

Issue Highlights:
Issuer: Aster DM Health Care Limited
Issue Type: 100% Book Built Issue IPO

Issue Open: Monday, Feb 12, 2018

Issue Close: Thursday, Feb 15, 2018

Offer Size: Fresh Issue Rs. 725/- Crs and

Offer for sale of 13,428,251 Equity shares (Rs.966.71* crs - Rs.980.14 crs^)

Face Value: Rs.10 per Equity Share

Price Band: Rs.180 - Rs.190 per Equity Share

Minimum Order Quantity Retail: 78 Equity Shares and in multiples thereof

Maximum Bid amount for Retail: Rs. 2 Lakhs

Listing: NSE & BSE

Issue Size and Investor Category Allocation
QIB: 50% of the issue size: 483.35 Crs* - 490.07 Crs^

NIB: 15% of the issue size: 145.01 Crs* - 147.02 Crs^

Retail Individual: 35% of the issue size: 338.35 Crs* - 343.05 Crs^

* Lower Band; ^ Upper Band

Book Running Lead Managers:

ICICI Securities, JM financials, YES Securities

Registrar:

Link Intime India Private Limited

Key Business Strategies:

- Long standing presence across GCC states and India 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 professional

Key Strengths:

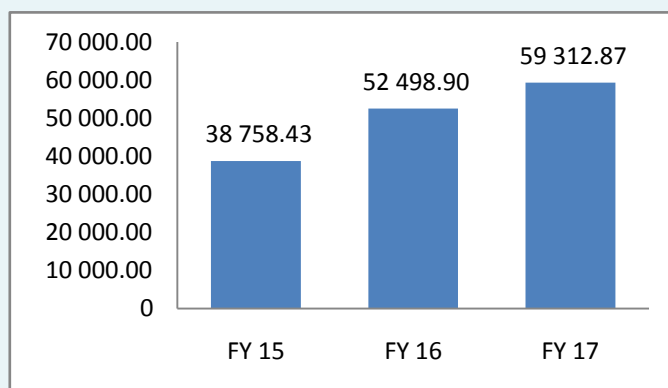
- Continue to grow within existing centres
- Increase presence by way of greenfield expansions
- Pursue inorganic growth opportunities to expand

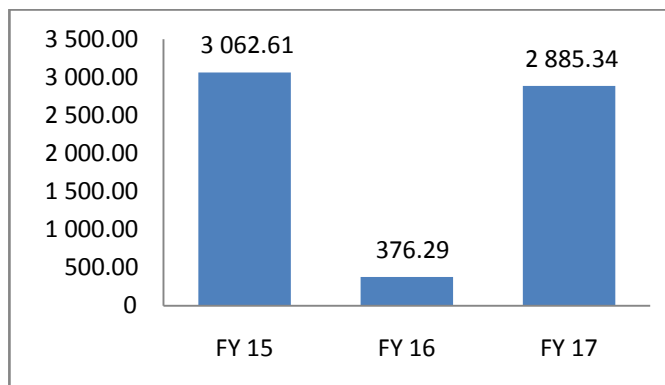
into newer service offerings or new markets

- Ability to identify, adapt to and capitalise on market developments, conditions, trends and opportunities
- Capitalise on mandatory health insurance in GCC
- Implementation of initiatives to improve existing operational efficiencies and profitability

About the Issuer:

- They 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.
- Currently they are operating 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. Their GCC operations are headquartered in Dubai, United Arab Emirates and Indian operations are headquartered in Kochi, Kerala.
- They 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"
- They have a diversified portfolio of healthcare facilities, consisting of 9 hospitals, 90 clinics and 206 retail pharmacies in the GCC states, 10 multi-specialty hospitals and 7 clinics in India, and 1 clinic in the Philippines as of September 30, 2017.

Revenue from Operations (Rs. Million)


Net Profit After Tax (Rs. Million)

SUMMARY STATEMENT OF ASSETS AND LIABILITIES, AS RESTATED
(₹ in million)

Particulars	As at	As at March 31		
	30 September 2017	2017	2016	2015 Proforma
Assets				
Non-current assets				
Property, plant and equipment	29,656.01	27,668.09	20,374.03	17,852.26
Capital work-in-progress	2,333.24	2,897.60	3,581.29	1,973.64
Goodwill	6,784.29	6,739.84	4,418.86	4,328.78
Other intangible assets	719.29	788.95	281.87	188.47
Equity accounted investees	105.09	107.60	110.98	116.20
Financial assets				
Investments	0.01	0.01	10.17	0.01
Other financial assets	2,650.67	2,219.97	985.23	841.18
Deferred tax asset	48.02	30.30	127.75	26.82
Other non-current assets	2,094.71	2,523.28	2,443.77	709.28
Income tax asset	426.48	372.57	167.92	76.34
Total non-current assets	44,817.81	43,348.21	32,501.87	26,112.98
Current assets				
Inventories	5,431.57	5,255.39	4,107.03	3,108.17
Financial assets				
Investments	256.99	215.61	377.43	27.16
Trade receivables	14,881.76	12,876.18	13,422.57	8,843.12
Cash and cash equivalents	1,008.25	1,373.21	2,573.59	2,497.68
Other bank balances	258.88	147.48	93.08	544.07
Other financial assets	843.13	2,328.60	1,727.14	1,260.72
Other current assets	3,442.58	2,528.09	2,755.11	1,726.37
Total current assets	26,123.16	24,724.56	25,055.95	18,007.29
Total assets	70,940.97	68,072.77	57,557.82	44,120.27
Equity and liabilities				
Equity				
Equity share capital	4,032.22	4,032.22	4,030.52	3,886.38
Other equity	14,098.18	14,721.89	165.65	10,957.62
Total equity	18,130.40	18,754.11	4,196.17	14,844.00
Non-controlling interest	3,638.47	3,752.66	1,770.48	7,617.33
Total equity	21,768.87	22,506.77	5,966.65	22,461.33

(₹ in million)

Particulars	As at 30 September 2017	As at March 31		
		2017	2016	2015 Proforma
Liabilities				
Non-current liabilities				
Financial liabilities				
Borrowings	21,499.47	18,905.06	25,774.13	6,118.34
Derivatives	869.60	861.30	-	-
Other financial liabilities	166.06	158.56	3,040.23	616.43
Provisions	1,829.01	1,748.13	1,474.01	1,052.82
Deferred tax liabilities	1,436.61	1,436.61	1,320.11	1,313.92
Other non-current liabilities	485.44	444.10	317.24	168.15
Total non-current liabilities	26,286.19	23,553.76	31,925.72	9,269.66
Current liabilities				
Financial liabilities				
Borrowings	7,205.82	8,304.44	5,841.40	2,893.71
Trade payables	8,259.53	7,824.95	6,970.31	4,324.19
Other financial liabilities	6,384.57	5,003.08	5,835.67	4,503.76
Provisions	433.53	297.16	403.96	385.35
Income tax liabilities	262.08	253.03	238.67	34.82
Other current liabilities	340.38	329.58	375.44	247.45
Total current liabilities	22,885.91	22,012.24	19,665.45	12,389.28
Total equity and liabilities	70,940.97	68,072.77	57,557.82	44,120.27

SUMMARY STATEMENT OF PROFITS AND LOSSES, AS RESTATED

(₹ in million)

Particulars	For the six months period ended 30 September 2017	For the year ended March 31		
		2017	2016	2015 Proforma
Revenue				
Revenue from operations	31,225.85	59,312.87	52,498.90	38,758.43
Other income	187.89	366.15	252.73	232.06
Total Income	31,413.74	59,679.02	52,751.63	38,990.49
Expenses				
Purchase of medicines and consumables	9,903.07	20,021.63	17,230.35	13,377.72
Changes in inventories	(176.18)	(1,148.36)	(998.86)	(1,156.01)
Employee benefits expense	11,275.87	20,545.01	16,289.78	11,535.81
Finance cost	892.73	3,535.99	1,894.08	790.54
Depreciation, amortisation and impairment	1,736.04	3,224.44	2,430.02	1,439.56
Other expenses	8,441.49	16,573.39	15,522.01	9,940.93
Total expenses	32,073.02	62,752.10	52,367.38	35,928.55
Profit/ (loss) before exceptional items and tax	(659.28)	(3,073.08)	384.25	3,061.94
Exceptional items	-	5,960.71	-	-
Profit before share of loss of equity accounted investees and tax	(659.28)	2,887.63	384.25	3,061.94
Share of profit/(loss) of equity accounted investees	(2.53)	(2.29)	(7.96)	0.67
Profit/ (loss) before tax	(661.81)	2,885.34	376.29	3,062.61
Current tax (including MAT)	(182.99)	(106.04)	(391.73)	(321.11)
Deferred tax (including MAT credit entitlement)	17.72	(111.83)	97.55	(20.43)
Profit/ (loss) for the period/ year	(827.08)	2,667.47	82.11	2,721.07

(₹ in million)

Particulars	For the six months period ended 30 September 2017	For the year ended March 31		
		2017	2016	2015 Proforma
Other comprehensive income				
<i>Items that will not be reclassified to profit or loss</i>				
Remeasurement of defined benefit liability/ (asset), net of tax	16.66	(61.53)	(56.89)	(50.83)
<i>Items that will be reclassified subsequently to profit or loss</i>				
Exchange difference in translating financial statements of foreign operations	92.47	(262.04)	738.42	564.50
Other comprehensive income for the period/ year, net of income tax	109.13	(323.57)	681.53	513.67
Total comprehensive income for the period/ year	(717.95)	2,343.90	763.64	3,234.74
Profit/ (loss) attributable to				
Owners of the Company	(764.28)	1,986.98	(590.15)	1,326.92
Non-controlling interests	(62.80)	680.49	672.26	1,394.15
Profit/ (loss) for the period/ year	(827.08)	2,667.47	82.11	2,721.07
Other comprehensive income attributable to				
Owners of the Company	97.10	(281.17)	437.32	319.26
Non-controlling interests	12.03	(42.40)	244.21	194.41
Other comprehensive income for the period/ year	109.13	(323.57)	681.53	513.67
Total comprehensive income attributable to				
Owners of the Company	(667.18)	1,705.81	(152.83)	1,646.18
Non-controlling interests	(50.77)	638.09	916.47	1,588.56
Total comprehensive income for the period/ year	(717.95)	2,343.90	763.64	3,234.74

Source for Note: DRHP
Disclaimer

The information and news presented in this report are prepared by Karvy Stock Broking Limited. Information contained here in is based on our analysis and upon sources that we consider reliable. We, however, do not vouch for the accuracy or the completeness thereof. This material is for personal information and we are not responsible for any loss incurred based upon it. The investments discussed or recommended in this report may not be suitable for all investors. Investors must make their own investment decisions based on their specific investment objectives and financial position and using such independent advice, as they believe necessary. While acting upon any information or analysis mentioned in this report, investors may please note that neither Karvy nor Karvy Stock Broking nor any person connected with any associate companies of Karvy accepts any liability arising from the use of this information and views mentioned in this document.