and each Investor shall have the right to acquire its Investor Proportionate Share of such Shares (with a right of oversubscription in the event the other Investor declines to acquire its full Investor Proportionate Share). The Promoter Group and the Investors shall cooperate in good faith to give effect to the foregoing (it being understood that the Promoter Group may initially acquire such Shares from Regency or third party nominee on behalf of the Investors and thereafter assign such Shares to the Investors). It is expressly understood that at any time Shares are held under a Nominee Arrangement, they shall be treated as held by the Promoter Group for the purposes of these Articles and shall be subject to the same restrictions (including without limitation restrictions on transfer) and the Promoter Group shall ensure adherence to the same. If the Promoter Group assigns its rights under the Regency ROFR to a Promoter Connected Person, it shall ensure that it retains a right of first refusal with respect to the Shares acquired by such Promoter Connected Person and shall provide the Investors with the right to acquire such Shares in the event of a future transfer by such Promoter Connected Person where the Promoter Group does not exercise its right of first refusal

- 6.17 Voting Rights: The voting rights of the Investors in the Company on Fully Diluted Basis and as if converted basis shall be determined as per the provisions of paragraph (D) of Schedule A hereto.

7. RATCHET RIGHTS

- 7.1 Without prejudice to Articles 13.7 and Article 6.11.2, in the event, the Company proposes to issue any Securities at a price lower than the New Investor Share Price, as adjusted for share combinations, consolidations, subdivisions, share splits, share dividends or the like with respect to the Shares (“**Dilutive Issuance**”), then the New Investor shall be compensated as follows:
- 7.1.1 the Company shall and the Promoter Group shall ensure that the Company shall, prior to the Dilutive Issuance, issue and allot additional Shares to the New Investor at the lowest price per Share permissible under Applicable Law as necessary to cause the effective price per Share held by the New Investor is equal to the price per Share at which the Dilutive Issuance is proposed to be made;
- 7.1.2 It is clarified that the provisions of this Article 7.1 shall (a) only apply to the Investor Shares acquired by the New Investor pursuant to the Share Subscription Agreement and the Share Purchase Agreement and (b) not apply to any additional Shares issued and allotted to the New Investor pursuant to the Dilutive Issuance
- 7.2 Without prejudice to Articles 13.7 and Article 6.11.2, in the event that the Company proposes to issue any Securities at a price lower than ₹55,930 (Indian Rupees fifty five thousand nine hundred thirty), as adjusted for share combinations, consolidations, subdivisions, share splits, share dividends or the like with respect to the Shares (an “**Existing Investor Dilutive Issuance**”), then the Existing Investor shall be compensated as follows:
- 7.2.1 The Company shall, and the Promoter Group shall ensure that the Company shall, prior to the Existing Investor Dilutive Issuance, issue and allot additional Shares to the Existing Investor at the lowest price per Share permissible under Applicable Law as necessary to cause the effective price per Share held by the Existing Investor is equal to the price per Share at which the Existing Investor Dilutive Issuance is proposed to be made.
- 7.2.2 It is clarified that the provisions of this Article 7.2 shall (a) only apply to the Investor Shares held by the Existing Investor following the Completion Date and (b) not apply to any additional Shares issued and allotted to the Existing Investor pursuant to the Existing Investor Dilutive Issuance or to any Shares that may be acquired by the Existing Investor in the future.

7.3 Notwithstanding the foregoing and without prejudice to the Investors rights with respect to Reserved Matters, rights issuances pursuant to Article 6.11.3 and issuances to the ESOP Trust shall not constitute Dilutive Issuances or Existing Investor Dilutive Issuance hereunder.

7.4 Round 2 Anti-Dilution

Notwithstanding anything contained herein and without prejudice to the rights of the New Investor under Article 7.1-7.3 of these Articles, in the event that the Company proposes to issue any Securities till the earlier of (i) the IPO or (ii) conversion of the Series A CCPS or (iii) expiry of the 4th Anniversary from the Round 2 Completion Date (“**Further Issuance**”), then the Company and the Promoter Group shall be liable to compensate the New Investor and Indium by issuance of such number of additional equity shares of the Company so as to place the New Investor and Indium in the same position had there been no Further Issuance. Such additional number of equity shares of the Company shall be calculated in accordance with Annexure A of Schedule A to these Articles.

8. INFORMATION, ACCOUNTING, AUDIT, ACCESS, INSPECTION AND DIVIDEND POLICY

8.1 The Company shall provide each Investor and Rimco with the following information relating to each Group Entity (and with respect to MIMS to the extent reasonably available to it):

8.1.1 Quarterly (beginning from 01 July 2012), semi-annual and annual unaudited consolidated financial statements relating to the Group Entities and quarterly (beginning from 01 July 2012), semi-annual and annual unaudited financial statements relating to any Group Entity that is not consolidated with the Company, in each case prepared in accordance with Indian GAAP (or in the case of non-Indian Group Entities, IFRS) and including an income statement, statement of cash flow, balance sheet, detailed break-down of working capital, (including an aging analysis) and comparisons to budget within thirty (30) days (or such later time as may be mutually agreed between the Shareholders) of the end of each quarter, half-year and annual period;

8.1.2 audited annual consolidated financial statements relating to the Group Entities and audited annual financial statements relating to any Group Entity that is not consolidated with the Company, in each case prepared in accordance with Indian GAAP (or in the case of non-Indian Group Entities, IFRS), within ninety (90) days (or such later time as may be mutually agreed between the Promoter Group and the Investors) of the end of each half-year and annual period;

8.1.3 a monthly management information statement (MIS), cashflow statement and other information, in a common format acceptable to both the Investors, within twenty one (21) days of the end of each month;

8.1.4 a statement reflecting the current shareholders (name, address, number of shares held, folio number and percentage shareholding) of each Group Entity and any transfer approved during any quarter, within five (5) days of the end of each quarter;

8.1.5 such further information relating to the business, affairs or financial position of any of the Group Entities as any of the Investors may reasonably request in writing from time to time, including information relating to material proceedings, books and accounts and other;

8.1.6 any information in relation to any resignation or termination of Key Employees within a period of five (5) days of possessing knowledge of the same and other material information such as change in designation, appointment or change in terms of appointment concerning Key Employees shall be provided in a monthly reports required to be provided by the Company;

8.1.7 certified copies of minutes of meetings of the board of directors and of all general meetings of each Group Entity held during any quarter, within thirty (30) days of the end of the relevant quarter including any other information which is available to the board of directors and shareholders of the Group Entities;

8.1.8 a comprehensive environmental report (in such form and containing such particulars as any of the Investors may require from time to time) assessing compliance by each Group Entity with Environmental Laws and Environmental Requirements and Environmental Licenses and detailing any non-compliance together with any mitigation, remediation, corrective or prospective action plan developed to address such non-compliance, within ninety (90) days of

any request by an Investor for the same. In the event an Investor request such a report more than once in a year, the same will be provided at such Investors expense.

- 8.1.9 a “statutory compliance report” at every quarterly Board meeting, which amongst other things will include the debt/ loan defaults, if any;
- 8.1.10 a statement of all Related Party transactions entered into (or varied) during any quarter, within thirty (30) days of the end of each quarter; and
- 8.1.11 notice of any Environmental Claim, within five (5) days of possessing knowledge of the same.
- 8.1.12 information regarding any material Proceeding to which any Group Entity is a party, within 7 days of the Company becoming aware of such material Proceeding.

The financial statements submitted pursuant to Article 8.1.1 and Article 8.1.2 shall be accompanied by a report from the CEO of the Company and a discussion on key issues and variances to the Business Plan and to the previous period.

8.2 Annual Operating Budget & Business Plan

- 8.2.1 Preparation of Annual Operating Budget & Business Plan. The Company shall, and each of the Shareholders shall exercise all rights and powers available to it to procure that the Company shall, carry on the Business in accordance with all Applicable Laws and the then-applicable Annual Business Plan. The initial Business Plan shall be updated annually under the direction and supervision of the managing director of the Company at least forty five (45) days prior to the end of each financial year of Company. The Annual Business Plan shall be used to monitor the performance of the Company and shall include detailed revenue estimation, working capital estimation, and cashflow analysis and project by project costing, a detailed description of the Business, description of marketing plans, details of line items showing all expected revenue and expense items (including all expected Taxes), revenue targets, a third party feasibility study on the Business (if any required), and capital expenditure.
- 8.2.2 Delivery of Annual Business Plan. The Company shall procure that:
 - 8.2.2.1 the draft Annual Business Plan for any financial year, is delivered to each Investor Director at least fourteen (14) days prior to the date of the Board meeting at which such draft Annual Business Plan is proposed to be considered, which Board meeting shall in any event be held in the financial year prior to the financial year to which such draft Annual Business Plan relates; and
 - 8.2.2.2 the draft of any proposed amendment to any Annual Business Plan, is delivered to each Investor Director at least fourteen (14) days prior to the date of the Board meeting, at which such proposed amendment is proposed to be considered.
- 8.2.3 Other Budgets: The following budgets shall be prepared with the prior approval of the Board (including the Investor Directors) on an annual basis at least thirty (30) days prior to the commencement of the financial year to which it applies:
 - i. Estimated sources and applications of funds;
 - ii. Estimated profit and loss account;
 - iii. Estimated balance sheet;
 - iv. Detailed assumptions underlining the forecast for the above.

8.3 Financial Accounting Records

- 8.3.1 The Company shall, and shall procure that each other Group Entity shall, maintain accurate and complete financial and accounting records of all operations in accordance with Indian GAAP (or in the case of non-Indian Group Entities, IFRS) and the policies from time to time adopted by the

- Board and shall procure that those accounting records are available for inspection by each Shareholder or its authorised representatives during normal business hours.
- 8.3.2 The Company shall ensure that there is no financial irregularity in the Company or any other Group Entity and shall use internal auditors extensively to meet this objective.
- 8.3.3 The Company and the Promoter Group shall exercise all rights and powers available to them to procure that the Party Shareholders have equivalent rights with respect to information of and access to, each other Group Entity, and that in any event, none of the Shareholders have information rights or access rights with respect to any of the Group Entities that more favourable in any manner to those of the Investors under these Articles.
- 8.4 Dividend Declaration.
- 8.4.1 Up to the fifth (5th) anniversary of the Effective Date, subject to Applicable Laws and availability of profits, the Company shall declare a dividend of up to thirty percent (30%) of its profit after tax as dividend, calculated on a consolidated basis.
- 8.4.2 After the fifth (5th) anniversary of the Effective Date, the New Investor shall have the right, exercisable upon written notice to the Company, to cause each Group Entity, subject to Applicable Law, to declare at least fifty percent (50%) of its profit after tax (PAT) as dividend.
- 8.4.3 Subject to the provisions of Article 8.3.1, Article 8.3.2 Group Entity shall, to the extent permitted by Applicable Law and subject to its cash requirements, distribute by way of dividend in respect of each financial year, the maximum amount of profits that are available for distribution.
- 8.4.4 To the extent that the Company is restricted from paying a dividend, but any of the other Group Entities has available distributable reserves, the Company shall take all reasonable steps to maximise profits available for distribution by the Company including, by procuring the payment of such dividends by such other Group Entities to enable the Company to pay the dividend referred to in Article 8.3.3.
- 8.4.5 Subject to the provisions of Article 8.3.1 and Article 8.3.2, each Group Entity shall, to the extent permitted by Applicable Law, pay dividends within six (6) months of the date to which its audited accounts for the financial year are made up.
- 8.5 Auditors. The Company shall ensure that during the subsistence of these Articles the statutory auditors of the Company and each of the other Group Entities shall always be an Approved Firm.
- 8.6 Accounting Principles. The financial statements of each Group Entity shall be prepared in accordance with Indian GAAP (or in the case of non-Indian Group Entities, IFRS), shall be prepared in English and shall be audited on an annual basis or other time period basis as may be determined by the Board and/ or Shareholders in accordance with the provisions of the Companies Act.
- 8.7 Throughout the term of the New Investor's and/or Indium's investment in the Company, in the event the Company, any Group Entity or any member of the Promoter Group becomes identified by the New Investor and/or Indium as being a Person on the Prohibited Lists, the New Investor and/or Indium shall have the right to sell or otherwise Transfer its ownership in the Company and/ or in any or all of the other Group Entities, to any Person nominated by Dr. Moopen or any third party not being a Restricted Purchaser. The Company, UIPL and Dr. Moopen shall use their best efforts in accordance with Article 6.15 to facilitate any such Transfer. Any costs associated with such determination as well as the Transfer of the Shares of the New Investor and/or Indium shall be borne by the New Investor and/or Indium.
- 8.8 The New Investor and/or Indium shall have the right, upon request given with reasonable notice, to obtain from the Company, each of the other Group Entities, and the Promoter Group sufficient information (to the extent such information is available) regarding the Company's and the other Group Entities' sales, marketing, Affiliates, subsidiaries and investors to determine whether there are any material changes in the Company's or other Group Entities' business that, in the reasonable view of the New Investor and/or Indium or its counsel, would cause the New Investor and/or Indium to be in violation of laws in the United States of America. To the extent that the New Investor and/or Indium determines that any activity of a Group Entity would cause the New Investor and/or Indium to be in violation of laws in the United States of America, the Company, UIPL and Dr. Moopen shall consult with the New Investor and/or

Indium and consider appropriate measures to be taken to cure any such violation. The cost of any such measures determined appropriate to cure any violation of laws of the United States of America (which for the avoidance of doubt do not constitute violations of Applicable Laws in India, UAE and any other jurisdiction where the Group Entities have operations) shall be borne by the New Investor and/or Indium.

- 8.9 No Pledging of Investor Shares. The Investors shall not at any point of time be required to give any guarantee, pledge or otherwise encumber their Investor Shares in favour of, or provide any letter of comfort or other support or Lien to, any third party dealing with the Company or any other Group Entity including, without limitation, lenders to the Company or any other Group Entity. The Company shall make this fact clear in any discussions or negotiations with such third parties and any financing plans of the Company and any other Group Entity shall take this fact into account.

8.10 Management Leadership; Succession

- 8.10.1 Dr. Moopen is and shall be as of the Effective Date, the Chief Executive Officer of the Company. Dr. Moopen shall devote substantially all of his business time, attention and abilities in promoting the Business and interests of the Group Entities and shall not, without the consent of the Investors, engage in, be concerned in, or otherwise be involved in any business or activity, which requires significant time and management commitment, other than the Business. Any such activity assumed by Dr. Moopen with the consent of the Investors outside the Group Entities shall not result in dilution of management time spent by him on the activities of the Group Entities. The Investors acknowledge and consent to the engagement of Dr. Moopen with the Medical College at Wayanad and the DM Foundation (a trust established for charitable activities), as of the date of these Articles.

- 8.10.2 The Company and Dr. Moopen undertake to build a professional management team (including without limitation a Chief Executive Officer, a Chief Operating Officer and a Chief Financial Officer) which is capable of independently running the Business and growing the Group Entities into one of the leading healthcare services companies in the markets in which they operate. Upon the appointment and full integration of such management team, it is understood that Dr. Moopen may choose to move into a strategic role and reduce his involvement in the day-to-day management of the Company (while remaining, at a minimum, an active Chairman). The Chief Executive Officer of the Company shall also be entitled to be appointed or reappointed as the chairperson of the Company.

- 8.10.3 Without prejudice to Article 8.10.2 and notwithstanding Article 8.10.3, Dr. Azad Moopen shall not cease to serve as Chief Executive Officer, shall not cease to head the management team of the Group Entities, and/or shall not cease to be actively involved in the management of the Group Entities without the prior appointment of a Chief Executive Officer approved in writing by each Investor (any such event in the absence of such prior appointment, a “**Management Default**”). Any Management Default that occurs for reasons other than the death or disability of Dr. Moopen and that has not been cured within three (3) months of occurrence by appointment of a replacement chief executive officer approved by each is referred to herein as a “**Major Management Default**”. In the event of the death or disability of Dr. Moopen during his service as Chief Executive Officer, a committee comprised of one (1) Promoter Director, one (1) New Investor Director and one (1) Existing Investor Director shall select his replacement.

9. ACCESS AND INSPECTION

The Company and the Promoter Group shall procure that the Investors and their respective nominees, advisors and representatives shall, upon reasonable notice of not less than seven (7) Business Days, have access to and the right to inspect (including the right to make copies thereof or take extracts therefrom) all information, properties, books, accounts, contracts, commitments, financial and operating data and records (including information regarding any pending or threatened Proceedings to which any member of the Promoter Group and/or any Group Entity is, or reasonably expects to be, a party, to the extent such proceedings impact the Company, the Agreement or exceed USD 5,000,000 in controversy) of the Group Entities and the right to advise, consult or discuss with the officers, employees, advisors and auditors of each Group Entity on matters pertaining to the business, affairs, operations, finances, accounts, valuation and regulatory status of the Group Entities (to the extent it impacts the Company or the Agreement) and compliance with the terms of these Articles, at such time as may be reasonably requested by the Investors. The disclosure of information and documents by the Promoter Group and the Company to the Investors pursuant to these Articles shall not relieve the Promoter Group or the Company of any obligation pursuant hereto.

10. NO-CONFLICT

- 10.1 Except as provided in the next sentence, each of the Investors and their respective Affiliates, may in their respective sole discretion at any time hereafter and from time to time, either directly or indirectly make investments and/or establish/ enter into joint ventures, wholly owned subsidiaries and other ventures in India and/or outside India, including without limitation in the same, similar and/or allied field of business as that of any of the Group Entities, provided, that each of the Investors agrees to not, and to cause its respective Affiliates to not, without the prior written consent of the Company, make any investment in any Person that at the time of investment derives over twenty five percent (25%) of its revenues from a Healthcare Business (defined below) in GCC countries and/or the State of Kerala, India (or where the business plan of such Person at the time of investment contemplates an expansion into the GCC countries and/or the State of Kerala that is reasonably expected to generate more than twenty five percent (25%) of the revenues of such Person). “**Healthcare Business**” means the business of operating hospitals, clinics, pharmacies and/or diagnostic clinics. In addition, each of the Investors agrees to not, and to cause its respective Affiliates to not, appoint/nominate any Investor Director, alternate of an Investor Director, or Investor Observer to the board of any company directly competing with the Business. Subject to the restrictions imposed in this Article 10, the Company, the Promoter Group and the Investors shall not raise any objection or dispute with respect to any decision or action taken by the Investors and/or their respective Affiliates pursuant to this Article 11, nor shall they or any of them (either directly or indirectly) do any act, deed or thing to prevent the Investors and/or their respective Affiliates from taking any such decision or action. For the avoidance of doubt, nothing in this Article 10 shall restrict other investee companies of the Investors from entering into technical collaborations/ licensing arrangements in India and/or outside India, including without limitation in the same, similar and/ or allied field of business as that of any of the Group Entities. This covenant and agreement of the Company, the Promoter Group and the Investors shall constitute the consent and no objection to the Investors, as the case may be, and their respective Affiliates under the Applicable Law and for the purposes of any regulatory authority that may require consent of the Promoter Group or the Company for enabling the Investors or any of their respective Affiliates to undertake the activities mentioned in this Article 10.

Notwithstanding anything contained in this Article 10, if an Investor owns less than five percent (5%) of the Issued Share Capital of the Company, such Investor shall not be subject to the obligations under Article 10.1 if the Investor expressly waives its rights under the Articles listed in Article 30.4.1 in a written notice to the Company, the Promoter Group and the other Investor.

11. DIRECTORS

11.1 Board of Directors

11.1.1 Composition of the Board:

- 11.1.1.1 The Board shall consist of a minimum of 6 (six) Directors and a maximum of 15 (fifteen) Directors of whom at least one Director shall be a woman Director;
- 11.1.1.2 On and from the Effective Date, (a) the Chief Executive Officer and the Group Director of Finance and Administration of the Company shall be Directors (the “**Executive Directors**”), (b) the Promoter Group shall be entitled to nominate two (2) Directors (the “**Promoter Directors**”), (c) the New Investor shall be entitled to nominate two (2) Directors (the “**New Investor Directors**”), (d) the Existing Investor shall be entitled to nominate one (1) Director (the “**Existing Investor Director**” and together with the New Investor Directors, the “**Investor Directors**”), and (d) for so long as it holds two and a half percent (2.5%) of the Issued Share Capital, Regency shall be entitled to nominate one (1) Director (the “**Regency Director**”). Each of the Executive Directors, the Promoter Directors, the New Investor Directors, the Existing Investor Director and the Regency Director shall be appointed effective as of the Effective Date (to the extent that such directors are not already Directors on the Effective Date). A third Executive Director shall be appointed, with the prior written consent of each Investor, no later than the second anniversary of the Effective Date.
- 11.1.1.3 Without prejudice to Article 11.1.1.2, Rimco shall have the right to nominate one (1) person on the Board in the event that either (i) the nominee director nominated

by the New Investor ceases to be a Director on the Board (other than as a result of the nominee director nominated by the New Investor resigning from the Board prior to filing a red herring prospectus in connection with the IPO of the Company and/or the termination of nomination rights in connection with the IPO of the Company), or (ii) the shareholding of the New Investor (on a Fully Diluted Basis) in the Company falls below the shareholding of Rimco (on a Fully Diluted Basis) in the Company (other than as a result of the IPO of the Company).

- 11.1.1.4 The appointment and other rights of the director nominated by Rimco shall be governed by the Companies Act and these Articles.
- 11.1.1.5 Subject to provisions of the Companies Act, the Investor Directors and Dr. Moopen (notwithstanding whether he is an Executive Director or a Promoter Director) shall not be required to retire by rotation and all other Directors shall constitute the number of Directors required to retire by rotation.
- 11.1.1.6 The Investor Directors shall have all powers and privileges, in line with other Directors.
- 11.1.1.7 The Board shall have the overall responsibility for management of the Company and may appoint and delegate such day to day functions to the chairman, the managing director, the manager or to a committee, as it deems fit.
- 11.1.1.8 The Company shall have such number of Independent Directors on the Board of the Company, as may be required in terms of the provisions of Section 149 of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 or any other law, as may be applicable. Further, such appointment of such Independent Directors shall be in terms of the aforesaid provisions of law and subject to the requirements prescribed under Clause 49 of the listing agreement.
- 11.1.2 Qualification Shares: A Director shall not be required to hold any qualification Shares of the Company.
- 11.1.3 Alternate Director: Each Director (“**Original Director**”) (and, in the case of an Investor Director, the Investor nominating such Original Director) shall be entitled to nominate, by written notice to the Company, an individual as the alternate Director of such Original Director. The Board shall appoint each individual so nominated as alternate Director to act for the Original Director, at any meetings of the Board and for other purposes hereunder, in such manner and for such periods, as are permitted under Applicable Law (it being understood that the presence of or approval from the alternate director will be a sufficient compliance to the extent there are any requirements under the Agreement in respect of the presence or approval of the Original Director). The Board shall, on written notice from the Original Director to the Company, terminate the appointment of the concerned Original Director’s alternate and where the said original Director nominates a replacement, appoint such replacement as the alternate or unless the Original Director provides prior written notice to the contrary, re-appoint the last appointed alternate, in the event that the alternate’s appointment lapses under the provisions of Applicable Laws; provided that an Alternate Director shall not hold office for a period longer than that permissible in respect of the Original Director in whose place the alternate has been appointed.
- 11.1.4 Observer: On and from the Effective Date, each Investor shall be entitled to nominate one individual to be its representative/ observer (the “**Investor Observers**”) at all meetings of the Board as well as all meetings of all committees and sub-committees of the Board. The Investor Observers shall be entitled to attend (whether in person or by means of a telephone, video conferencing or similar communications equipment) and to speak at, but not to vote at, all meetings of the Board as well as all meetings of all committees and sub-committees. The Investor Observers shall not be counted for the purpose of the quorum, but shall have the right to provide his views and comments which shall be recorded in the minutes of such meetings of the Board as well as all meetings of all committees and sub-committees of the Board. In addition to the foregoing right to nominate an Investor Observer, each Investor may at any time by written notice to the Company elect to appoint in lieu of one or both of its Investor Directors a representative/observer (who shall have the rights of an observer listed above).

11.1.5 Vacancies: If any Director resigns, vacates or is removed from office before the expiry of his term, the resulting casual vacancy may be filled by a nominee of the Shareholder or the Promoter Group, as applicable, who originally nominated that Director, but any Person so nominated, shall retain his office only for so long as the vacating Director would have retained the same, if no such vacancy had occurred.

11.1.6 Liability of Investor Directors.

11.1.6.1 Subject to the provisions of these Articles, the Investor Directors will be non-executive Directors and shall not be liable for any default or failure of the Company in complying with the provisions of any Applicable Laws.

11.1.6.2 The Investor Directors shall not be in charge of, or responsible for the day to day management of the Company and shall not be deemed to be „officers in default“ as the term is defined in the Companies Act or „occupier“ of any premises of the Company and shall accordingly not be liable for any default or failure of the Company in complying with the provisions of any Applicable Laws. Further, the Promoter Group and the Company undertake to ensure that the other Directors or suitable persons are nominated as officers in default and for the purpose of statutory compliances, occupiers and/or employers as the case may be in order to ensure that the Investor Directors do not incur any liability. The Company shall take adequate Directors and Officers Liability Insurance policy with respect to the Investor Director(s).

11.1.6.3 The Company shall indemnify the Investor Directors to the maximum extent permitted under Applicable Law. The Company shall upon appointment of any Investor Director, deliver to such Investor Director a letter of indemnity, in the form set out in Schedule H to the Agreement.

11.1.6.4 Voting for appointment of Directors. The Promoter Group, the Existing Investor and the New Investor shall exercise all rights and powers available to them, including the exercise of votes at Board meetings and general meetings of the Company, to procure that effect is given to any nominations made by the Promoter Group, the Existing Investor and the New Investor under these Articles and the Agreement.

11.1.7 Removal and Replacement of Directors. Each Investor and the Promoter Group shall be entitled at any time to provide a written notice to the Board removing or replacing its Investor Directors, Promoter Directors and/ or their alternate Directors. Such written notice shall take immediate effect unless otherwise provided by such Investor and/or the Promoter Group (as the case may be). On receipt of such written notice, the Shareholders shall be bound to themselves or cause their Directors to vote in favor of the removal or replacement of the Investor Director or Promoter Director whose candidature is withdrawn by the concerned Investor or the Promoter Group (as the case may be). For the avoidance of doubt, an Investor Director or Promoter Director who has been appointed/nominated by an Investor or the Promoter Group pursuant to Article 11.1.1.2 shall not be removed by the Board except by such Investor or the Promoter Group (as the case may be) pursuant to this Article 11.1.8.

11.2 Board Meetings

11.2.1 Number of Board Meetings. The Board shall meet at least 4 (four) times every year in such a manner that not more than one hundred and twenty days shall intervene between the two consecutive meeting. Meetings of the Board shall ordinarily be held in India or the UAE. Directors shall not be entitled to be paid sitting fees or other compensation for acting as Directors, other than as prescribed by the Companies Act or as agreed to between a particular Director and the Company in writing (and which is disclosed to the other Directors and approved in writing by at least 1 (one) Promoter Director, 1 (one) Existing Investor Director, and 1 (one) New Investor Director), but Directors shall be entitled to be paid by the Company for all reasonable traveling, hotel and other expenses properly incurred by them in attending meetings and discharging their duties.

11.2.2 Convening Meetings of the Board; Notice for Board Meetings. Any Director may, and the secretary of the Company, if so appointed, shall on the requisition of a Director, summon a

meeting of the Board, in accordance with the notice and other requirements set out herein. At least fourteen (14) clear days" notice (excluding the day of notice and the day of the meeting) shall be given to each of the Directors of any meeting of the Board (and every committee and sub-committee of the Board). A meeting of the Board or a committee/ sub-committee may be held at such shorter period of notice with the written consent (which may be signified by letter, facsimile or e-mail with receipt acknowledged) of a majority of the Directors which majority shall include at least 1 (one) New Investor Director 1 (one) Promoter Director and (one) 1 Existing Investor Director. A reasonably detailed agenda shall be supplied to each Director along with the notice, together with the draft resolutions and other appropriate papers, data and information relating to matters to be discussed at the meeting. Any Director wishing to place a matter on the agenda for any meeting of the Board (or of any committee and sub-committee of the Board) may do so by communicating with the Chairman of the Board sufficiently in advance of the meeting of the Board so as to permit timely dissemination of information to all Directors; provided that all information's to be tabled at the Meetings of the Board shall be received by the Directors at least 10 (ten) days prior to such meeting unless a shorter period is accepted with the written consent (which may be signified by letter, facsimile or e-mail with receipt acknowledged) of a majority of the Directors which majority shall include at least one (1) Promoter Director, one (1) Existing Investor Director, and one (1) New Investor Director. The agenda for any meeting of the Board shall only contain specific matters mentioned therein and shall not contain any ability for the Board to add/consider any other item with the permission of the Chairman or otherwise. No business shall be discussed at a Board meeting unless such business was included in the said agenda unless agreed by at least one (1) Promoter Director, one (1) Existing Investor Director, and one (1) New Investor Director.

- 11.2.3 Decisions on Reserved Matters. Provisions of this Article 11.2.3 shall apply in respect of Reserved Matters other than those Reserved Matters requiring only Shareholder approval (which matters shall be governed by Articles 13.7 and 13.8. For the avoidance of doubt, the Company shall not take any action that is a Reserved Matter unless such Reserved Matter is approved either by the requisite Investor Director(s) or Investor(s) in accordance with this Article 12.2.3 or by the requisite Investor(s) pursuant to Articles 13.7 and 13.8.

11.2.3.1 No matter listed below ("**Specified Reserved Matter**") shall be decided, resolved at any Board meeting unless such matter has been approved (I) in writing in advance by the Existing Investor Director and at least one (1) New Investor Director or (ii) by the affirmative vote of at least one (1) Existing Investor Director and at least one (1) New Investor Director at such Board meeting:

- i. Any creation, increase, decrease, reclassification, splits, amalgamations or other modification to the authorized or issued capital structure (whether or not having preferences or priority superior to the Investor Shares), issuance or allotment of its Shares or other Securities whether as a private sale or issue or otherwise (including for the avoidance of doubt under or pursuant to any employee shares or security option scheme or plan), any issuance of convertible debt or bonuses, any debt restructuring involving conversion into equity, or any redemption, repurchase or buy-back of its Shares or other Securities;
- ii. Any change in the size of its board of directors (except for a change in size of the Board that is consistent with the provisions of these Articles), or the appointment or removal from office of any Investor Director or his alternate Director and/ or any Investor Observer or the appointment/ constitution of any Board nominated committees;
- iii. Any material change in its accounting/tax methods or policies or practices, including any change in its financial year, other than required by any Applicable Law;
- iv. Any treasury operations except AAA rated debt securities or bank deposits in institutions rated A+ or higher (in each case as rated by Standard & Poor's and/or Moody's) or acquisition of trade or sell shares, securities, non-convertible debentures or bonds in any other company or any activity relating to a derivative transaction;

- v. Change in registered office of the Company and/ or any change (including any re-organisation or cessation) to the scope other than in the ordinary course of Business, general nature and/ or activities of the Business or any part thereof, including any material change in strategic direction and/ or entry into any new lines of Business and/ or any discontinuance of any existing line of Business;
- vi. Winding up, dissolution, liquidation, entering into any scheme of arrangement with creditors or shareholders or other act of insolvency, including applying for the appointment of a receiver, liquidator or like officer, or making of a reference under the Sick Industrial Companies (Special Provisions) Act, 1985;
- vii. any amendment to its Articles of Association and/ or memorandum of association or any other amendment or change in the rights, preferences, privileges or powers of or on the restrictions provided for the benefit of the holders of any Security including the Investor Shares;
- viii. The entry into or amendment or termination of any Material Contract;
- ix. The entry into or amendment or termination of any Contract (including for the creation of any Lien on any asset) which is unusual, onerous or otherwise outside the normal course of its business;
- x. Appointment, removal or change in terms of employment, of any Key Employee of any Group Entity;
- xi. The establishment, the material variation of the terms (including the vesting periods) of any employee shares or security option, pension, profit sharing, bonus, retirement, death, disability, incentive, compensation or other scheme or arrangement or benefit plan, for any director and Key Employee;
- xii. The establishment, the material variation of the terms (including the vesting periods) of any employee shares or security option to any officer or employee of any of the Group Entities;
- xiii. Any agreement, arrangement, transaction or assignment of Intellectual Property other than the licensing of the “DM” trade name and the
- xiv. Company logo (as existing on the Completion Date) to the DM Foundation and the Medical College at Wayanad and their associated entities as well as any other educational institutions promoted and/or controlled by Dr. Moopen (it being understood and agreed that any such licenses not existing as of the date of these Articles shall be subject to prior Board approval);
- xv. Any transfer of Shares or other Securities of the Company by any of member of the Promoter Group other than as expressly permitted hereunder
- xvi. The making of any advance or loan, or the extension of any other form of credit, to any Person other than in the ordinary course of business or the giving any guarantee, indemnity or security in respect of the obligations of any Person
- xvii. The issue or grant of any authority or power of the Board to any employee, officer, director or other Person, or any such delegation concerning any matter requiring the affirmative vote of either or both of the Investors hereunder;
- xviii. The entry into or amendment or termination of any Contract or other transaction (excluding any Contract or other transaction between Group Entities) with (a) any member of the Promoter Group, (b) any child,

stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law of any member of the Promoter group or (c) any other person who is, to the best knowledge of the Company or the Promoter Group, a Related Party;

- xix. Any capital expenditure, asset acquisition or investment or the establishment or entry into any partnership or joint venture arrangement, in each case in excess of ₹300,000,000 as to any single transaction or in aggregate in excess of ₹600,000,000 in any financial year, other than as contemplated in the Business Plan or the Annual Business Plan for the relevant financial year;
- xx. Commencement or settlement of litigation where the amount involved is above ₹100,000,000 (Indian Rupees one hundred million) in any particular financial year;
- xxi. Any merger, amalgamation, consolidation, re-construction, reorganization, acquisition, strategic sale, creation of new subsidiary or similar transactions, including sale, transfer, leasing, licensing, creation of Lien over all or a substantial part of its assets, undertaking or Business/ closure of Business, whether by a single transaction or series of transactions, related or not of or by the Group Entity as may be applicable, including the creation of any Liens over, divestment, Transfer or dilution, whether directly or indirectly, of its holding in any other Group Entity;
- xxii. Other than a Qualified IPO and the Round 2 Qualified IPO, the listing of any of its shares or other Securities on any securities exchange or any public offering of any of its Shares or other Securities and the terms of any such public offering, including the timing of any such public offering of any of its Securities and, for the avoidance of doubt in the case of the Company, the amount to be raised in an Investors' Qualified IPO or the Round 2 Investors' Qualified IPO, (where an Investors' Qualified IPO or the Round 2 Investors' Qualified IPO is effected through an offer for sale of existing Shares) the extent of Shareholder participation in such Investors' Qualified IPO or the Round 2 Investors' Qualified IPO, the utilisation of the proceeds of an Investors' Qualified IPO or the Round 2 Investors' Qualified IPO, and the appointment of the QIPO Investment Bank(s) in respect of any Investors' Qualified IPO or the appointment of the Round 2 QIPO Investment Bank(s) in respect of any of the Round 2 Investors' Qualified IPO, as the case may be; and
- xxiii. Any commitment or agreement to do any of the foregoing

11.2.3.2 No matter listed below ("**Non-Specified Reserved Matter**") shall be decided or resolved at any Board meeting unless (a) at least one (1) Existing Investor Director and at least one (1) New Investor Director are present for such Board meeting, there is a discussion of such Non-Specified Reserved Matter at such Board meeting and such matter is approved by an Investors' Affirmative Resolution at such Board meeting; or (b) such matter has been approved in advance by both the Existing Investor and the New Investor in writing or by fax, email or other electronic communication:

- i. The determination of its dividend policy and any alteration thereof, the declaration of any dividends or any other distributions to any of its members/ shareholders or any transfer of profits to reserves.
- ii. Any appointment or change in its auditors (statutory or otherwise) or the approval of annual accounts.
- iii. The adoption of the Business Plan and/ or the Annual Business Plan for the relevant financial year, or any amendment to, or material deviation from, the Business Plan or the Annual Business Plan including, without limitation, those arising from:

- iv. Any borrowing or any guarantees, indemnities or other security or liabilities (actual or contingent) therefor in excess of the amount approved for such transactions in the Business Plan and/ or the Annual Business Plan for the relevant financial year; or
- v. Loans made by it, in excess of the aggregate amount approved for such transactions in the Business Plan and/ or the Annual Business Plan for the relevant financial year; or
- vi. Capital expenditure or acquisition or investments in excess of fifteen percent (15%) (individually or in the aggregate) over and above the amount set out in the Annual Business Plan for the relevant financial year; or
- vii. Redeeming any indebtedness prior to maturity in excess of ₹100,000,000.

11.2.4 Votes: Each Director may cast one (1) vote.

11.2.5 Chairman: Dr. Moopen shall serve as Chairman and chair each meeting of the Board. The Chairman shall not have a second or casting vote in the event of an equality of votes at Board meetings of the Company.

11.2.6 Quorum for Board Meeting: Other than as stated in under this Article 11, the quorum for all meetings of the Board shall be in accordance with the Companies Act, provided that the valid quorum shall always include at least one (1) Existing Investor Director and at least one (1) Promoter Director and at least one (1) New Investor Director present at the beginning and throughout the meeting, unless such requirement of at least one (1) Existing Investor Director and at least one (1) Promoter Director and at least one (1) New Investor Director present at the beginning and throughout the meeting is waived in advance and in writing independently by the Existing Investor Director and/or the New Investor Director and/or the Promoter Director.

If the required quorum is not present at any meeting of the Board (“**Initial Meeting**”), the meeting shall be adjourned to the same place and time in the next week unless otherwise agreed by all the Directors, if that day is not a Business Day to the immediately succeeding Business Day. Not less than five (5) Business Days” notice shall be given of any adjourned meeting (“**Adjourned Meeting**”). If the required quorum is not present at such Adjourned Meeting, the Directors present shall constitute valid quorum provided that the agenda for the Initial Meeting shall be the agenda for the Adjourned Meeting and matters which are not specifically defined and stated in the agenda for the Initial Meeting shall in no event be taken up for discussion or approved at the Adjourned Meeting. Any Reserved Matters not specifically approved by the Investors or the Investor Directors in accordance with Article 11.2.3 shall not in any event be approved by the Directors at the Initial Meeting or Adjourned Meeting or otherwise.

11.2.7 Minutes: The Chairman shall cause the company secretary to prepare minutes of each meeting of the Board and circulate them to each Board member within 10 calendar days after the holding of the meeting. Subject to Applicable Laws, the minutes, as amended to reflect any comments received by the Board, shall be signed at the next meeting of the Board. The minutes shall not be adopted by the Chairman until at least 1 (one) Promoter Director, 1 (one) Existing Investor Director and 1 (one) New Investor Director approves the draft of the minutes by signing.

11.2.8 Decisions of the Board: Except for Reserved Matters or matters which expressly require a higher majority under Applicable Law, decisions of the Board shall be made on the basis of majority votes cast by the Directors present and voting at the relevant Board meeting.

11.2.9 Circular Resolution: A circulation resolution in writing, executed by or on behalf of a majority of the Directors, shall constitute a valid decision of the Board after the expiry of five (5) Business Days from the date on which the Company receives the response of the last of the Directors entitled to vote on such resolution, provided that a draft of such resolution was sent to all the Directors in and outside India at their usual address together with a copy of all supporting papers and provided further that (i) no resolution concerning any Non-Specified Reserved Matters may be passed by a circular resolution unless each Investor has first been consulted with respect to

such matter and such Non-Specified Reserved Matter is approved in writing by the Investors and (ii) no resolution concerning any Specified Reserved Matters may be passed by a circular resolution unless and at least one (1) Existing Investor Director and at least one (1) New Investor Director approve such Specified Reserved Matter in such circular resolution, provided that, where not less than one-third of the total number of directors of the company for the time being require that any resolution under circulation must be decided at a meeting, the chairperson shall put the resolution to be decided at a meeting of the Board.

11.2.10 Committees of the Board: As and when the Board constitutes committees and/ or sub committees, at least one (1) New Investor Director and one (1) Existing Investor Director shall be a part of any such committee or sub-committees (as the case may be). The provisions of this Article 11.2 in relation to the Board and its meetings shall also apply to meetings of committees and sub-committees of the Board. The Investors shall in addition to their other rights have a right to receive any auditor management letters related to the Company or any of the Group Entities and the right to interact directly with the Company's auditors.

- (i) The Audit Committee shall comprise of a minimum of 3 Directors of which at least two-thirds shall be Independent Directors.
- (ii) The Nomination and Remuneration Committee shall comprise of a minimum of 3 non-executive directors of whom at least half shall be Independent Directors. The chairman of the committee shall be an Independent Director.
- (iii) The Corporate Social Responsibility Committee shall comprise of 3 or more Directors of which at least one director shall be an Independent Director.

11.2.11 Telephone or Video Conference: Subject to Applicable Law, any Director may participate in and vote at a meeting of the Board by means of a telephone, video conferencing or similar communications equipment which allows all persons participating in the meeting to hear each other and record the deliberations, whether or not the alternate nominated by that Director is physically attending the relevant meeting provided that where a Director is voting at a meeting of the Board by means of a telephone or video conference, the alternate nominated by that Director, shall not be entitled to vote on any matters put before the relevant Board meeting. Where any Director participates in a meeting of the Board by any of the means described in the preceding sentence, the Company shall ensure that such Director is provided with a copy of all documents referred to during such Board meeting before the Board meeting commences.

12. REGISTERS TO BE MAINTAINED BY THE COMPANY

12.1 The Company shall, in terms of the provisions of Section 88 of the Companies Act, cause to be kept the following registers in terms of the applicable provisions of the Companies Act

- (i) A Register of Shareholders indicating separately for each class of Equity Shares and preference shares held by each Shareholder residing in or outside India;
- (ii) A register of debenture holders;
- (iii) A register of any other holders of Securities; and
- (iv) A register of renewed and duplicate share certificates.

12.2 The Company shall also be entitled to keep in any country outside India, a part of the registers referred above, called "foreign register" containing names and particulars of the shareholders, debenture holders or holders of other Securities or beneficial owners residing outside India.

12.3 The registers mentioned in this Article shall be kept and maintained in the manner prescribed under the Companies (Management and Administration) Rules, 2014.

13. COMPANY'S LIEN:

13.1 On shares:

- (a) The Company shall have a first and paramount lien:
 - (i) on every share (not being a fully paid share), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that share;
 - (ii) on all shares (not being fully paid shares) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any shares wholly or in part to be exempt from the provisions of this Article.

- (b) Company's lien, if any, on the shares, shall extend to all dividends payable and bonuses declares from time to time in respect of such shares.
- (c) Unless otherwise agreed, the registration of a transfer of shares shall operate as a waiver of the Company's lien, if any, on such shares. The fully paid up shares shall be free from all lien and that in case of partly paid shares, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such shares.
- (d) For the purpose of enforcing such lien, the Board may sell the shares, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such shares and may authorise one of their shareholders to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the share or the person entitled thereto by reason of his death or insolvency.
- (e) The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the shares before the sale) be paid to the Person entitled to the shares at the date of the sale.
- (f) No Shareholder shall exercise any voting right in respect of any shares registered in his name on which any calls or other sums presently payable by him have not been paid, or in regard to which the Company has exercised any right of lien.

13.2 On debentures:

- (a) The Company shall have a first and paramount lien:
 - (i) on every debenture (not being a fully paid debenture), for all money (whether presently payable or not) called, or payable at a fixed time, in respect of that debenture;
 - (ii) on all debentures (not being fully paid debentures) standing registered in the name of a single person, for all money presently payable by him or his estate to the Company

Provided that the Board may, at any time, declare any debentures wholly or in part to be exempt from the provisions of this Article.

- (b) Company's lien, if any, on the debentures, shall extend to all interest and premium payable in respect of such debentures.
- (c) Unless otherwise agreed, the registration of a transfer of debentures shall operate as a waiver of the Company's lien, if any, on such debentures. The fully paid up debentures shall be free from all lien and that in case of partly paid debentures, the Company's lien shall be restricted to money called or payable at a fixed price in respect of such debentures.
- (d) For the purpose of enforcing such lien, the Board may sell the debentures, subject thereto in such manner as they shall think fit, and for that purpose may cause to be issued a duplicate certificate in respect of such debentures and may authorize the debenture trustee acting as trustee for the holders of debentures or one of the holder of debentures to execute and register the transfer thereof on behalf of and in the name of any purchaser. The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the debentures be affected by any irregularity or invalidity in the proceedings in reference to the sale.

Provided that no sale shall be made:

- (i) unless a sum in respect of which the lien exists is presently payable; or
- (ii) until the expiration of 14 days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the debenture or the person entitled thereto by reason of his death or insolvency.

The net proceeds of any such sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable. The residue, if any, shall (subject to a like lien for sums not presently payable as existed upon the debentures before the sale) be paid to the Person entitled to the debentures at the date of the sale.

14. FORFEITURE OF SHARES

- (a) If any shareholder fails to pay any call or installment or any part thereof or any money due in respect of any Shares either by way of principal or interest on or before the day appointed for the payment of the same or any such extension thereof as aforesaid, the Board may, at any time thereafter, during such time as the call or installment or any part thereof or other money remain unpaid or a judgment or decree in respect thereof remain unsatisfied, give notice to him or his legal representatives requiring him to pay the same together with any interest that may have accrued and all expenses that may have been incurred by the Company by reason of such non-payment.
- (b) The notice shall name a day, (not being less than 14 (fourteen) days from the date of the notice), and a place or places on or before which such call or installment or such part or other money as aforesaid and interest thereon, (at such rate as the Board shall determine and payable from the date on which such call or installment ought to have been paid), and expenses as aforesaid are to be paid. The notice shall also state that in the event of non-payment at or before the time and at the place appointed, the Shares in respect of which the call was made or installment is payable, will be liable to be forfeited.
- (c) If the requirements of any such notice as aforesaid shall not be complied with, any Share in respect of which such notice has been given, may at any time, thereafter before payment of all calls, installments, other money due in respect thereof, interest and expenses as required by the notice has been made, be forfeited by a resolution of the Board to that effect. Such forfeiture shall include all dividends declared or any other money payable in respect of the forfeited Share and not actually paid before the forfeiture subject to the applicable provisions of the Companies Act. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.
- (d) When any Share shall have been so forfeited, notice of the forfeiture shall be given to the shareholder in whose name it stood immediately prior to the forfeiture or if any of his legal representatives or to any of the Persons entitled to the Shares by transmission, and an entry of the forfeiture with the date thereof, shall forthwith be made in the Register of Shareholders, but no forfeiture shall be in any manner invalidated by any omission or neglect to give such notice or to make any such entry as aforesaid.

- (e) Any Share so forfeited shall be deemed to be the property of the Company and may be sold; re-allotted, or otherwise disposed of either to the original holder thereof or to any other Person upon such terms and in such manner as the Board shall think fit.
- (f) Any shareholder whose shares have been forfeited shall, notwithstanding the forfeiture, be liable to pay and shall forthwith pay to the Company on demand all calls, amounts, installments, interest and expenses and other money owing upon or in respect of such Shares at the time of the forfeiture together with interest thereon from the time of the forfeiture until payment at such rate as the Board may determine and the Board may enforce, (if it thinks fit), payment thereof as if it were a new call made at the date of forfeiture.
- (g) The forfeiture of a Share shall involve extinction at the time of the forfeiture of all interest in all claims and demands against the Company, in respect of the Share and all other rights incidental to the Share, except only such of these rights as by these Articles are expressly saved.
- (h) A duly verified declaration in writing that the declarant is a Director or Secretary of the Company and that a Share in the Company has been duly forfeited in accordance with these Articles on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Persons claiming to be entitled to the Shares.
- (i) Upon any sale after forfeiture or for enforcing a lien in purported exercise of the powers hereinbefore given, the Board may appoint some Person to execute an instrument of transfer of the Shares sold and cause the purchaser's name to be entered in the Register of Shareholders in respect of the Shares sold and the purchaser shall not be bound to see to the regularity of the proceedings, or to the application of the purchase money, and after his name has been entered in the Register of Shareholders in respect of such Shares, the validity of the sale shall not be impeached by any person and the remedy of any person aggrieved by the sale shall be in damages only and against the Company exclusively.
- (j) Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate or certificates originally issued in respect of the related Shares shall, (unless the same shall on demand by the Company have been previously surrendered to it by the defaulting Shareholder), stand cancelled and become null and void and of no effect and the Board shall be entitled to issue a new certificate or certificates in respect of the said Shares to the person or persons entitled thereto.

The Board may, at any time, before any Share so forfeited shall have been sold, re-allotted or otherwise disposed of, annul the forfeiture thereof upon such conditions as it thinks fit.

15. COMPANY MAY INCREASE OR REDUCE THE NUMBER OF DIRECTORS

Subject to Article 11.2.3 and Section 149 and 152 of the Companies Act, the Company may, by Ordinary Resolution, from time to time, increase or reduce the number of Directors, and may alter their qualifications and the Company may, (subject to the provisions of Section 169 of the Companies Act), remove any Director before the expiration of his period of office and appoint another qualified in his stead. The person so appointed shall hold office during such time as the Director in whose place he is appointed would have held the same if he had not been removed.

16. REGISTER OF DIRECTORS ETC.

- (a) The Company shall keep at its office, a register containing the particulars of its Directors, Managing Directors, Manager, Secretaries and other Persons mentioned in Section 170 of the Companies Act, and shall otherwise comply with the provisions of the said Section in all respects.
- (b) The Company shall in respect of each of its Directors also keep at its office a register, as required by Section 170 of the Companies Act, and shall otherwise duly comply with the provisions of the said Section in all respects.

17. DISCLOSURE BY DIRECTOR OF APPOINTMENT TO ANY OTHER BODY CORPORATE.

Every Director shall in accordance with the provisions of Companies (Meeting of Board and its Powers) Rules, 2014 shall disclose his concern or interest in any company or companies or bodies corporate (including shareholding interest), firms or other association of individuals by giving a notice in accordance with such rules

18. POWER TO BE EXERCISED BY THE BOARD ONLY BY MEETING

The Board shall exercise the following powers on behalf of the Company and the said powers shall be exercised only by resolutions passed at the meeting of the Board: -

- (a) to make calls on Shareholders in respect of money unpaid on their shares;
- (b) to authorise buy-back of securities under Section 68 of the Companies Act;
- (c) to issue securities, including debentures, whether in or outside India;
- (d) to borrow money(ies);
- (e) to invest the funds of the Company;
- (f) to grant loans or give guarantee or provide security in respect of loans;
- (g) to approve financial statements and the Board's report;
- (h) to diversify the business of the Company;
- (i) to approve amalgamation, merger or reconstruction;
- (j) to take over a company or acquire a controlling or substantial stake in another company; and
- (k) fees/ compensation payable to non-executive directors including independent directors of the Company;
- (l) any other matter which may be prescribed.

The Board may, by a resolution passed at a meeting, delegate to any Committee of Directors, the Managing Director, or to any person permitted by Law the powers specified in sub clauses (d) to (f) above.

The aforesaid powers shall be exercised in accordance with the provisions of the Companies (Meetings of Board and its Powers) Rules, 2014 and shall be subject to the provisions of Section 180 of the Companies Act. In terms of Section 180 of the Companies Act, the Board may exercise the following powers subject to receipt of consent by the Company by way of a Special Resolution:

- (a) to sell, lease or otherwise dispose of the whole or substantial part of the undertaking of the Company;
- (b) to borrow money; and
- (c) any such other matter as may be prescribed under the Companies Act, the listing agreement and other applicable provisions of Law.

19. REGISTER OF CHARGES

The Directors shall cause a proper register to be kept, in accordance with the applicable provisions of the Companies Act, of all mortgages and charges specifically affecting the property of the Company and shall duly comply with the requirements of the applicable provisions of the Companies Act in regard to the registration of mortgages and charges therein specified.

20. DIRECTORS' & OFFICERS' LIABILITY INSURANCE

Subject to the provisions of the Companies Act and Law, the Company shall procure, at its cost, comprehensive directors and officers liability insurance for each Director which shall not form a part of the remuneration payable to the Directors in the circumstances described under Section 197 of the Companies Act: -

- (a) on terms approved by the Board;
- (b) which includes each Director as a policyholder;
- (c) is from an internationally recognised insurer approved by the Board; and

- (d) for a coverage for claims of an amount as may be decided by the Board, from time to time.

21. DIRECTORS' AND OTHERS' RIGHTS TO INDEMNITY

Subject to the provisions of Section 197 of the Companies Act, every Director, Manager and other officer or employee of the Company shall be indemnified by the Company against any liability incurred by him and it shall be the duty of the Directors to pay out of the funds of the Company all costs, losses and expenses which any Director, Manager, officer or employee may incur or become liable to by reason of any contract entered into by him on behalf of the Company or in any way in the discharge of his duties and in particular, and so as not to limit the generality of the foregoing provision, against all liabilities incurred by him as such Director, Manager, officer or employee in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or he is acquitted or in connection with any application under Section 463 of the Companies Act in which relief is granted by the Court and the amount for which such indemnity is provided shall immediately attach as a lien on the property of the Company and have priority as between the Shareholders over all claims.

22. DIRECTORS ETC., NOT LIABLE FOR CERTAIN ACTS

Subject to the provisions of Section 197 of the Companies Act, no Director, Manager, officer or employee of the Company shall be liable for the acts, defaults, receipts and neglects of any other Director, Manager, officer or employee or for joining in any receipts or other act for the sake of conformity or for any loss or expenses happening to the Company through the insufficiency, or deficiency of any security in or upon which any of the monies of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortuous act of any Person with whom any money(ies), Securities or effects shall be deposited or for any loss occasioned by an error of judgment or oversight on his part, or for any other loss, damage or misfortune whatsoever which shall happen in the execution thereof unless the same shall happen through his own negligence, default, misfeasance, breach of duty or breach of trust.

Without prejudice to the generality foregoing it is hereby expressly declared that any filing fee payable or any document required to be filed with Registrar of Companies in respect of any act done or required to be done by any Director or other Officer by reason of his holding the said office, shall be paid and borne by the Company.

23. MEETINGS AND RESOLUTION OF SHAREHOLDERS

- 23.1 General Meetings. An annual general meeting of the Shareholders of the Company shall be held within 6 (six) months of the end of each financial year of the Company. Subject to the foregoing, the Board or the Shareholders may convene an extraordinary general meeting of the Shareholders of the Company whenever they deem appropriate and subject to Applicable Law.
- 23.2 Quorum for General Meetings. The quorum for all general meetings of the Shareholders shall be in accordance with the Companies Act provided that the quorum to be valid shall always include authorised representative of each Investor and the Promoter Group present at the beginning and throughout the meeting, unless such requirement of the authorized representative of each Investor and the Promoter Group being present at the beginning and throughout the meeting is waived in advance and in writing independently by the Existing Investor and/or the New Investor and/or Indium and/or the Promoter Group. If the required quorum is not present at any general meeting ("**Initial Shareholders Meeting**"), the meeting shall stand adjourned to the same date, time and place in the next week unless otherwise agreed by all the Party Shareholders, if that day is not a Business Day to the immediately succeeding Business Day ("**Adjourned Shareholders Meeting**"). If the required quorum is not present at the Adjourned Shareholders Meeting, the Shareholders present shall constitute valid quorum, provided that the agenda for the Initial Shareholders Meeting shall be the agenda for the Adjourned Shareholders Meeting and matters which are not specifically defined and stated in the agenda for the Initial Shareholders Meeting shall in no event be taken up for discussion or approved at the Adjourned Shareholders Meeting. Any Reserved Matters not specifically approved by the Investors in accordance with Articles 23.7 and 23.8 shall not in any event be approved by the Shareholders at the Initial Shareholders Meeting or Adjourned Shareholders Meeting or otherwise.
- 23.3 Notice for General Meetings. At least 21 (twenty one) days" prior written notice of every general meeting of Shareholders shall be given to all Shareholders whose names appear on the register of members of the Company. At least ten (10) days prior to any general meeting of Shareholders, all information to be tabled at such meeting shall have been delivered to all Shareholders whose names appear on the register of members of the Company. A meeting of the Shareholders may be called by giving shorter notice if written

consent thereto is accorded by Shareholders holding not less than ninety five per cent (95%) of such part of the paid-up share capital of the Company as gives a right to vote at the meeting.

- 23.4 Contents of Notice. The notice to Shareholders shall specify the place, date and time of the meeting. Every notice convening a meeting of the Shareholders shall set forth in full and sufficient detail the business to be transacted thereat, and no business shall be transacted at such meeting unless the same has been stated in the notice convening the meeting.
- 23.5 Decision Making. Subject to Articles 23.7 and 23.8 except as may be required by Applicable Law, all decisions of the Shareholders of the Company shall be made by simple majority of the Shareholders at a duly convened meeting at which a quorum is present.
- 23.6 Proxies. Any Shareholder of the Company may appoint another Person as its proxy (and in case of a corporate shareholder, an authorised representative) to attend a meeting and vote thereat on such Shareholder's behalf, provided that the power given to such proxy must be in writing
- 23.7 The Company shall, and each of the Shareholders shall, exercise all rights and powers available to it to procure that (a) none of the Non-Specified Reserved Matters shall occur with respect to the Company unless each Investor has first been consulted with respect to such matter and such matter has first been (i) approved by an Investors' Affirmative Resolution or (ii) consented to in writing by any one Investor or (iii) approved by the affirmative vote of the authorized representative of any one (1) Investor at a general meeting and (b) none of the Specified Reserved Matters shall occur with respect to the Company unless it has first been approved (i) in writing in advance by the authorized representatives of each Investor or (ii) by the affirmative vote of authorized representatives of each Investor at a general meeting or (iii) by the affirmative vote of at least one (1) New Investor Director and one (1) Existing Investor Director at a meeting of the Board. Such approval may be given or withheld at such Investor's discretion and, if given, may be given subject to such terms and conditions as such Investor may at such time deem fit to impose.
- 23.8 Notwithstanding anything contained in these Articles and/or the Agreement, no Investor shall have any veto rights/ consent rights on Reserved Matters pertaining to the appointment or removal of the Directors nominated by the other Investor, exit rights exercised by the other Investors in accordance with Article 26 (except the exercise, prior to the sixth (6th) anniversary of the Effective Date, of the Drag Along Right by virtue of a Major Management Default) and/ or any transfer of Shares held by the other Investors, subject however to the provisions of Articles 6.7 and 6.8.
- 13.9 Chairman for General Meeting. The Chairman of a general meeting of the Company shall not have any second or casting vote. The Chairman of the Board shall be the Chairman for all general meetings, unless the meeting is called by an Investor, in which case such Investor will appoint the Chairman for that meeting.
- 13.10 Exercise of Voting & Other Rights. The Shareholders undertake that they shall at all times exercise their votes at meetings of Shareholders and otherwise and shall act in such manner so as to comply with, and to fully and effectually implement the spirit, intent and specific provisions of these Articles. If a resolution contrary to these Articles is passed at any meeting of Shareholders or at any meeting of the Board or any committee or sub-committee thereof, such resolution shall be null and void.

24. STATUS OF EXISTING INVESTOR

Any amount payable under or pursuant to or in relation to the Shares held by the Existing Investor for and on behalf of the India Value Fund III A shall be paid in the name of India Value Fund III A only. Any Shares or other Security or instrument that shall be issued by the Company pursuant to these Articles shall be issued in the name of the Existing Investor, as the sole trustee and representative of the India Value Fund III A. Further, any amounts payable to the Existing Investor, shall be paid in the name of India Value Fund III A only.

25. COPIES OF MEMORANDUM AND ARTICLES TO BE SENT TO MEMBERS

Copies of the Memorandum and Articles of Association of the Company and other documents referred to in Section 17 of the Companies Act shall be sent by the Company to every shareholder at his request within 7 (seven) days of the request on payment of such sum as prescribed under the Companies (Incorporation) Rules, 2014.

26. BORROWING POWERS

- (a) Subject to the provisions of Sections 73, 179 and 180 and other applicable provisions of the Companies Act and these Articles, the Board may, from time to time, at its discretion by resolution passed at the meeting of a Board:
- (i) accept or renew deposits from Directors, their relatives, shareholders or the public;
 - (ii) borrow money otherwise than on debentures;
 - (iii) accept deposits from shareholders either in advance of calls or otherwise; and
 - (iv) generally raise or borrow or secure the payment of any sum or sums of money for the purposes of the Company.

Provided, however, that where the money to be borrowed together with the money already borrowed (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceed the aggregate of the Paid-up capital of the Company and its free reserves (not being reserves set apart for any specific purpose), the Board shall not borrow such money without the consent of the Company by way of a Special Resolution in general meeting.

- (b) Subject to the provisions of these Articles, the payment or repayment of money borrowed as aforesaid may be secured in such manner and upon such terms and conditions in all respects as the resolution of the Board shall prescribe including by the issue of bonds, perpetual or redeemable debentures or debenture-stock, or any mortgage, charge, hypothecation, pledge, lien or other security on the undertaking of the whole or any part of the property of the Company, both present and future. Provided however that the Board shall not, except with the consent of the Company in general meeting mortgage, charge or otherwise encumber, the Company's uncalled capital for the time being or any part thereof and debentures and other Securities may be assignable free from any equities between the Company and the Person to whom the same may be issued.
- (c) Any bonds, debentures, debenture-stock or other Securities may if permissible in law be issued at a discount, premium or otherwise by the Company and shall with the consent of the Board be issued upon such terms and conditions and in such manner and for such consideration as the Board shall consider to be for the benefit of the Company, and on the condition that they or any part of them may be convertible into Shares of any denomination, and with any privileges and conditions as to the redemption, surrender, allotment of shares, appointment of Directors or otherwise. Provided that debentures with rights to allotment of or conversion into Shares shall not be issued except with, the sanction of the Company in general meeting accorded by a Special Resolution.
- (d) Subject to the provisions of the Companies Act and these Articles, if any uncalled capital of the Company is included in or charged by any mortgage or other security, the Board shall make calls on the shareholders in respect of such uncalled capital in trust for the Person in whose favour such mortgage or security is executed, or if permitted by the Companies Act, may by instrument under seal authorize the Person in whose favour such mortgage or security is executed or any other Person in trust for him to make calls on the shareholders in respect of such uncalled capital and the provisions hereinafter contained in regard to calls shall mutatis mutandis apply to calls made under such authority and such authority may be made exercisable either conditionally or unconditionally or either presently or contingently and either to the exclusion of the Board's power or otherwise and shall be assignable if expressed so to be.
- (e) The Board shall cause a proper register to be kept in accordance with the provisions of Section 85 of the Companies Act of all mortgages, debentures and charges specifically affecting the property of the Company; and shall cause the requirements of the Companies Act in that behalf to be duly complied with within the time prescribed under the Companies Act, or such extensions thereof as may be permitted under the Companies Act, as the case may be, so far as they are required to be complied with by the Board.
- (f) The Company shall, if at any time it issues debentures, keep a register and index (if applicable) of debenture-holders in accordance with Section 88 of the Companies Act. The Company shall have the power to keep in any State or Country outside India, a branch register of debenture-holders resident in that state or country.
- (g) Any capital required by the Company for its working capital and other capital funding requirements may be obtained in such form as decided by the Board from time to time.

27. PASSING RESOLUTIONS BY POSTAL BALLOT

- (a) Notwithstanding any of the provisions of these Articles, the Company may, and in the case of resolutions relating to such business as notified under the Companies (Management and Administration) Rules, 2014, as amended, or other law required to be passed by postal ballot, shall get any resolution passed by means of a postal ballot, instead of transacting the business in the General Meeting of the Company. Also, the Company may, in respect of any item of business other than ordinary business and any business in respect of which Directors or Auditors have a right to be heard at any meeting, transact the same by way of postal ballot.
- (b) Where the Company decides to pass any resolution by resorting to postal ballot, it shall follow the procedures as prescribed under Section 110 of the Companies Act and the Companies (Management and Administration) Rules, 2014, as amended from time.

28. ONE-THIRD OF DIRECTORS TO RETIRE EVERY YEAR

Subject to Article 11.1.1.4, at the Annual General Meeting of the Company to be held in every year, one third of such of the Directors as are liable to retire by rotation for time being, or, if their number is not three or a multiple of three then the number nearest to one third shall retire from office, and they will be eligible for re-election.

29. REPRESENTATIVE OF THE PROMOTERS.

- 29.1 Approval from Dr. Moopen will be a sufficient compliance if there are any requirements under these Articles to take approval from any member of the Promoter Group or the Promoter Group as a whole.
- 29.2 Dr. Moopen shall be the representative of the Promoter Group with respect to all decisions of the Promoter Group and in the event of death or incapacity of Dr. Moopen, his wife Mrs. Naseera Azad shall be authorized representative of the Promoter Group

30. CONSEQUENCES OF EVENT OF DEFAULT AND TERMINATION

- 30.1 Each of the following is an “**Event of Default**”:
 - 30.1.1 if any member of the Promoter Group and/ or the Company is in material breach of any of the terms/ provisions/ covenants/ undertakings of the Articles (including the occurrence of a Management Default); provided however that breach of any covenants with respect to compliance with laws of United States of America (undertaken on a best efforts basis) shall not be considered to be an Event of Default or
 - 30.1.2 if any representation or warranty made or given by any member of the Promoter Group or the Company in these Articles or the Agreement is materially incorrect ; or
 - 30.1.3 if UIPL, Dr. Moopen or any Group Entity or any part of its/ their assets or undertaking, is involved in or subject to any Insolvency Proceedings, has stopped or suspended payment of its debts, becomes unable to pay its debts or otherwise becomes insolvent in any relevant jurisdiction, is subject to a distress or execution or other process levied or enforced upon or sued out against a substantial part of the assets of a member of UIPL, Dr. Moopen or any Group Entity, or there are circumstances which require or would enable any Insolvency Proceedings to be commenced in respect of such Person or any part of its assets or undertaking; or
 - 30.1.4 if UIPL, Dr. Moopen or any Group Entity is the subject of any investigation, inquiry or enforcement proceedings or by any Governmental Authority which, in each case, has or is likely to have a material adverse effect on the Business.

A material breach for the purposes of this Article means a breach that, if such breach is capable of remedy, has not been remedied within thirty (30) days of service of a written notice from the Investors or the relevant counterparty to the relevant Person requiring that such breach be remedied, provided that any breach of Articles 8.9, 8.10.1, 22, 23, 11.2.3, 23.7, 23.8, 6, 7, 8.4 ,26, 32.3, 21 and 32.6 of these Articles and any persistent breach of any term/ provision/ covenant/ undertaking of these Articles shall be deemed to be material for the purposes of this Article.

- 30.2 Consequences of an Event of Default.

- 30.2.1 The Promoter Group and the Company covenant that they shall immediately upon (and in any event within seven (7) days of) any of them becoming aware of the occurrence of any Event of Default, notify each Investor in writing of such occurrence.
- 30.2.2 Without prejudice to Article 30.2.1 or any other provision of these Articles and the Agreement, each Investor shall as soon as reasonably practicable upon becoming aware of the occurrence of an Event of Default (and in any event prior to its exercise of any of its rights under Article 30.3 in relation to that Event of Default), notify the other Investor in writing of such occurrence.
- 30.3 In addition and without prejudice to, any other rights that any of the Investors may have under these Articles, under Applicable Law or under equity,
- 30.3.1 notwithstanding anything to the contrary in these Articles, with effect from the date of occurrence of an Event of Default and until fulfillment by the Promoter Group of all of its obligations under Article 30.2 and this Article 30.3, to the satisfaction of the Investors, without the prior written consent of each Investor, no member of the Promoter Group shall Transfer or otherwise dispose of any of the legal and beneficial right, title and interest in and to any of the Shares held, directly or indirectly, by it on the date of the occurrence of the relevant Event of Default; and
- 30.3.2 if an Event of Default occurs resulting in a claim under Section 17 of the Agreement, then, without prejudice to the rights of the Investors under these Articles or under law or equity, the Company and the Promoter Group shall immediately pay/ procure the simultaneous payment of, all sums due to each Investor thereunder, including interest on such sums from (and including) the date on which payment is due until (but excluding) the date of actual payment (after as well as before judgment) at an annual rate of twenty five percent (25%) which interest shall accrue from day to day and be compounded monthly.
- 30.4 Subject to Article 6.7.6, Article 6.8.6, Article 30.5, Article 30.6, Article 30.7 and Article 31.3:
- 30.4.1 Upon an Investor (together with its Affiliates) ceasing to hold at least ten percent (10%) of the Issued Share Capital, the rights of such Investor under the following Articles shall terminate:
- 30.4.1.1 the right of such Investor to appoint any Directors under Article 11.1.1 and affirmative rights of such Investor's Investor Director(s) under Article 11.2.3 on Reserved Matters;
 - 30.4.1.2 the right of such Investor to appoint an Investor Observer under Article 11.1.4;
 - 30.4.1.3 affirmative rights of such Investor under Article 23.7 on Reserved Matters; and
 - 30.4.1.4 in the case of the New Investor, its Drag-Along Right under Article 36.6.1;
 - 30.4.1.5 the rights of such Investor under Article 6.2 (Non-Disposal undertaking from the Promoter Group);
 - 30.4.1.6 the rights of first offer of such Investor under Article 6.4 with respect to any proposed Transfer of Shares by any member of the Promoter Group;
 - 30.4.1.7 the rights of first offer of such Investor under Article 6.7 with respect to any proposed Transfer of Shares by the other Investor and the obligations of such Investor to the Promoter Group and the other Investor under Article 6.7 with respect to any proposed Transfer of Shares by such Investor;
 - 30.4.1.8 the tag-along rights of such Investor under Article 6.8 with respect to any proposed Transfer of Shares by the other Investor and the obligations of such Investor to the other Investor under Article 6.8 with respect to any proposed Transfer of Shares by such Investor;
 - 30.4.1.9 subject to the Article 14.4.3, the restrictions on other investments by such Investor under Article 14.4.2;
 - 30.4.1.10 the access and inspection rights of such Investor under Article 9;
 - 30.4.1.11 in the case of the Existing Investor, its right to consent to the New Investor's exercise of the Drag Along Right under Article 36.6 if exercised by virtue of a Major Management Default prior to the sixth (6th) anniversary of the Effective Date; and
 - 30.4.1.12 in the case of the New Investor, its Right of Liquidation under Article 36.7.
- 30.4.1A The rights provided to Rimco under the Articles 6.5, 6.11, 8.1 and 11.1.1.3 shall automatically cease on the date on which the Company receives the final listing and trading approvals from the stock exchanges where it proposes to list its Shares.
- 30.4.1B Without prejudice to Article 30.4.1A, upon Rimco ceasing to hold at least ten percent (10%) of the Issued Share Capital, the rights and obligations of Rimco to appoint a nominee director under Article 11.1.1.3 shall terminate.

30.4.1BC Without prejudice to Article 30.4.1A, upon Rimco ceasing to hold at least two percent (2%) of the Issued Share Capital, the information rights of Rimco granted under Article 8.1 (with the exception of Articles 8.1.1, 8.1.2 and 8.1.5 (but only as to Article 8.1.5 with respect to information required to pursue any indemnification claim hereunder)) shall terminate.

30.4.2 upon an Investor (together with its Affiliates) ceasing to hold at least two percent (2%) of the Issued Share Capital, the information rights of such Investor under Article 8.1 (with the exception of sub-articles 8.1.1, 8.1.2 and 8.1.6 thereof (but only as to Article 8.1.6 with respect to information required to pursue any indemnification claim hereunder)) shall terminate.

Provided however that, notwithstanding the provisions of this Article 30.4.3, if the shareholding of the New Investor and/or Indium falls below 2% of the Issued Share Capital on account of (i) the conversion of the Series A CCPS in accordance with the terms thereof or the Share Subscription Agreement Round 2, prior to and in pursuance of a Qualified IPO or Investors' Qualified IPO or Round 2 Qualified IPO or Round 2 Investors' Qualified IPO, or (ii) further issue or allotment of Securities, by the Company, or (iii) restructuring of Issued Share Capital of the Company, then such Investor(s) shall continue to be entitled to the information rights under Article 8.1 until the completion of the earlier of (a) Qualified IPO; (b) Investors' Qualified IPO; (c) Round 2 Qualified IPO; and (d) Round 2 Investors' Qualified IPO, as the case may be.

30.4.3 in the event of any Party Shareholder ceasing to hold Shares at any time, (a) the rights and obligations of that Party Shareholder under these Articles and the Agreement shall terminate except as otherwise expressly provided herein (e.g., Article 36.6.7 and Article 21 and (b) the share in Dr. Moopen's FZC acquired by such Investor under the FZC Purchase Agreement shall be transferred (if such Investor is entitled to assign under Article 28.6) to the third party transferee (or its Affiliates) to whom Shares have transferred by any of such Investors or their Affiliates or (ii) if such Investor is not entitled to assign under Article 28.6, to AHPL or the Company or any of the Subsidiaries of the Company.

30.4.4 following the consummation of a sale pursuant to exercise of the Drag Along Right under Article 36.6 resulting in a change in Control, the rights and obligations of the Promoter Group or the Investors under these Articles and the Agreement shall terminate except with respect to the obligations under Articles 22, Article 32.6.7 and Article 21

30.4.5 following the eighth (8th) anniversary of the Agreement, if the Company has not consummated a Qualified IPO, so long as the Promoter Group has not committed a material breach of these Articles and the Agreement that has adversely affected the right of the New Investor to consummate a sale under Article 36.6 (Drag Along), the obligations of the Promoter Group under Article 6.2 shall terminate (without prejudice to the rights of the Investors under Article 6.4 and Article 6.5).

It is clarified and agreed that termination as to any Shareholder under this Article 14.4 shall not result in a termination of the rights and/ or obligations of any other Shareholder under these Articles except as expressly provided in Article 14.4.

30.5 Exception: The threshold in Articles 30.4.1.3 and 30.4.1.4 shall be reduced to eight percent (8%) if the reduction in the shareholding of any Investor is solely a result of an increase in the number of outstanding Shares or other Securities in the Company. For the purpose of avoidance of doubt, in case of sale / Transfer / assignment of any Shares by the Investors at any time after the Effective Date, the threshold in Articles 30.4.1.3 and 30.4.1.4 shall be reset from eight percent (8%) to ten percent (10%) of the Issued Share Capital.

30.6 Qualified IPO, Round 2 Qualified IPO, Investors' Qualified IPO and Round 2 Investors' Qualified IPO. In connection with the consummation of a Qualified IPO, Round 2 Qualified IPO, Investors' Qualified IPO or Round 2 Investors' Qualified IPO, the rights and obligations of the Investors under the following Articles shall terminate: Article 7 (Ratchet rights); Article 36.6 (Drag Along), Article 36.7 (Right of Liquidation). In the event the rules or regulations of the stock exchange and Applicable Law upon which any Qualified IPO, Round 2 Qualified IPO, Investors' Qualified IPO or Round 2 Investors' Qualified IPO occurs preclude the post-offering survival of one or more other provisions of these Articles (including without limitation the affirmative voting rights related to Reserved Matters), the Party Shareholders shall negotiate in good faith an amendment to these Articles complying with such rules but maintaining to the maximum extent permissible the rights of the Investors hereunder; provided, that (i) the Party Shareholders shall negotiate in good faith a reduction to the list of affirmative voting rights related to the Reserved Matters taking into consideration the facts and circumstances of the Qualified IPO, Round 2

Qualified IPO, Investors' Qualified IPO or Round 2 Investors' Qualified IPO, (ii) the Party Shareholders shall negotiate in good faith the process and mechanism in relation to the rights of Investor under Articles 6.4, 6.5 and 6.11.2, (iii) the Party Shareholders shall negotiate in good faith the process and mechanism in relation to the rights of Promoter Group under Article 6.7 and (iv) that following an Qualified IPO, Round 2 Qualified IPO, Investors' Qualified IPO or Round 2 Investors' Qualified IPO, the rights of the Investors hereunder shall not be assigned to transferees of Investor Shares.

31. CONFIDENTIALITY

- 31.1 Each of the Promoter Group, the Company, the Existing Investor, the New Investor and Indium shall not disclose any information ("**Confidential Information**") obtained by them in relation to the others (the "**Receiving Party**") which is, or would reasonably be perceived to be, proprietary to any of the other and/or the Group Entities (the "**Designated Party**") or otherwise confidential, without the prior written consent of the Designated Party; provided that any information shall not be deemed proprietary or confidential if: (i) such information is now or subsequently becomes publicly known or available by publication, commercial use or otherwise, through no fault of the Receiving Party; (ii) such information was previously known by the Receiving Party at the time of disclosure from a source other than the Designated Party without violation of an obligation of confidentiality; (iii) such information is independently developed by the Receiving Party without the use of any confidential or proprietary information; (iv) such information is lawfully obtained by the Receiving Party from a third party without violation of a confidentiality obligation; or (v) the Designated Party agrees in writing that such information may be disclosed by the Receiving Party.
- 31.2 Notwithstanding Article 31.1 above the Receiving Party may disclose Confidential Information: (i) to its professional advisers including legal, financial and tax advisers (provided that such information is disclosed subject to the confidentiality obligations of this Article 21); (ii) in case of an Investor, to its Affiliates and its and their respective officers, lenders and other financing sources, limited partners, members, contributors, investment committee members, advisory board members, board of directors, shareholders, prospective transferees in connection with a possible Transfer of its Shares, parent companies, fund valuers, legal and other advisors, statutory auditors and/ or internal auditors (provided that information is disclosed subject to the confidentiality obligations of this Article 15); (iii) to the extent to which it is required to be disclosed pursuant to Applicable Law or Proceedings by any Governmental Authority or other similar requirements, provided that, wherever reasonably practicable the Designated Party is given prior written notice of such disclosure; (iv) in order to allow it to exercise and/ or enforce its rights hereunder (including, the exit rights of the Investors as described in Article 26); and (v) in accordance with the terms of these Articles and the Agreement.
- 31.3 Notwithstanding any other provision of these Articles and the Agreement, the rights and obligations of any of the Investor or member of the Promoter Group under this these Articles and the Agreement shall survive for two (2) years the date they cease to be a shareholder of the Company and/or any of the Group Entities.

32. NON-COMPETITION AND OTHER COVENANTS

- 32.1 The Group Entities shall be the exclusive vehicle of the Promoter Group for the Business, and no member of the Promoter Group will own any Shares or other Securities in any Group Entity except through the Company. It is hereby clarified that (a) any ownership of bare legal title up to 0.19% of the issued share capital in Dr. Moopen's FZC held by any member of the Promoter Group (beneficial interest in which has been assigned to the Company) and (b) any ownership by any member of the Promoter Group in the Medical College and Hospital at Wayanad (which is not a Group Entity) shall be excluded from the ambit of this Article.
- 32.2 Without prejudice to the terms of any employment agreement to which any member of the Promoter Group may be subject, for so long as either of the Investors holds at least 5% of the Issued Share Capital and for a period of two (2) years thereafter, each member of the Promoter Group directly or indirectly shall not and shall not assist any other Person (including any Promoter Connected Person) in any way (either personally or through an agent or representative) to:
- 32.2.1 undertake to carry on or be engaged or be concerned in or provide advisory, consulting or any other services to any business or entity engaged in a business or activity that directly competes with the Business or is identical to the Business to the Business (other than such business or activity outside of India and the GCC) (each, a "Covered Activity");

- 32.2.2 receive any financial benefit from any Covered Activity, whether as an employer, proprietor, partner, shareholder, investor, director, officer, employee, consultant, agent or otherwise;
- 32.2.3 except on behalf of any of the Group Entities, canvass or solicit orders for goods or services of a similar type to those being provided by any of the Group Entities from any Person who is a corporate customer of any of the Group Entities;
- 32.2.4 induce or attempt to induce, any physician or Key Employee of any of the Group Entities to leave the employment of or engagement with that Group Entity;
- 32.2.5 transfer use or disclose any client database, or Intellectual Property of any of the Group Entities or other know-how or other information pertaining to the customers or suppliers of any of the Group Entities, other than for the bona fide business needs of the Group Entities. Notwithstanding anything contained herein in this Article 32.2.5, it is understood and agreed that the “DM” trade name and the Company logo (as existing on the Completion Date) may be used by the DM Foundation and the Medical College at Wayanad (and, as may be approved by the Board from time to time, their associated entities as well as any other educational institutions promoted and/or controlled by Dr. Moopen), in each case under a personal, non-transferable, perpetual, irrevocable, royalty free license arrangement between the Company and such entity for so long as Dr. Moopen devotes substantially all of his business time, attention and abilities in promoting the business and interests of the Company and its Affiliates. It is understood and agreed that Dr. Moopen shall use his best efforts to procure that any use of the Company’s trade names and/or logo by any of the foregoing entities does not adversely impact the business or reputation of the Company;
- 32.2.6 induce or attempt to induce any supplier of any of the Group Entities to cease to supply, or to restrict or vary the terms of supply to, any of them.

Notwithstanding anything contained in these Articles, the obligations in this Article shall terminate (a) as to all members of the Promoter Group upon the expiry of two (2) years from the date on which the Promoter Group is no longer in Control of any Group Entity and (b) as to any member of the Promoter Group upon expiry of two (2) years from the date on which such member of the Promoter Group ceases to be a shareholder, directly or indirectly, in any Group Entity. For purposes of this Article 32.2, “Covered Activity” shall only apply to the Business conducted by the Group Entities at the time that (i) the share ownership of each Investor falls below 5% of the Issued Share Capital, (ii) the Promoter Group is no longer in Control of any Group Entity or (iii) the relevant member of the Promoter Group ceases to be a shareholder, directly or indirectly, in any Group Entity, as the case may be.

In addition, for a period of at least one (1) year following the consummation of a strategic sale of the Shares of the Company, if requested by the purchaser, Dr. Moopen will continue to provide services to the Company and the Group Entities commensurate with the services provided by Dr. Moopen prior to such sale and on the same terms and conditions of his employment/engagement as applicable prior to such sale and provide necessary transition services to the purchaser. It is clarified that the above mentioned one year period shall form part of and be included in the non-compete period of two (2) years to be set out in any employment/engagement agreement entered into by Dr. Moopen with the Company. It is further clarified for avoidance of any doubt that the provisions of Article 32.5 of these Articles shall apply to this obligation of Dr. Moopen.

32.3 For the purposes of Article 32.2, a Person is concerned in a business if:

- 32.3.1 it directly or indirectly carries it on as principal or agent; or
 - 32.3.2 it is a partner, director, employee, secondee, consultant or agent in, of or to any Person who carries on the business; or
 - 32.3.3 it has any direct or indirect financial or strategic interest (as shareholder or otherwise except as a holder, for investment purposes only, of not more than five percent (5%) of the issued share capital of any company listed on a national securities exchange or actively traded in a national over-the-counter market) in any Person who carries on the business.
- 32.4 Each of the restrictions in each sub-article or paragraph above shall be enforceable by the Investors and/or the Company independently of each of the others, and its validity shall not be affected if any of the others

is invalid; if any of the restrictions is void but would be valid if some part of the restriction were deleted, the restriction in question shall apply with such modification as may be necessary to make it valid.

- 32.5 The provisions of this Article 32 are no more extensive than is reasonable to protect the Company and the Investors as holders of Shares and that no additional compensation is payable (now or in future) for the obligations undertaken under this Article 32 to the Promoter Group or any Promoter Connected Person. The Promoter Group shall not claim (and shall make best efforts to ensure that any Promoter Connected Person shall not claim) and hereby waive any such right to claim any compensation by whatever name called in lieu of the obligations and covenants under this Article 32, whether in connection with a Transfer by the Investors or otherwise.
- 32.6 Any Intellectual Property developed by any member of the Promoter Group during the course of his/it's employment by or engagement with any Group Entity related to the Business shall absolutely belong to the Company (or a Group Entity designated by it), shall be absolutely assigned to the Company (or a Group Entity designated by it) free of cost and shall belong to the Company (or a Group Entity designated by it), and that it shall not assert any Moral Rights or any other rights, benefits or claims whatsoever in respect of any such Intellectual Property.

33. RELATED PARTY TRANSACTIONS

Subject to applicable law and without prejudice to the rights of Investors with respect to Reserved Matters, all transactions entered into by any Group Entity with any Related Party (excluding transactions between or among the Company and its Subsidiaries) after the Effective Date shall be (a) on an arm's length basis in accordance with policies and procedures reflecting good corporate governance and (b) presented to the Board with all facts and shall require prior approval of the Board. Notwithstanding the foregoing, neither the prior approval of the Board nor the prior approval of any Investor as a Reserved Matter shall be required for any arm's length Contract or transaction with any Related Party in connection with the opening of any clinic or pharmacy to the extent that (a) total payments to such Related Party with respect to such Contract or transaction do not exceed ₹50,00,000 (Indian Rupees Fifty Lakhs) and (b) total payments to all Related Parties with respect to all such Contracts and transactions in any financial year do not exceed ₹3,00,00,000 (Indian Rupees Three Crores) in aggregate. The Company shall provide the Investors notice of all such Related Party Contracts and transactions pursuant to Article 8.1.10. The Investors shall be notified of any benefit that any Shareholder, any Affiliate of a Shareholder, any member of the Promoter Group or any Promoter Connected Person derives from any transaction or business dealing in breach of this Article 33 (whether such breach is intentional or inadvertent), and such benefit (or an equivalent monetary amount), to the extent any benefit was received, shall be forthwith paid to the relevant Group Entity.

34. THE SEAL

- 34.1 The Board shall provide for the safe custody of the seal.
- 34.2 Subject to Applicable Law, the seal of the Company shall not be affixed to any instrument except in the presence of one Director or person authorised by the Board. The authorised Director or such person authorised by the Board, shall sign every instrument, which is required to bear the seal, to which the seal of the Company is so affixed in his presence. The seal of the Company may be used outside India.

35. WINDING UP

Subject to other provisions of these Articles:

- 35.1 In the event of winding up, of the Company, the liquidator may, with the sanction of a special resolution passed by the Shareholders and any other sanction required under the Companies Act, divide amongst the Shareholders, in specie or kind the whole or any part of the assets of the Company, whether they shall consist of property of the same kind or not.
- 35.2 For the purpose aforesaid, the liquidator may set such value as he deems fair, subject to the Applicable Laws, upon any property to be divided as aforesaid and may determine how much division shall be carried out as between the Shareholders or different classes of the Shareholders.

36. EXIT

- 36.1 Qualified IPO:

- 36.1.1 The Promoter Group and the Company undertake to the Investors that they will exercise their best efforts to ensure the Company will complete a Qualified IPO on or prior to the Qualified IPO Target Date.
- 36.1.2 The Qualified IPO will be based on the advice of the QIPO Investment Bank(s) and shall be structured so as to maximise value to the Shareholders and the valuation of the Group Entities. Subject to Articles 23.7, the Company shall, and the Promoter Group shall procure that the Company shall, carry out any restructuring of the corporate structure or Business of the Group Entities which may be recommended by the QIPO Investment Banker for the purposes of facilitating a Qualified IPO and the Investors' sale of the Investor Shares following the Qualified IPO.
- 36.1.3 In relation to the QIPO Investment Bank(s), the Company shall engage the QIPO Investment Bank(s) at the cost of the Company.
- 36.1.4 The Company shall, and the Promoter Group shall procure that the Company shall, provide each Investor with, (i) regular updates on the Qualified IPO process, including any updates of the reasonably anticipated date on which any draft or final red herring prospectus/ offer document is to be filed with any Governmental Authority at least seven (7) days prior to such filing and updates on any change to such reasonably anticipated date immediately upon becoming aware thereof, (ii) copies of every draft and final red herring prospectus/ offer document filed with any Governmental Authority at least two (2) days prior to such filing, (iii) an indicative timetable for the Qualified IPO, and (iv) indicative valuations of the Company (for the Qualified IPO) as soon as these are available.
- 36.1.5 The Qualified IPO shall be structured in a way such that none of the Investors will be considered as, or deemed to be, a

"promoter", and none of the Investor Shares of any of the Investors will be considered as, or deemed to be, "promoter shares" under Applicable Laws with respect to public offerings (including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), and subject to Applicable Law, the Qualified IPO shall be undertaken in a manner that does not result in the imposition of any lock-in/ moratorium in respect of any dealing in Shares of the Company by any of the Investors.
- 36.1.6 The Company shall, and the Promoter Group shall procure that the Company shall, make at its own cost any and all applications to statutory and regulatory authorities which may be required to ensure that the Investor Shares are not subject to any such statutory or regulatory lock-in/ moratorium.
- 36.1.7 None of the Investors shall be required to give any representation, warranty or indemnity whatsoever in connection with the Qualified IPO, including to the QIPO Investment Bank(s), other than that the Shares, if any, offered for sale by that Investor in the Qualified IPO, have clear title.
- 36.1.8 To the extent that an Investor Director, is required under mandatory Applicable Law to give any other representation, warranty, indemnity or covenant (collectively, "**Director Undertaking**") in connection with the Qualified IPO, the Company shall be liable to in turn secure, reimburse, indemnify, defend and hold harmless the Investor Directors on demand, from and against any and all loss, damage, liability or other cost or expenses whatsoever arising out of, in relation to or resulting from such Director Undertaking.
- 36.1.9 The Qualified IPO may be effected through:
- 27.1.9.1 the issue of new Shares; and/or
- 27.1.9.2 an offer for sale of existing Shares.
- 36.1.10 The minimum number of Shares to be offered to the public under the Qualified IPO shall be the minimum number (the "**Minimum Number of Shares**") (i) required to obtain a listing of the Shares on the relevant recognised stock exchange under Applicable Law, (ii) required to raise net proceeds at a price per Share not less than the Qualified IPO Target Price, and (iii)

that constitutes at least twenty five percent (25%) of the Issued Share Capital (or such other lower percentage as may be prescribed by Applicable Law).

- 36.1.11 The additional capital requirement for the Company shall be estimated and presented to the Board for approval. The Company shall issue a number of new Shares in the Qualified IPO sufficient to meet the additional capital requirement approved by the Board.
- 36.1.12 In the event of an offer for sale of existing Shares, then, subject to the proviso below, each Investor shall have the right (and the Promoter Group and the Company shall ensure that each Investor shall be entitled) to offer up to all of its Investor Shares in the offer for sale and, the Promoter Group shall have the right to offer up to five percent (5%) of the Issued Share Capital immediately prior to the Qualified IPO in the following order of priority:
- (i) first, the Investors shall have the right to offer up Investor Shares (in proportion to their respective Investor Proportionate Shares) up to an amount that will generate net proceeds to the Investors equal to ₹2,500,000,000;
 - (ii) second, the Promoter Group shall have the right to offer up Shares constituting five percent (5%) of the Issued Share Capital immediately prior to the Qualified IPO; and
 - (iii) third, the Investors shall have the right to offer up the remainder of the Investor Shares (in proportion to their respective Investor Proportionate Shares);

provided, that in any event, the number of shares that shall be offered for sale in the Qualified IPO shall not exceed the maximum number of Shares that the QIPO Investment Banks determine, in consultation with the Investors, the Promoter Group and the Company, can be offered without adversely affecting the likelihood of success of the Qualified IPO.

- 36.1.13 In connection with such offer for sale of existing Shares, in the event the Investors do not exercise their rights pursuant to Article 36.1.12 to offer such number of Shares that, together with the Shares to be issued by the Company pursuant to Article 36.1.11, meets or exceeds the Minimum Number of Shares, then the remaining Shares shall be offered by the Shareholders in proportion to their then inter-se shareholding in the Company. Nothing contained in Article 6.4, 6.5, 6.7, 6.9 and/or Article 6.8 shall apply to any transfer of Shares of any member of the Promoter Group and/or the Investors in the Qualified IPO and in accordance with Article 36.1.12 and this Article 36.1.13.
- 36.1.14 The costs and expenses relating to the Qualified IPO (including merchant bankers' fees, statutory fees, registration fees and brokerage, discount, underwriting, selling and distribution costs) shall be borne by the Company whether such Qualified IPO is effected through the issue of new Shares and/ or offer for sale of existing Shares (including the Investor Shares).
- 36.1.15 Upon consummation of the Qualified IPO, the shares in Dr. Moopen's FZC acquired by the Investors or their Affiliate under the FZC Purchase Agreement shall be transferred to AHPL or the Company or the Subsidiaries of the Company, in accordance with the terms of such agreement.

36.2 Right of first refusal over IPO Sale Shares of Existing Investor and New Investor:

- 36.2.1 In the event the Existing Investor and/or the New Investor exercises its/their right under Article 36.2 of these Articles and requires the Company to complete an Investors' Qualified IPO, then along with a notice to the Company as provided under Article 36.2.1, the Existing Investor and/or the New Investor shall send a notice of sale to the Promoter Group offering all or part of Round 1 Investor Shares ("**IPO Notice**"). The IPO notice should also mention the price (which shall not be lower than the price determined by QIPO Investment Bank(s) appointed by the Board ("**IPO Price**"). Within fifteen (15) days from the receipt of the IPO Notice ("**Purchase Period**"), the Promoter Group may make an offer to purchase all the Round 1 Investor Shares that are offered by the Existing Investor and/or the New Investor in the IPO Notice ("**IPO Sale Shares**") at a price not lower than the IPO Price by issuing a notice to the Existing Investor and/or the New Investor ("**Purchase Notice**"). Each Purchase Notice shall constitute an irrevocable offer, by the Promoter Group for the purchase of the IPO Sale Shares from the Existing Investor and/or the New Investor at the IPO Price. In the event the New

Investor and/or the Existing Investor exercises its/their right to offer part of the Round 1 Investor Shares in the IPO Notice or the Promoter Group is willing to buy all the Round 1 Investor Shares under this Article 36.2., the right of the New Investor and/or the Existing Investor and the obligation of the Promoter Group under Article 36.3 in relation to Round 2 Qualified IPO shall not be affected or prejudiced in any manner whatsoever. It is further clarified that in case of partial offer of the Round 1 Investor Shares in the aforementioned IPO Notice, and subsequently the Existing Investor and/or the New Investor exercise its/their right under Article 36.3 of these Articles, then the process under this Article 36.2 shall be repeated for the balance Round 1 Investor Shares.

36.2.2 The Promoter Group shall, directly or through a nominee, complete the purchase of all of the IPO Sale Shares within a period of sixty (60) days from the date of issuance of the Purchase Notice. The Existing Investor and/or the New Investor shall sell the IPO Sale Shares to the Promoter Group (together with all legal and beneficial interest therein and free from all Liens), by the delivery of duly executed transfer forms together with the original share certificates in respect of such IPO Sale Shares simultaneously against receipt of the total IPO Price for the IPO Sale Shares. The Existing Investor and/or the New Investor shall not be obligated to provide any representations and warranties other than those relating to title to the IPO Sale Shares. All the cost and expenses including stamp duty for the purchase of the IPO Sale Shares shall be borne by the Promoter Group or the transferee, as the case may be.

36.2.3 If (a) the Promoter Group does not issue the Purchase Notice within the Purchase Period, or (b) the Promoter Group fails to purchase all the IPO Sale Shares within sixty (60) days from the date of issuance of the Purchase Notice, or (c) the Promoter Group communicates within the Purchase Period its intention not to purchase all the IPO Sale Shares, the Existing Investor and/or the New Investor shall be entitled to exercise its/their right to require the Company to undertake Investors' Qualified IPO as per terms of Article 36.3 and the Promoter Group and the Company shall comply with the same. Provided, however, if the Existing Investor and/or the New Investor require the Company to undertake Investors' Qualified IPO at a price lower than the IPO Price, the process under this Article 36.2 shall be repeated.

36.3 Investors' Qualified IPO. In the event that for any reason whatsoever the Company does not complete the Qualified IPO by the Qualified IPO Target Date, then in addition and without prejudice to any of the other rights that any of the Investors may have under these Articles:

36.3.1 The New Investor and/or the Existing Investor shall be entitled at any time thereafter (by notice in writing to the Company) to require the Company to complete an Initial Public Offering by way of issue of new Shares or an offer for sale of such number of its Investor Shares which results in the listing and commencement of trading of the Shares on a recognised stock exchange acceptable to the New Investor and the Existing Investor ("**Investors' Qualified IPO**") on such terms as the Existing Investor and/or the New Investor may in their sole discretion determine from time to time and communicate to the Company by notice in writing. The right of the Existing Investor and the New Investor under this Article 36.3. is subject to the provisions of Article 36.2.

36.3.2 The Promoter Group and the Company shall provide all necessary assistance to achieve the Investors' Qualified IPO. In particular, but without limitation, the Promoter Group and the Company agree to:

- i. appoint the QIPO Investment Bank(s) selected by the Investors (by notice in writing to the Company) to advise on, manage and implement, the Investors' Qualified IPO, such appointment to occur within three (3) months of delivery of such notice to the Company;
- ii. provide all necessary information and access to the records and materials of the Company to the QIPO Investment Bank(s) selected by the Investors and permit such QIPO Investment Bank(s) to carry out all necessary tasks to enable such QIPO Investment Bank(s) and the Investors to agree on the terms of the Investors' Qualified IPO; and
- iii. exercise their voting rights in favor of any resolution or other matter required to be passed by the Board or at any Shareholders Meeting which are necessary for completion of the Investors' Qualified IPO.

- 36.3.3 All costs relating to exercise of Investor's rights under this Article 36.3 (including without limitation to the fees of the Investor-selected QIPO Investment Bank(s)) shall be borne and paid by the Company.
- 36.3.4 The provisions of Article 36.1.2 to 36.1.15 and all rights and privileges available to the Investors pursuant thereto in respect of the Qualified IPO shall apply *mutatis mutandis* to the Investors' Qualified IPO.

36.4 Round 2 Qualified IPO

- 36.4.1 The Promoter Group and the Company shall exercise their best efforts to ensure the Company will complete a Round 2 Qualified IPO on or prior to the Round 2 Qualified IPO Target Date.
- 36.4.2 The Round 2 Qualified IPO will be based on the advice of the Round 2 QIPO Investment Bank(s) and shall be structured so as to maximise value to the Shareholders and the valuation of the Group Entities. Subject to Article 23.7 (only applicable to the New Investor and the Existing Investor), the Company shall, and the Promoter Group shall procure that the Company shall, carry out any restructuring of the corporate structure or Business of the Group Entities which may be recommended by the Round 2 QIPO Investment Banker for the purposes of facilitating the Round 2 Qualified IPO and sale of the Investor Shares following the Round 2 Qualified IPO.
- 36.4.2 In relation to the Round 2 QIPO Investment Bank(s), the Company shall engage the Round 2 QIPO Investment Bank(s) at the cost of the Company.
- 36.4.3 The Company shall, and the Promoter Group shall procure that the Company shall, provide the Investors with, (i) regular updates on the Round 2 Qualified IPO process, including any updates of the reasonably anticipated date on which any draft or final red herring prospectus/ offer document is to be filed with any Governmental Authority at least seven (7) days prior to such filing and updates on any change to such reasonably anticipated date immediately upon becoming aware thereof, (ii) copies of every draft and final red herring prospectus/ offer document filed with any Governmental Authority at least two (2) days prior to such filing, (iii) an indicative timetable for the Round 2 Qualified IPO, and (iv) indicative valuations of the Company (for the Round 2 Qualified IPO) as soon as these are available.
- 36.4.4 The Shareholders shall be bound by the following provisions:
- 36.4.4.1 the Round 2 Qualified IPO shall be structured in a way such that the Investors shall not be considered as, or deemed to be, a "promoter", and none of the Investor Shares shall be considered as, or deemed to be, "promoter shares" under Applicable Laws with respect to public offerings (including the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), and subject to Applicable Law, the Round 2 Qualified IPO shall be undertaken in a manner that does not result in the imposition of any lock-in/ moratorium in respect of any dealing in the Investor Shares of the Company by the Investors;
- 36.4.4.2 the Company shall, and the Promoter Group shall procure that the Company shall, make at its own cost any and all applications to statutory and regulatory authorities which may be required to ensure that the Investor Shares are not subject to any such statutory or regulatory lock-in/ moratorium;
- 36.4.4.3 the Investors shall not be required to give any representation, warranty or indemnity whatsoever in connection with the Round 2 Qualified IPO, including to the Round 2 QIPO Investment Bank(s), other than that the Investor Shares, if any, offered for sale by the Investors in the Round 2 Qualified IPO, have clear title; and
- 36.4.4.4 to the extent that an Investor Director, is required under mandatory Applicable Law to give any other representation, warranty, indemnity or covenant (collectively, "Director Undertaking") in connection with the Round 2 Qualified IPO, the Company shall be liable to in turn secure, reimburse, indemnify, defend and hold harmless the Investor Director on demand, from and against any and all loss, damage, liability or other cost or expenses whatsoever arising out of, in relation to or resulting from such Director Undertaking.

36.4.5. Round 2 Qualified IPO may be effected through:

36.4.5.1 the issue of new Shares; and/or

36.4.5.2 an offer for sale of existing Shares.

36.4.6 The minimum number of Shares to be offered to the public under the Round 2 Qualified IPO shall be the minimum number (the “**Minimum Number of Shares**”) (i) required to obtain a listing of the Shares on the relevant recognised stock exchange under Applicable Law, (ii) required to raise net proceeds at a price per Share not less than the Round 2 Qualified IPO Target Price, and (iii) that constitutes at least twenty five percent (25%) of the Issued Share Capital (or such other lower percentage as may be prescribed by Applicable Law).

36.4.7 The additional capital requirement for the Company shall be estimated and presented to the Board for approval. The Company shall issue a number of new Shares in the Round 2 Qualified IPO sufficient to meet the additional capital requirement approved by the Board.

36.4.8 In the event of an offer for sale of existing Shares, then, subject to the proviso below, the Investors shall have the right (and the Promoter Group and the Company shall ensure that the Investors shall be entitled) to offer up to all of their respective Investor Shares in the offer for sale and, the Promoter Group shall have the right to offer up to five percent (5%) of the Issued Share Capital immediately prior to the Round 2 Qualified IPO in the following order of priority:

- (i) first, the Investors shall have the right to offer up their respective Investor Shares (in proportion to their respective Investor Proportionate Share) up to an amount that will generate net proceeds to the Investors equal to ₹4,000,000,000;
- (ii) second, the Promoter Group shall have the right to offer Shares constituting five percent (5%) of the Issued Share Capital immediately prior to the Round 2 Qualified IPO; and
- (iii) third, the Investors shall have the right to offer up the remainder of the Investor Shares (in proportion to their respective the Investor Proportionate Share);

provided, that in any event, the number of shares that shall be offered for sale in the Round 2 Qualified IPO shall not exceed the maximum number of shares that the Round 2 QIPO Investment Banks determine, in consultation with the Investors, the Promoter Group and the Company, that can be offered without adversely affecting the likelihood of success of the Round 2 Qualified IPO.

36.4.9 In connection with such offer for sale of existing Shares, in the event the Investors do not exercise their rights pursuant to Article 36.1.12 to offer such number of the Investor Shares that, together with the Shares to be issued by the Company pursuant to Article 19.1B.8, meets or exceeds the Minimum Number of Shares, then the remaining Shares shall be offered by the Shareholders in proportion to their then inter-se shareholding in the Company. Nothing contained in Article 6.4, 6.5, 6.7, 6.8 (only applicable to New Investor and Existing Investor) and/or Article 7.9 (only applicable to New Investor and Indium) shall apply to any transfer of Shares of any member of the Promoter Group and/or the Investors in the Round 2 Qualified IPO and in accordance with Article 36.1.12 and this Article 36.1.13.

36.4.10 The costs and expenses relating to the Round 2 Qualified IPO (including merchant bankers’ fees, statutory fees, registration fees and brokerage, discount, underwriting, selling and distribution costs) shall be borne by the Company whether such Round 2 Qualified IPO is effected through the issue of new Shares and/ or offer for sale of existing Shares (including the Investor Shares).

36.4.11 Upon consummation of the Round 2 Qualified IPO, the shares in Dr. Moopen’s FZC acquired by any Investor or its Affiliate under the FZC Purchase Agreement shall be transferred to AHPL or the Company or the Subsidiaries of the Company, in accordance with the terms of such agreement.

36.5 Round 2 Investors’ Qualified IPO. In the event that for any reason whatsoever the Company does not complete the Round 2 Qualified IPO by the Round 2 Qualified IPO Target Date, then in addition and without prejudice to any of the other rights that any of the Investors may have under these Articles,;

- 36.5.1. Each of the Investors shall be entitled at any time thereafter (by notice in writing to the Company) to require the Company to complete an Initial Public Offering by way of issue of new Shares or an offer for sale of such number of their respective Investor Shares which results in the listing and commencement of trading of the Shares on a recognised stock exchange acceptable to the Investors ("**Round 2 Investors' Qualified IPO**") on such terms as the Investors may in their sole discretion determine from time to time and communicate to the Company by notice in writing.
- 36.5.2 The Promoter Group and the Company shall provide all necessary assistance to achieve the Round 2 Investors' Qualified IPO. In particular, but without limitation, the Promoter Group and the Company shall:
- 36.5.2.1 appoint the Round 2 QIPO Investment Bank(s) selected by the Investor (by notice in writing to the Company) to advise on, manage and implement, the Round 2 Investors' Qualified IPO, such appointment to occur within three (3) months of delivery of such notice to the Company;
 - 36.5.2.2 provide all necessary information and access to the records and materials of the Company to the Round 2 QIPO Investment Bank(s) selected by the Investors and permit such Round 2 QIPO Investment Bank(s) to carry out all necessary tasks to enable such Round 2 QIPO Investment Bank(s) and the Investors to agree on the terms of the Round 2 Investors' Qualified IPO; and
 - 36.5.2.3 exercise their voting rights in favor of any resolution or other matter required to be passed by the Board or at any Shareholders Meeting which are necessary for completion of the Round 2 Investors' Qualified IPO.
 - 36.5.2.4 All costs relating to exercise of the Investors' rights under this Article 19.2B (including without limitation to the fees of the Investors-selected Round 2 QIPO Investment Bank(s)) shall be borne and paid by the Company.
 - 36.5.2.5 The provisions of Articles 36.5.2 to 36.5.12 and all rights and privileges available to the Investors pursuant thereto in respect of the Round 2 Qualified IPO shall apply mutatis mutandis to the Round 2 Investors' Qualified IPO.
- 36.6 Drag Along: In addition and without prejudice to, any other rights that the New Investor may have under these Articles and the Agreement, under Applicable Law or under equity, at any time following the earliest to occur of (a) a material breach (as such term is defined in Article 30.1), (b) a Major Management Default and (c) the fourth (4th) anniversary from the Round 2 Completion Date, the following shall apply:
- 36.6.1 The New Investor shall have the right, exercisable in its sole discretion, to sell all or a portion of its Investor Shares to one or more Persons (collectively, the "**Drag Purchaser**") without regard to any restrictions contained in these Articles (including, for avoidance of doubt, any Restricted Purchaser).
 - 36.6.2 In connection with any such sale of all (but not less than all) of its Investor Shares, the New Investor shall have the right ("**Drag Along Right**"), exercisable in its sole discretion by written notice (the "**Drag Notice**") to the Promoter Group, to require the Promoter Group compulsorily to sell to the Drag Purchaser such number of its Shares (the "**Drag Promoter Group Shares**") that, together with all of the Investor Shares then held by the New Investor, would constitute up to fifty one percent (51%) of the Shares, calculated on a fully diluted basis, at the same price and on the same terms as the New Investor is selling its Investor Shares to the Drag Purchaser.
 - 36.6.3 Upon receipt of a Drag Notice from the New Investor, the Company and the Promoter Group shall be obligated to take all action required by the New Investor in a timely manner and in any event within such time periods as may be specified by the New Investor and/or the Drag Purchaser, in order to successfully complete the sale of the New Investor's Shares and the Drag Promoter Group Shares (the "**Total Drag Shares**") to the Drag Purchaser, free of Liens, including, voting in favour of/ procuring the approval of the Board (and/ or any relevant committee or sub-committee thereof) to the Transfer of the Total Drag Shares to the Drag Purchaser, expressly waiving any dissenter's rights or rights of appraisal or similar rights, delivering share certificates and executing and delivering the relevant share transfer forms, any certificates or other documents or representations or covenants required by the New Investor or the Drag Purchaser;

- 36.6.4 Nothing contained in Article 6.4 shall apply to any Transfer of Shares by a member of the Promoter Group under and in accordance with this Article 36.6. The provisions of Article 6.5 shall apply in this case and the procedure specified for exercise of tag along rights of the Investor in Article 7.5 shall also be followed.
- 36.6.5 Notwithstanding anything in this Article 36.6 to the contrary, the New Investor shall not exercise the Drag-Along Right by virtue of a Major Management Default prior to the fourth (4th) anniversary from the Round 2 Completion Date without the prior consent of the Existing Investor.
- 36.6.6 If the Promoter Group sells Shares pursuant to exercise of the Drag Along Right that results in a change in Control and the Existing Investor and /or Indium does not exercise its Tag-Along Right to sell all or any part of its Investor Shares, the Promoter Group shall no longer have any obligations to the Existing Investor and/or Indium under these Articles except for the obligations set forth in Article 21, Article 36.6.7 and Article 32.3.
- 36.6.7 Dr. Moopen shall, for a period of at least one (1) year following the consummation of a sale pursuant to exercise of the Drag Along Right that results in a change in Control, if requested by the Drag Purchaser, he will continue to provide services to the Company and the Group Entities commensurate with the services provided by Dr. Moopen prior to such sale and on the same terms and conditions of his employment/engagement as applicable prior to such sale and he shall provide necessary transition services to the Drag Purchaser. It is clarified that the above mentioned one (1) year period shall form part of and be included in the non-compete period of two (2) years to be set out in any employment/engagement agreement entered into by Dr. Moopen with the Company.
- 36.7 **Right of Liquidation.** In addition and without prejudice to, any other rights that the New Investor may have under these Articles, under Applicable Law or under equity, at any time following the earliest to occur of (a) a material breach (as such term is defined in Article 30.1) and (b) the sixth (6th) anniversary of the Effective Date, the following shall apply:
- 36.7.1 The New Investor shall have the right (the “**Right of Liquidation**”), exercisable in its sole discretion by written notice to the Company, to require the Company, the Promoter Group and the other Shareholders to cause the voluntary dissolution, liquidation or sale of all or substantially all of the assets of any one or more Group Entities (including without limitation shares in other Group Entities).
- 36.7.2 Upon receipt of a notice from the New Investor exercising the Right of Liquidation, the Company, the Promoter Group and the other Shareholders shall be obligated to take all action required by the New Investor in a timely manner and in any event within such time periods as may be specified by the New Investor, in order to successfully complete such liquidation(s), including, voting in favour of/procuring the approval of the Board (and/ or any relevant committee or sub-committee thereof) for related proposals, delivering evidence of title and executing and delivering transfer forms in favor of the purchaser(s) of the assets in question, any certificates or other documents or representations or covenants required by the New Investor or the purchaser(s).
- 36.7.3 Subject to Applicable Law, the proceeds from any voluntary or involuntary dissolution, liquidation, sale of substantially all of the Company's assets or winding-up of the affairs of the Company (including any liquidation or sale pursuant to this Article 36.7) shall, as to the Company, be distributed to the Shareholders on a pro rata basis based on their respective shareholding percentages in the Company and, as to any other Group Entity, be distributed to the shareholders of such Group Entity, without additional reserve for cash requirements.
- 36.8 The New Investor and Indium shall be entitled to the liquidation preference as stated in paragraph (B) of Schedule A hereto:

37. **STOCK RESTRICTION**

Subject to compliance with the provisions of Articles 23.7 with respect to Reserved Matters, in the event the majority of the Directors (including the Investor Directors) have approved any merger, consolidation, business combination, strategic sale or sale of a material portion of the assets of the Company (a “**Transaction**”), each minority Party Shareholder shall grant any necessary consents as may be reasonably determined by the Board to be necessary in order to effect such Transaction and shall approve and participate (to the extent required by the Board

and the Investors) in such Transaction by transferring such proportion of its Shares as the Board and the Investors may require, on the same terms as the other Shareholders.

38. GENERAL OBLIGATIONS

- 38.1 The Promoters, Promoter Group and the Existing Investor shall ensure that they, their representatives and proxies representing them at the general meetings of the shareholders of the Company shall at all times exercise their votes, act in such manner so as to comply with, and to fully and effectually implement the spirit, intent and specific provisions of these Articles.
- 38.2 The Shareholders shall not exercise their rights at a meeting of the Board or Shareholders, to prevent the exercise of any right of the other Shareholder that has been granted to such Shareholder pursuant to these Articles.
- 38.3 In the event any rights or more favourable terms are granted by the Company and/or the Promoter Group to any future equity investors which rights or terms are not available to the Investors pursuant to these Articles and/or the Agreement, such rights or terms shall also be available to the Investors. The rights of the Investors shall not be inferior to the rights of the other Shareholders and/or the Promoter Group. For this purpose, the Company and the Promoter Group shall provide the Investors with such information as may be required to enable the Investors to take a decision on the matter including making suitable amendments to the Memorandum, these Articles, the Agreement and any other agreement to which the Company or any member of the Promoter Group is party to ensure that the Investors are entitled to similar rights. Notwithstanding the foregoing to the contrary, nothing herein shall entitle the Existing Investor to rights specifically reserved to the New Investor herein (e.g., Drag Along Right, Right of Liquidation).
- 38.4 The Company and the Promoter Group shall procure that each Party Shareholder shall have equivalent rights to those set out in these Articles, in relation to each other Group Entity.
- 38.5 No right or obligation under these Articles may be assigned or Transferred by any member of the Promoter Group or by operation of law or otherwise without the prior written consent of each Investor other than in the case of transfer of rights and obligations to legal heirs at death. In the event of such transmission, all rights and obligations under these Articles shall continue.
- 38.6 Where an Investor (other than Indium) transfers fifty percent (50%) or more in number of the aggregate of the Shares held by it at the date of such transfer, all the accrued rights of that Investor under these Articles (whether as a Shareholder or otherwise) shall without any further act or deed automatically be assigned to the transferee upon execution by the transferee of a Deed of Adherence and shall, from the date of the transfer, solely be exercised by the transferee and at no point of time will that Investor and the transferee have or exercise any joint rights or privileges under these Articles with respect to the appointment of Board members or affirmative voting rights with respect to the Reserved Matters (it being understood that the Investor and such transferee may separately enter into agreements as among themselves as to their respective Shares with respect to affirmative voting rights, board representation, etc.); provided that, for avoidance of doubt, notwithstanding transferring such rights to such transferee, such Investor shall retain the rights of an Investor under these Articles in respect of its Shares not so transferred to the extent that they do not fall away pursuant to Article 30.4 of these Articles as a result of such transfer (but for the avoidance of doubt not the right to appoint a Board member, affirmative voting rights with respect to Reserved Matters, the Drag Along Right or the Liquidation Right). Further, to the extent that an Investor transfers less than fifty percent (50%) in number of the aggregate of the Shares held by it at the date of such transfer, such transferee shall not have any of the rights listed in Articles 30.4.1, and 30.4.2 of these Articles, regardless of the number of Shares transferred, but shall have the other rights under these Articles in respect of the transferred Shares. Where Indium transfers 100% of the aggregate of the Shares held by it at the date of such transfer, all the accrued rights of Indium under these Articles (whether as a Shareholder or otherwise) shall without any further act or deed automatically be assigned to the transferee upon execution by the transferee of a Deed of Adherence and shall, from the date of the transfer, solely be exercised by the transferee.
- 38.7 In addition, following the Qualified IPO or the Round 2 Qualified IPO, the rights of the Investors hereunder shall not be assigned to transferees of Investor Shares.
- 38.8 The provisions of Articles 11 and 12 and all rights and privileges available to the Investors pursuant thereto shall apply mutatis mutandis to all the other Group Entities.

- 38.9 Any amendment to the provisions incorporated into these Articles pursuant to the Third Supplement dated 06 May 2014 to the Agreement, to the extent such amendment to the provisions of the Articles relates to Indium, shall not be made without prior written consent of Indium.

SCHEDULE A – TERMS AND CONDITIONS OF SERIES A CCPS

Capitalised words and expressions used in this Schedule “A” to these Articles but not defined in these Articles shall have the same meaning as ascribed to the term in the Share Subscription Agreement Round 2.

The rights attached to the Series A CCPS allotted to under this Agreement are as follows:

(A1) Term of the Series A CCPS: Upon the expiry of the 9th Anniversary of the Round 2 Completion Date, the Series A CCPS shall be compulsorily converted into equity shares of the Company in the manner as set forth in Annexure A to Schedule “I” to the Share Subscription Agreement Round 2 (“**Series A CCPS Term**”).

(A) As to income

- (1) 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 (the “**Preference Dividend**”) at the rate of 0.00001% per cent per annum on the face value of the Series A CCPS, such Preference 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.
- (2) The right to Preference Dividend shall be cumulative, and the right to receive the Preference Dividend shall accrue to holders of the Series A CCPS whether the Preference Dividend is declared or not in any year.
- (3) If a Preference Dividend has been declared by the Company but has not been paid by the Conversion Date, the Preference Dividend shall be paid to the person(s) who held the Series A CCPS as at the date of declaration pro rata in accordance with the number of Series A CCPS held by them at the date of declaration.
- (4) If the Conversion Date falls within a period in respect of which a dividend is to be paid, each Share issued to the holder of the Series A CCPS on Conversion shall confer on the holder the right to receive a dividend with respect to all of such period and not part only.
- (5) 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. The amount of dividend so accrued shall be paid upon conversion of the Series A CCPS. The mechanism of such dividend payment is further detailed in Annexure A to Schedule “I” to the Share Subscription Agreement Round 2.

(B) As to capital

- (1) On a distribution of capital in the event of liquidation, dissolution or winding up of the Company, the distributable amount shall be applied as follows:
firstly, in paying to:
 - (a) The New Investor, an amount equal to the sum of Olympus Subscription Price (less any amount(s) that may have been received by the New Investor on sale of any Olympus Securities), the Olympus Purchase Price (less any amount(s) that may have been received by New Investor on sale of any Olympus Sale Shares) and any arrears and accruals of the unpaid (i) Preference Dividend on the Olympus CCPS, (ii) dividend on Olympus CCPS on as if converted basis and (iii) dividend on the Olympus Shares and Olympus First Tranche Sale Shares (“Olympus Liquidation Preference Amount”), provided however that if the Olympus Liquidation Preference Amount calculated under the preceding sentence of this sub-clause is less than the amount that the New Investor would have received as an equity shareholder in the Company (in proportion to its shareholding in the Company on a Fully Diluted Basis and as if converted basis calculated under B(1)(ii) below), then the New Investor shall be entitled to claim such higher amount as the Olympus Liquidation Preference Amount; and

- (b). Indium, an amount equal to the sum of Indium Subscription Price (less any amount(s) that may have been received by Indium on sale of any Indium Securities), the Indium Purchase Price (less any amount(s) that may have been received by Indium on sale of any Indium Sale Shares) and any arrears and accruals of the unpaid Preference Dividend on the Indium CCPS, (ii) dividend on Indium CCPS on as if converted basis, and (iii) dividend on the Indium Shares and Indium First Tranche Sale Shares held by Indium at such point of time ("Indium Liquidation Preference Amount"), provided however that if the Indium Liquidation Preference Amount calculated under the preceding sentence of this sub-clause is less than the amount that Indium would have received as a equity shareholder in the Company on a Fully Diluted Basis and as if converted basis (in proportion to its shareholding in the Company calculated under B(1)(ii) below) then Indium shall be entitled to claim such higher amount as the Indium Liquidation Preference Amount,
- (c) It is hereby clarified that the Olympus Liquidation Preference Amount and the Indium Liquidation Preference Amount shall include the following:
- I. whether or not the Preference Dividend has been earned or declared by the Company, calculated from the date of issue of the Series A CCPS until the date of commencement of liquidation, dissolution or winding up (as the case may be); and
 - II. dividend on Olympus CCPS and Indium CCPS on as if converted basis and dividend on Olympus Shares, and/or Indium Shares declared by the Company, calculated from the Olympus Completion Date and Indium Completion Date, respectively, until the date of commencement of liquidation, dissolution or winding up (as the case may be);
 - III. dividend on Olympus First Tranche Sale Shares and Indium First Tranche Sale Shares declared by the Company, calculated from the Olympus First Tranche Completion Date and Indium First Tranche Completion Date, respectively, until the date of commencement of liquidation, dissolution or winding up (as the case may be); (collectively referred to as "Investors Liquidation Preference") and
- (ii) secondly, in paying the Shareholders of the Company (excluding (a) Indium in respect of the Indium Securities and the Indium Sale Shares unless the Indium Liquidation Preference is to be calculated under this paragraph B(1)(ii) pursuant to the proviso of 1(i)(b) above and (b) the New Investor in respect of the Olympus Securities and the Olympus Sale Shares unless the Olympus Liquidation Preference is to be calculated under this paragraph B(1)(ii) pursuant to the proviso 1(i)(a) above) any balance distributable amount in proportion to its then shareholding of the Company.
- (2) In the event that any proceeds of distribution of capital on account of any liquidation, dissolution or winding up of the Company is less than the aggregate of the Olympus Liquidation Preference Amount and the Indium Liquidation Preference Amount, the proceeds available shall be distributed amongst Olympus and Indium in proportion to their inter se shareholding. For the purpose of computing of such inter se shareholding, only (a) the aggregate of the Olympus Securities and the Olympus Sale Shares (then held by Olympus) and (b) the aggregate of the Indium Securities and the Indium Sale Shares (then held by Indium) shall be considered.
- (3) The rights of the New Investor and Indium as set out in paragraph B (1) above, shall fall away after expiry of the 7th Anniversary from the Round 2 Completion Date. Provided however that, without prejudice to the foregoing but notwithstanding anything else contained in these Articles, the Agreement, the Share Subscription Agreement Round 2, the rights of the New Investor and Indium as contained in paragraph B (1) of this Schedule "A" shall (a) not be transferable in respect of the Olympus Sale Shares, and the Indium Sale Shares and (b) be transferable in respect of the Olympus Shares, Olympus CCPS, the Indium Shares and the Indium CCPS until the expiry of the 4th Anniversary of the Round 2 Completion Date and not thereafter. Further, the New Investor and Indium agree and undertake that they shall ensure that in the event that the New Investor or Indium Transfer any of the Series A CCPS held by them to any Person, the New Investor and Indium shall take all commercially reasonable steps as may be necessary to give effect to the intent of the foregoing.

(C) As to Conversion

- (1) Each holder of a Series A CCPS shall be entitled to convert the Series A CCPS into Shares based on the formula set out in Annexure A to Schedule "I" to the Share Subscription Agreement Round 2. The

methodology adopted for the determination of the conversion formula in the manner set out hereinabove is detailed in Annexure A to Schedule “I” to the Share Subscription Agreement Round 2. Illustrations in respect of such conversion formula is as contained in Annexure B to Schedule “I” to the Share Subscription Agreement Round 2.

- (2) The conversion price will be adjusted based on future bonus issue, issuances arising from exercise of any stock options, share splits, consolidation, reorganization, recapitalization, reclassification or similar events with respect to the share capital of the Company. The conversion price will also be adjusted for the anti-dilution protection as provided in the Annexure A to Schedule “I” to the Share Subscription Agreement Round 2.
- (3) The right to convert Series A CCPS shall be exercisable by the holder thereof at any time prior to the expiry of the Series A CCPS Term by delivering to the Company a notice in writing (“Conversion Notice”) 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. Subject to the conversion period as mentioned in paragraph C(1) above, as further described in Annexure A to Schedule “I” to the Share Subscription Agreement Round 2, Series A CCPS shall compulsorily be converted into Shares at the then applicable conversion price immediately prior to filing of the final red herring prospectus of the Company (or such later date, upto the actual date of the IPO that may then be permitted under Applicable Law) (the “Compulsory Conversion Event”). If within six (6) months of the Compulsory Conversion Event, the IPO has not occurred, the Company and the Promoter Group undertake and shall ensure all necessary actions and do all such things as may be requested by the New Investor and/or Indium to ensure that the New Investor and Indium are placed in the same position and possesses the same preferential and other rights each of them had the benefit of immediately prior to Compulsory Conversion Event by any means at the option of the New Investor and/or Indium including but not limited to reclassification of the securities held by the New Investor and Indium and that the economic interests and the rights of the New Investor and Indium under this Share Subscription Agreement Round 2 and the Agreement are preserved in a manner mutually agreeable to the Company, the Promoter Group, the New Investor and Indium.
- (4) The conversion of Series A CCPS shall be effected immediately but not later than fifteen (15) Business Days of the Conversion Notice or on the Compulsory Conversion Event or upon the expiry of the Series A CCPS Term, as the case may be (“Conversion Date”) by the issue and allotment of fully paid Shares to the holder of the relevant Series A CCPS at the then applicable conversion price. The Company shall not make any issue of Securities during the said period of fifteen (15) Business Days mentioned in the preceding sentence of this paragraph (4).
- (5) The Company shall pay all expenses arising on the issue of the Shares pursuant to any Conversion including any stamp duty, capital duty or other taxes and levies.
- (6) Shares issued and allotted upon Conversion of any Series A CCPS will be deemed to be issued and registered as of the Conversion Date, and each holder of any Series A CCPS will, with effect from the Conversion Date, be deemed and treated by the Company for all purposes as the holder on record of the relevant number of Shares issued upon Conversion of such Series A CCPS. Simultaneously with the issue and allotment of the relevant number of Shares to be issued upon Conversion of any Series A CCPS, the Company will register the holder of such Series A CCPS as the holder of such relevant Shares in the Company’s share register and register of members and will deliver or cause to be delivered a certificate or certificates for such relevant Shares to the holder of such Series A CCPS, together with any other securities, property or cash required to be delivered upon Conversion and such other documents (if any) as may be required by applicable law to effect the issue thereof.
- (7) So long as the Series A CCPS being converted are fully paid and free of all liens, charges and Encumbrances, Shares issued and allotted upon Conversion of any Series A CCPS shall be fully-paid and free of all liens, charges and Encumbrances and will in all respects rank *paripassu* with the Shares in issue on the Conversion Date and shall be freely transferable subject only to rights and restrictions in the Share Subscription Agreement Round 2, the Agreement and these Articles.

(D) Voting rights

- (1) For ascertaining the percentage equity shareholding and the voting rights of the Investors in the Company on Fully Diluted Basis and as if converted basis:

- (a) For a period commencing from the Round 2 Completion Date till 2 years 6 months from the Round 2 Completion Date, the Company USD Conversion Value shall be considered as USD 810 million for the purpose of conversion of the Series A CCPS into equity shares of the Company in accordance with the provisions of Annexure A to Schedule "I" to the Share Subscription Agreement Round 2. In such an event, the equity shareholding of a Shareholder in the Company on Fully Diluted Basis and/or as if converted basis shall be as set forth in Part A of Annexure C to this Schedule "I" to the Share Subscription Agreement Round 2;
- (b) For a period commencing from the date of expiry of 2 years 6 months from Round 2 Completion Date till 4th anniversary of the Round 2 Completion Date, the Company USD Conversion Value shall be considered as USD 800 million for the purpose of conversion of the Series A CCPS into equity shares of the Company in accordance with the provisions of this Annexure A to Schedule "I" to the Share Subscription Agreement Round 2. In such an event, the equity shareholding of a Shareholder in the Company on Fully Diluted Basis and/or as if converted basis shall be as set forth in Part B of Annexure C to this Schedule "I" to the Share Subscription Agreement Round 2;
- (c) For a period commencing from the date of expiry of 4th anniversary of the Round 2 Completion Date till 9th anniversary of the Round 2 Completion Date, the Company USD Conversion Value shall be considered as USD 650 million for the purpose of conversion of the Series A CCPS into equity shares of the Company in accordance with the provisions of this Annexure A to Schedule "I" to the Share Subscription Agreement Round 2. In such an event, the equity shareholding of a Shareholder in the Company on Fully Diluted Basis and/or as if converted basis shall be as set forth in Part C of Annexure C to this Schedule "I";
- (d) Notwithstanding anything stated herein in case of valuation adjustment as per the terms of the UIPL Share Purchase Agreement:
 - i. For a period commencing from the Round 2 Completion Date till 2 years 6 months from the Round 2 Completion Date, the Company USD Conversion Value shall be considered as USD 810 million for the purpose of conversion of the Series A CCPS into equity shares of the Company in accordance with the provisions of Annexure A to Schedule "I" to the Share Subscription Agreement Round 2. In such event, the equity shareholding of a shareholder in the Company on Fully Diluted Basis and/or as if converted basis shall be as set forth in in Part D Annexure C to this Schedule "I";
 - ii. For a period commencing from the date of expiry of 2 years 6 months from the Round 2 Completion Date till 4th anniversary of the Round 2 Completion Date, the voting rights shall be ascertained in the manner as set forth in paragraph D(1)(b);
 - iii. From the date of expiry of 4th anniversary of the Round 2 Completion Date till 9th anniversary of the Round 2 Completion Date, the voting rights shall be ascertained in the manner as set forth in paragraph D(1)(c);

(2) In the event that:

- (i) the Company is converted from a private limited company to a public limited company except where the Company has completed an IPO; or
- (ii) the voting rights of holders of Series A CCPS (as described in Clause D(1) above) become unenforceable under Applicable Law, before the conversion of the Series A CCPS into Shares.

then, until the Conversion, subject to Applicable Laws, the Promoters and the Promoter Group shall vote in accordance with the instructions of the New Investor and Indium at a general meeting of the Company or provide proxies without instructions to the New Investor and Indium for general meetings of the Company, for the purposes of a general meeting to the extent of the percentage of Shares that the New Investor and Indium would have held had the New Investor and Indium elected to convert their respective Series A CCPS into Shares in accordance with terms and subject to the conditions as contained in these Articles, the Agreement and the Share Subscription Agreement Round 2. It is clarified that by virtue of the forgoing sentence or otherwise, under no circumstances shall the New Investor and Indium be entitled to more voting rights on the Series A CCPS than the voting rights it would be entitled to, had all of the Series A CCPS been converted to Shares at the time of such voting.

The Promoters and Promoter Group shall extend necessary cooperation (including exercising its voting rights) to ensure that the provisions of this term is complied with subject to the same being in compliance with Applicable Laws.

(E)

Anti-Dilution Rights

Notwithstanding anything contained herein and without prejudice to the rights of the New Investor under Article 8, in the event that the Company proposes to issue any Securities till the earlier of (i) the IPO or (ii) conversion of the Series A CCPS or (iii) expiry of the 4th Anniversary from the Round 2 Completion Date (**“Further Issuance”**), then the Company and the Promoter Group shall be liable to compensate the New Investor and Indium by issuance of such number of additional equity shares of the Company so as to place the New Investor and Indium in the same position had there been no Further Issuance. Such additional number of equity shares of the Company shall be calculated in accordance with Annexure A of Schedule “I” to the Share Subscription Agreement Round 2.

SCHEDULE B – TERMS AND CONDITIONS OF RAR CCPS

The rights attached to the RAR CCPS are as follows:

(A) **Term:** Unless already converted in the manner set out in paragraph (C)(1) hereunder, on 6 May 2023, the RAR CCPS shall be compulsorily converted into equity shares of the Company in the manner as set out herein (“RAR CCPS Term”).

(B) **Dividend:** 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, ie. 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.

(C) **Conversion Date**

(1) The RAR CCPS will compulsorily be converted on the earlier of (a) the date upon which the final conversion of outstanding Series A CCPS into Shares occurs and (b) the expiration of the RAR CCPS Term (the “Compulsory Conversion Event”).

(2) The conversion of RAR CCPS shall be effected immediately but not later than fifteen (15) Business Days of the Compulsory Conversion Event by the issue and allotment of fully paid Shares to the holder of the relevant RAR CCPS at the ratio based on the formula set out in paragraph (D) herein.

(D) **Conversion Formula**

Number of Shares to be issued upon conversion of the RAR CCPS = $\text{RAR Stake} \times \text{Fully Diluted Shares as of the Conversion Date} / (1 - \text{Olympus Primary Percentage} - \text{Indium Primary Percentage} - \text{RAR Stake})$

“RAR Stake” = 11% of the Issued Share Capital or an adjusted stake after accounting for pro rata dilution due to any Shares or equity-linked securities issued by the Company after the Closing Date

Conversion Date = the date of conversion of RAR CCPS shares into Shares of the Company.

Fully Diluted Shares = the total number of Shares outstanding of the Company on the Conversion Date assuming conversion of all options, warrants, convertibles and the like on an “as converted basis”, including assuming issue of shares against any outstanding share application money, but excluding the number of Shares issued or to be issued by the Company upon conversion of the Series A CCPS and the RAR CCPS.

Olympus Primary Percentage = Olympus Primary Percentage (as defined in the Series A CCPS Terms and Conditions) (i.e., the percentage shareholding of Olympus attributable to conversion of the Series A CCPS held by Olympus)

Indium Primary Percentage = Indium Primary Percentage (as defined in the Series A CCPS Terms and Conditions) (i.e., the percentage shareholding of Indium attributable to conversion of the Series A CCPS held by Indium IV (Mauritius) Holdings Limited)

The illustrative shareholding prior to conversion and post conversion of RAR CCPS but before any further issuance of Shares or equity-linked securities by the Company after the Closing Date is set out in parts a) and b) of Annexure 1 (of Schedule C) hereto. The illustration of adjustment to the RAR Stake in case of the Company issuing Shares or equity-linked securities after the Closing Date is shown in part c) of Annexure 1 (of Schedule C).

(E) **Voting rights**

For so long as the RAR CCPS remain outstanding (i.e. the RAR CCPS have not been converted into Equity Shares in accordance with this Schedule C), as also upon conversion of the RAR CCPS prior to an IPO of the Company, the holders of the RAR CCPS shall have, subject to Applicable Law, ‘as if converted’ voting rights in all matters of the Company (where holders of Equity Shares are entitled to vote) corresponding to the RAR Stake (as adjusted from time to time) minus 2% of the Issued Share Capital. Voting rights with respect to this portion of the RAR Stake equal to 2% of the Issued Share Capital shall be exercisable by Union Investments Private Limited up to the IPO of the Company. The holder of the RAR CCPS shall provide duly executed proxy forms and/or any other

supporting documents required for appointing Union Investments Private Limited as a proxy to attend meetings and/or to exercise voting rights on behalf of the holder of the RAR CCPS.

(F) Adjustments For Capital Restructuring

If any Capital Restructuring is to occur, the Company, shall subject to applicable law take all steps necessary, including causing the Company to issue additional Equity Securities to Rimco (as a condition to any proposed Capital Restructuring), to ensure that the shareholding of Rimco in the Company (on a Fully Diluted Basis) is maintained in such a manner as it existed immediately prior to the Capital Restructuring (at no additional cost to Rimco).

SECTION IX: OTHER INFORMATION

MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION

The copies of the following contracts which have been entered or are to be entered into by our Company (not being contracts entered into in the ordinary course of business carried on by our Company or contracts entered into more than two years before the date of the Draft Red Herring Prospectus) which are or may be deemed material will be attached to the copy of the Red Herring Prospectus which will be delivered to the RoC for registration. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, may be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

A. Material Contracts for the Offer

1. Offer Agreement dated June 24, 2016 between our Company, the Selling Shareholders and the Managers
2. Escrow Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the Managers, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s)
3. Share Escrow Agreement dated [●] amongst our Company, the Selling Shareholders, the Registrar to the Offer, the Managers, the Syndicate Members, the Escrow Collection Bank(s) and the Refund Bank(s)
4. Syndicate Agreement dated [●] amongst our Company, the Selling Shareholders, the Managers, the Syndicate Members and the Registrar to the Offer
5. Underwriting Agreement dated [●] amongst our Company, the Selling Shareholders and the Underwriters
6. Registrar Agreement dated June 23, 2016 amongst our Company, the Selling Shareholders and the Registrar to the Offer

B. Material Documents

1. Certified copies of the updated Memorandum of Association and Articles of Association of our Company as amended from time to time
2. Certificate of incorporation dated January 18, 2008
3. Fresh certificate of incorporation consequent upon change in name dated November 29, 2013
4. Fresh certificate of incorporation dated January 1, 2015 issued by RoC at the time of conversion from a private limited company into a public limited company
5. Resolutions of the Board of Directors dated May 18, 2016 in relation to the Offer and other related matters
6. Shareholders' resolution dated May 27, 2016 in relation to this Offer and other related matters
7. Resolution dated June 17, 2016 passed by the board of directors of UIPL approving the Offer for Sale
8. Resolution dated June 9, 2016 passed by the board of directors of Olympus approving the Offer for Sale
9. Resolution dated June 13, 2016 passed by the board of directors of IVF approving the Offer for Sale
10. Copies of the annual reports of the Company for the Fiscal Years ended March 31, 2011, 2012, 2013, 2014 and 2015
11. The examination reports of the Statutory Auditor, on our Company's restated unconsolidated financial statements dated June 13, 2016 and restated consolidated financial statements dated June 13, 2016 and proforma financial statements dated June 13, 2016 included in this Draft Red Herring Prospectus
12. The Statement of Tax Benefits dated June 21, 2016 from the Statutory Auditors
13. Consent of the Selling Shareholders, the Directors, the Managers, the Syndicate Members, Indian Legal Counsel to our Company, Indian Legal Counsel to the Managers, International Legal Counsel to the Managers, GCC Legal Counsel to our Company, Registrar to the Offer, Statutory Auditors, Escrow

Collection Bank(s), Bankers to the Offer, Bankers to our Company, Company Secretary, Chief Financial Officer and Compliance Officer as referred to in their specific capacities

14. Due Diligence Certificate dated June 24, 2016 addressed to SEBI from the Managers
15. Amended and restated shareholders agreement dated November 25, 2011 entered into amongst our Company, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, IVF, Olympus, UIPL, Indium and Rimco as amended on January 12, 2012, January 18, 2012, May 6, 2014, January 12, 2015 and August 27, 2015
16. Share subscription agreement cum fifth supplement to the amended and restated shareholders' agreement dated August 27, 2015 entered into by and amongst our Company, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, Olympus, IVF, Indium and Rimco
17. Termination Agreement dated June 17, 2016, entered into by and amongst our Company, UIPL, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, Olympus, IVF, Indium and Rimco
18. Employment agreement dated March 9, 2015 entered into between our Company and Dr. Azad Moopen
19. Share purchase agreement dated November 25, 2011 between our Company, UIPL, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, IVF and Olympus
20. Share purchase agreement dated May 6, 2014 entered into amongst UIPL, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, Olympus and Indium
21. Share subscription agreement dated November 25, 2011 entered into amongst our Company, UIPL, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, IVF and Olympus
22. Share subscription agreement dated May 6, 2014 entered into amongst our Company, UIPL, Dr. Azad Moopen, Naseera Azad, Alisha Moopen, Ziham Moopen, Zeba Moopen, Olympus and Indium
23. Share purchase, share subscription and shareholders agreement dated October 1, 2008 entered into amongst our Company, PHL and the Existing Prerana Shareholders as amended by agreements dated November 7, 2008 and May 6, 2015
24. Agreement dated March 31, 2015 entered into between our Company, PHL and the Existing Prerana Shareholders
25. Share purchase agreement dated July 14, 2014 entered into amongst our Company, Mr. Sobhan Prakash P., Dr. B.S.V. Raju, Dr. G. Satish Reddy, Dr. C. Raghu, Mrs. K. Ammannamma and Sainatha Hospitals
26. Share subscription agreement dated July 14, 2014 entered into amongst our Company, Existing Sainatha Shareholders and Sainatha Hospitals
27. Shareholders' agreement dated July 14, 2014 entered into amongst our Company, Existing Sainatha Shareholders and Sainatha Hospitals as amended on July 28, 2015
28. Shareholders' agreement dated April 30, 2016 entered into by and amongst our Company, Dr. Ramesh Hospital and promoters of Dr. Ramesh Hospital
29. Share subscription and share purchase agreement dated April 30, 2016 by and amongst our Company, Dr. Ramesh Hospital and the promoters of Dr. Ramesh Hospital
30. Share purchase agreement dated April 30, 2016 entered into by and amongst our Company, IL&FS Trust Company Limited (in its capacity as trustee to India Venture Trust Fund – I), Dr. Ramesh Hospital and certain shareholders of Dr. Ramesh Hospital
31. Share purchase agreement dated January 7, 2016 entered into amongst our Company, Medipoint Hospitals Private Limited, Manish Oswal, Sanjay Oswal, other shareholders of Medipoint Hospitals Private Limited
32. Stake Agreement dated May 15, 2014 entered into between Aster FZC and Basheer Utteri
33. Nominee Shareholder Agreement entered into between Suzan Hasan Farah Harb and Aster Pharmacies Group

34. Nominee Shareholder Agreement entered into between Samah Abdel Rahman Ibrahim Jaber and Aster Pharmacies Group
35. Trust and sponsorship agreement dated May 14, 2014 entered into between Aster FZC and Jamal Majed Khalfan Bin Theniyeh
36. Nominee Arrangment dated June 16, 2014 entered into between Aster FZC and Dr. Dunya Ahmad Mohammad Al Sharhan
37. Trust and sponsorship agreement dated 2009 entered into between Aster FZC and Abdullah Ali Ahamed al Kashari
38. Management and acquisition agreement dated April 25, 2011 amongst Fahad Ali Hassan Ali Al Zarooni, Fawziya Ali Hassan Ali Al Zarooni and DM Healthcare
39. Trust and sponsorship agreement dated June 25, 2008 entered into between Aster FZC and Hashim Ismail Fateh Al Abdulla Khajah
40. Trust and sponsorship agreement dated June 25, 2008 entered into between Aster FZC and Ebraheem Hasan Hasan Al Ali
41. Trust and sponsorship agreement dated July 8, 2008 entered into between Aster FZC and Walid Jamal Yousuf Al Sawalhi
42. Trust and sponsorship agreement dated July 8, 2008 entered into between Aster FZC and Ali Hassan Ali Al Zarouni
43. Agreement dated May 11, 2009 entered into between Aster FZC and T.J. Wilson
44. Trust and sponsorship agreement dated June 25, 2009 entered into between Aster FZC and Ibrahim Ismail Fateh Al Abdulla Khajah as amended
45. Trust and sponsorship agreement dated June 25, 2009 entered into between Aster FZC and Ibrahim Ismail Fateh Al Abdulla Khajah as amended
46. Trust and sponsorship agreement dated June 25, 2009 entered into between Aster FZC and Ibrahim Ismail Fateh Ali Abdulla Khajah
47. Stake Agreement dated June 25, 2009 entered into between Aster FZC and Mariam Pakkar
48. Trust and sponsorship agreement dated June 25, 2009 entered into between Aster FZC and Abdullah Ali Ahamed al Kashari
49. Stake Agreement dated August 15, 2009 entered into between Aster FZC and Dr. A. R. Salim
50. Stake Agreement dated September 3, 2015 entered into between Aster FZC Mr. Moolakkadath Salahuddin, Ali Hasan Kutty Kunhailil and Dr. Mohamed Ashraf Chozhimadathingal.
51. Assignment agreement dated October 25, 2009 entered into between Aster FZC and Dr. Azad Moopen
52. Assignment agreement dated October 25, 2009 entered into between Aster FZC and T.J. Wilson
53. Trust and sponsorship agreement dated October 25, 2009 entered into between Aster FZC and Sidiqa Asad Ali Mirza Al Raeisi
54. Stake Agreement dated October 25, 2009 entered into between Aster FZC and Dr. Pakkar Koya
55. Trust and Sponsorship agreement dated October 29, 2009 entered into between Aster FZC and Shamsudheen Bin Mohideen Mammu Haji (in his capacity as the representative of the heirs of Aslam Bin Mohideen Mammu Haji)
56. Assignment agreement dated October 25, 2009 entered into between Aster FZC and Naseera Azad
57. Trust and sponsorship agreement dated February 10, 2010 entered into between Aster FZC and Ahmad Ozair Suroor Rafia

58. Letter dated February 15, 2010 executed between DM Healthcare Management and Sheikha Munira
59. Joint venture agreement dated June 1, 2010 entered into between DM Healthcare Management and Welcare Group WLL
60. Trust and sponsorship agreement dated November 10, 2010 entered into between Aster FZC and Ahmed Nasser Abdulla Hussein Al Nasser
61. Trust and sponsorship agreement dated December 19, 2010 entered into between Aster FZC and Shamsudheen Bin Mohideen Mammu Haji
62. Trust and sponsorship agreement dated January 10, 2011 entered into between Aster FZC and Jamal Majed Khalfan Bin Theniyeh as amended
63. Operation and management agreement dated January 2, 2012 between DM Healthcare and Dubai Aluminium (as amended)
64. Trust and sponsorship agreement dated June 14, 2012 entered into between Aster FZC, Zuhdi Mohammad Ahmad Mohammad Sarhan and Mulook Aman Mirza Hassan Alrahma
65. Trust and sponsorship agreement dated August 22, 2012 entered into between Aster FZC and Wajdan Mahmood Khalil Mahmood Shuhait
66. Trust and sponsorship agreement dated November 27, 2012 entered into between Aster FZC and Ahmed Nasser Abdulla Hussein Al Nasser
67. Trust and sponsorship agreement dated January 2, 2013 entered into between Aster FZC and Jamal Majed Khalfan Bin Theniyeh as amended
68. Trust and sponsorship agreement dated April 23, 2014 entered into between Aster FZC and Shamsudheen Bin Mohideen Mammu Haji
69. Shareholders Agreement dated May 14, 2014 entered into amongst Dr. Dunya Ahmad Mohammad Al Sharhan, Jamal Majed Khalfan Bin Theniyeh, Dr. Alamaldin Mohammed Adi and Mansoor Khalil Al Owaishi
70. Trust and sponsorship agreement dated July 15, 2014 entered into between Aster FZC and Jamal Majed Khalfan Bin Theniyeh as amended
71. Shareholder agreement dated September 14, 2014 entered into amongst Jamal Majed Khalfan Bin Thaniyeh, Grace Healthcare Consultants LLC and Aster FZC
72. Agreement dated November 2, 2014 entered into between Aster FZC and Mohamed Abdul Rahim Pathiya Parambath Aboobaker
73. Joint Venture agreement dated December 2014 entered into amongst Bethel Business and Management Services LLC, DM Healthcare Services, Mohammed Abdulrahiman Elempilassery, Methale Purayil Hassna Kunhi, Sameer Moopan Mandayapurath, Mohammed Unni Olakara, Mandayapurath Mohamed Nazar, Kesaivath Parambil Abdul Hameed, Vattakandi Mohamed Mukhtar, DM Healthcare Management, as amended by an amendment to the joint venture agreement on September 13, 2015
74. Trust and sponsorship agreement dated February 10, 2015 entered into between Aster FZC and Ismail Fateh Ali Abdulla Al Khaja
75. Trust and sponsorship agreement dated March 11, 2015 entered into between Aster FZC and Jamal Majed Khalfan Bin Theniyeh
76. Sale and purchase Agreement dated on or about September 1, 2015 (as amended by a Supplemental Agreement dated on or about 14 September 2015) amongst Sanad Healthcare Company LLC, Abdulmonem Rashed Al Rashed, DM Healthcare Services, Rico Limited, Rimco (Mauritius) Limited and Aster FZC
77. Trust deed dated September 15, 2015 entered into by and amongst Jamal Majed Khalfan Bin Theniyeh, Shamsudheen Bin Mohideen Mammu Haji, Al Rafa Investments Limited and Aster FZC

78. Trust and sponsorship agreement dated September 15, 2015 entered into between Aster FZC and Jamal Majed Khalfan Bin Theniyeh
79. Hospital operation and management agreement dated May 12, 2014 between our Company and CMCL
80. Medical Services Agreement dated March 4, 2016 entered into between our Company and DM Education and Research Foundation
81. Operation and Management Services Agreement dated March 4, 2016 entered into between our Company and DM Education and Research Foundation
82. Deed of guarantee dated July 5, 2012 entered into between Dr. Azad Moopen and State Bank of Travancore and term loan agreement dated July 5, 2012 entered into between DMERF and State Bank of Travancore
83. In principle listing approvals dated [●] and [●] issued by BSE and NSE respectively
84. Tripartite agreement dated December 16, 2014 between our Company, NSDL and the Registrar to the Offer
85. Tripartite agreement dated November 21, 2014 between our Company, CDSL and the Registrar to the Offer
86. Certificate from Rangamani and Co. in relation to utilisation of loans dated June 23, 2016
87. SEBI final observation letter dated [●]

Any of the contracts or documents mentioned in this Draft Red Herring Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders subject to compliance with the provisions contained in the Companies Act and other relevant statutes.

DECLARATION

We hereby certify and declare that all relevant provisions of the Companies Act and the guidelines issued by the Government or the regulations, rules or guidelines issued by SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Draft Red Herring Prospectus is contrary to the provisions of the Companies Act, the SCRA, the SEBI Act or rules or regulations made or guidelines issued thereunder, as the case may be. We further certify that all disclosures made in this Draft Red Herring Prospectus are true and correct.

SIGNED BY DIRECTORS OF OUR COMPANY

_____	Dr. Azad Moopen <i>(Chairman and Managing Director)</i>
_____	T. J. Wilson <i>(Non-Executive Director)</i>
_____	Anoop Moopen <i>(Non-Executive Director)</i>
_____	Alisha Moopen <i>(Non-Executive Director)</i>
_____	Gaurav Malik <i>(Non-Executive Director)</i>
_____	Shamsudheen Bin Mohideen Mammu Haji <i>(Non-Executive Director)</i>
_____	Harsh C. Mariwala <i>(Non-Executive Independent Director)</i>
_____	Rajagopal Sukumar <i>(Non-Executive Independent Director)</i>
_____	Ravi Prasad <i>(Non-Executive Independent Director)</i>
_____	Daniel James Snyder <i>(Non-Executive Independent Director)</i>
_____	M. Madhavan Nambiar <i>(Non-Executive Independent Director)</i>
_____	Suresh Muthukrishna Kumar <i>(Non-Executive Independent Director)</i>

SIGNED BY CHIEF FINANCIAL OFFICER

_____	Sreenath Reddy <i>(Chief Financial Officer)</i>

Place: Mumbai
Date: June 24, 2016

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus solely and specifically in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, it is specifically mentioned herein and agreed that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

Dr. Azad Moopen

For Union Investments Private Limited

Place: Mumbai

Date: June 24, 2016

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus solely and specifically in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, it is specifically mentioned herein and agreed that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

Sangeeta Bissessur

For Olympus Capital Asia Investments Limited

Place: Mauritius

Date: June 24, 2016

DECLARATION

The undersigned Selling Shareholder hereby certifies that all statements and undertakings made by it in this Draft Red Herring Prospectus solely and specifically in relation to itself and the Equity Shares being sold by it in the Offer for Sale are true and correct, provided however, it is specifically mentioned herein and agreed that the undersigned Selling Shareholder assumes no responsibility for any of the statements made by the Company or any expert or any other person(s) in this Draft Red Herring Prospectus.

Signed by the Selling Shareholder

For **IVF TRUSTEE COMPANY PRIVATE LIMITED**

being the sole trustee of India Value Fund IIIA

Place: Mumbai

Date: June 24, 2016