

# ARTEMIS

## ARTEMIS MEDICARE SERVICES LIMITED

CIN: U85110DL2004PLC126414

The Company was incorporated as a Private Limited Company under the Companies Act, 1956, in the name of Artemis Medicare Services Private Limited, pursuant to a certificate of incorporation dated May 18, 2004, bearing registration number U85110DL2004PTC126414 and subsequently was converted into a Public Limited Company on October 5, 2009 by the Registrar of Companies, National Capital Territory of Delhi & Haryana.

**Registered Office:** Plot No. 14, Sector 20, Dwarka, New Delhi-110075; **Corporate Office:** Artemis Hospital, Sector-51, Gurugram-122001 (Haryana). **Tel. No.:**+91-124-4511-111**Fax:** 91-124-4588-899

**Email:** info@artemishospitals.com **Website:** www.artemishospitals.com **Contact Person and Compliance Officer:** Rakesh Kumar Kaushik **Tel. No.:**+91-124-480-7180 (Ext. 7180) **Fax:** 91-124-4588-899 **Email:** rakesh.kaushik@artemishospitals.com

### INFORMATION MEMORANDUM FOR LISTING OF 1,32,37,700 EQUITY SHARES OF RS 10/- EACH. NO EQUITY SHARES ARE PROPOSED TO BE SOLD OR OFFERED PURSUANT TO THIS INFORMATION MEMORANDUM

#### THE COMPANY'S PROMOTERS

Mr. Onkar S Kanwar and Constructive Finance Private Limited (CIN: U67120DL1988PTC250410). For further details on the Promoters refer part G of Section X of this Information Memorandum at page number 93

#### GENERAL RISKS

Investment in equity and equity related securities involve a degree of risk and investors should not invest any funds in the Equity Shares of the Company unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking a decision to invest in the Equity Shares of the Company. For taking an investment decision Investors must rely on their own examinations of the Company, including the risks involved. The Equity Shares have not been recommended or approved by the Securities and Exchange Board of India (SEBI) nor does SEBI guarantee the accuracy or adequacy of this Information Memorandum. For further details on risk factors refer Section V of this Information Memorandum at page number 16.

#### COMPANY'S ABSOLUTE RESPONSIBILITY

The Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Information Memorandum contains all information with regard to the Company, which is material in the context of the issue, that the information contained in this Information Memorandum 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 of which makes this Information Memorandum as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect.

#### LISTING

The Equity Shares of the Company are proposed to be listed on the BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). For the purposes of this listing, the Designated Stock Exchange is BSE. The Company has received in-principle listing approval in connection with the listing of its Equity Shares from BSE and NSE vide letter dated December 19, 2019 and December 09, 2019, respectively and also has received exemption from compliance with Rule 19(2)(b) of Securities Contracts (Regulation) Rules, 1957 under Rule 19(7) of Securities Contracts (Regulation) Rules, 1957 from SEBI vide letter dated January 10, 2020

The Company has submitted this Information Memorandum with BSE and NSE and the same would be made available on their respective websites www.bseindia.com and www.nseindia.com. This Information Memorandum has also been made available on the Company's website at https://www.artemishospitals.com/

#### REGISTRAR AND SHARE TRANSFER AGENT



**Alankit Assignments Limited**(SEBI INR000002532)

Regd Office: 205-208, Anarkali Complex, Jhandewalan Extension, New Delhi-110055

**Corp Office:** 1E/13 Alankit Heights Jhandewalan Extension New Delhi -110 055

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**I. DEFINITIONS AND ABBREVIATIONS**

Conventional/General Terms

Companies Act	means Companies Act, 2013 as amended from time to time
Central Government or Government	means the government of India
Depositories Act	The Depositories Act, 1996, as amended from time to time
Income Tax Act	means Income Tax Act, 1961 as amended from time to time
SEBI Act	Securities and Exchange Board of India Act, 1992

Issue Related Terms

ACCPL	Artemis Cardiac Care Private Limited
AEL	Athena Eduspark Limited
AGLSL	Artemis Global Life Sciences Limited
AHSL	Artemis Health Sciences Limited
Annual General Meeting or AGM	Annual general meeting of the Members of the Company
Annual Report	means the annual report of the Company as prepared as per section 134 of the Companies Act
Annual Return	means the annual return of the Company as prepared as per section 92 of the Companies Act
Artemis Hospital	means Company's hospital situated at Sector-51, Gurugram-122001, Haryana also known as Artemis Health Institute
Articles or Articles of Association	means the articles of associations of the Company as framed or altered from time to time
Associate(s)	means the associates of the Company as defined under section 2(6) of the Companies Act, 2013
ATL	Apollo Tyres Limited
Audit Committee	means the audit committee of the Company set up in accordance with section 177 of the Companies Act and Regulation 18 of SEBI LODR Regulations
Auditor or Statutory Auditors	means the auditors of the Company M/s SCV & Co. LLP, Chartered Accountants, New Delhi
Board or Board of Director(s) or Director(s)	means the board of directors of the Company
Code of Conduct or Code	means the Code of Conduct for Prevention of Insider Trading and the Code of Corporate Disclosure Practices of the Company
Committee(s)	means committee of Board of Directors or any other committee so constituted
Company or Artemis or AMSL or issuer	Artemis Medicare Services Limited
Composite Scheme or Scheme	means the composite scheme of amalgamation between AGLSL, AHSL, AEL and the Company and their respective shareholders and creditors, involves First merger and Second Merger occurring in a sequential manner
Corporate Social Responsibility Committee	means the corporate social responsibility committee of the Company set up in accordance with section 135 of the



	Companies Act and Companies (CSR policy) Rules, 2014
Depository(ies)	means a depository registered with the SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 as amended from time to time
Designated Stock Exchange	means the Bombay Stock Exchange
Effective Date	October 14, 2019
Equity Share(s)	means equity shares of the Company of Rs. 10/- each
Extraordinary General Meeting or EGM	Extraordinary general meeting of the Members of the Company
Group Companies	means group companies of the Company in accordance with Regulation 2(1) (t) of the SEBI ICDR Regulations and described under Section XIII “Information with respect to Group Companies” on page 155 of this Information Memorandum
Independent Directors	means Directors of the Company appointed in accordance with section 2(47) and section 149 (6) of the Companies Act
Information Memorandum or IM	This information memorandum dated, January 16, 2020 filed with the Stock Exchanges, issued in accordance with the applicable laws prescribed by SEBI
Investors	means the investors of the Company
Key Managerial Personnel or KMP	means personnel of the Company appointed in accordance with section 2(51) and section 196 of the Companies Act and as disclosed in Part F of Section X on page 90 of this Information Memorandum
Memorandum of Association or Memorandum	means the memorandum of association of the company as framed or altered from time to time
National Company Law Tribunal, Delhi or NCLT, Delhi or NCLT	means the National Company Law Tribunal, New Delhi
Nomination and Remuneration Committee	means the nomination and remuneration committee of the Company set up in accordance with section 178 of the Companies Act and Regulation 19 of SEBI LODR Regulations
Promoter(s) or Promoter Company or Promoter Group	The promoter(s) of the Company, as identified and described in Part G of Section X on page 93 of this Information Memorandum
Record Date	means October 25, 2019
Registrar or ROC	means the registrar of companies, National Capital Territory of Delhi & Haryana
Registrar and Transfer Agent	Alankit Assignments Limited
SCRA	Securities Contract (Regulation) Act, 1956, as amended from time to time
SEBI Circular	means SEBI Circular no. CFD/DIL3/CIR/2017/21 issued by SEBI dated March 10, 2017
SEBI ICDR Regulations or ICDR Regulations or ICDR	SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2019 as amended from time to time
SEBI LODR Regulations or LODR Regulations or	SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended from time to time



LODR	
Share Exchange Ratio	means the ratio of 1 Equity Share of face value Rs.10/- each of the Company for every 5 equity shares of face value Rs. 2/- each of AGLSL issued to each shareholder of AGLSL as on the Record Date
Stakeholders Relationship Committee	means the stakeholders relationship committee of the Company set up in accordance with section 178(5) of the Companies Act and Regulation 20 of SEBI LODR Regulations
Stock Exchanges	means BSE and NSE where the Equity Shares of the Company are proposed to be listed
Tripartite Agreement	means an agreement entered into between the Company, CDSL or NSDL and the Registrar and Transfer Agent.
Valuer	Chitale & Co., Mumbai

#### Abbreviations

AGM	Annual General Meeting
ATMA	Automobile Tyre Manufacturers' Association
BSE	Bombay Stock Exchange Limited
BRICS	Brazil, Russia, India, China and South Africa
CAGR	Compound Annual Growth Rate
CCI	Competition Commission of India
CIN	Corporate Identification Number
CDSL	Central Depository Services (India) Limited
CPCB	Central Pollution Control Board
CSR	Corporate Social Responsibility
FEMA	Foreign Exchange Management Act, 1999 as amended from time to time
FICCI	Federation of Indian Chambers of Commerce and Industry
FII(s)	Foreign Institutional Investor
FY	Financial Year
GDP	Gross Domestic Product
HUDA	Haryana Urban Development Authority
IPD	In-patient departments
IPO	Initial Public Offer
ISIN	International Securities Identification Number
JCI	Joint Commission International
JV	Joint Venture
MCA	Ministry of Corporate Affairs
NABH	National Accreditation Board for Hospitals & Healthcare Providers
NABL	National Accreditation Board for Testing and Calibration Laboratories
NCLT	National Company Law Tribunal
NSDL	National Securities Depositories Limited
NSE	National Stock Exchange of India Limited
OPD	Out-patient departments
PHC	Primary Healthcare Centres
RBI	Reserve Bank of India



SCORES	SEBI Complaints Redress System
SCRR	Securities Contract (Regulation) Rules, 1957
SCV	M/s SCV & Co., Chartered Accountants, New Delhi
SEBI	Securities Exchange Board of India
SPP	M/s S.P. Puri & Co. Chartered Accountants, New Delhi
SME	Small and Medium Enterprise
TPA	Third Party Administrator
USA or US or United States	United States of America
USD or US\$ or	US Dollar



## II. CERTAIN CONVENTIONS AND USE OF FINANCIAL AND MARKET DATA

Unless stated otherwise, the financial data in this Information Memorandum is derived from the Company's financial statements. The financial year commences on April 1 and ends on March 31 of each year, so all references to a particular financial year are to the twelve-months period ended March 31 of that year, unless specified otherwise.

In this Information Memorandum, any inconsistencies in any table between the aggregate and the totals of the sums recorded are because of rounding off. All references to "India" contained in this Information Memorandum are to the Republic of India. All references to "Rupees" or "Rs." are to Indian Rupees, the official currency of the Republic of India. For extra definitions, please refer Section I of this Information Memorandum at page number 5.

Unless stated otherwise, industry information utilized all through this Information Memorandum has been acquired from published information. Such published information by and large expresses that the data contained in those publications has been obtained from sources accepted to be reliable; however, their exactness and completeness are not ensured and their reliability cannot be assured.

Despite the fact that we accept that industry information utilized within this Information Memorandum is reliable, it has not been independently verified. The data included in this Information Memorandum about different organizations is based on their particular Annual Reports and information made available by the respective companies.



### III. FORWARD LOOKING STATEMENTS

This Information Memorandum includes statements that contain words or phrases such as “will”, “would”, “aim”, “will likely result”, “believe”, “expect”, “will continue”, “anticipate”, “estimate”, “intend”, “plan”, “contemplate”, “seek to”, “try to”, “proposes to”, “could”, “may”, “will”, “future”, “objective”, “goal”, “project”, “should”, “will pursue” and similar expressions or variations of such expressions that are “forward-looking statements”. The forward-looking statements contain information regarding, among other things, the Company’s financial condition, future plans and business strategy. These forward-looking statements are based on the Company’s current expectations and projections about future events. Forward looking statements reflect the current views of the Company as of the date of this Information Memorandum and are not a guarantee of future performance.

All forward-looking statements are subject to risks, uncertainties and assumptions that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. Important factors that could cause actual results to differ materially from the Company’s expectations include, among others:

- General economic and business conditions in India and other countries;
- The Company’s ability to successfully implement its strategy, growth and expansion plans and technological changes;
- Market fluctuations and industry dynamics beyond the Company’s control;
- The Company’s ability to manage the third party risks;
- Any adverse outcome in legal proceedings in which The Company is involved;
- Potential mergers, acquisitions or restructuring;
- Changes in monetary and/ or fiscal policies of the Government of India, inflations, deflation, foreign exchange rates, unanticipated turbulence in interest rates;
- Occurrence of natural disasters or calamities affecting the areas in which the Company has operations;
- Changes in political and social conditions in India;
- The performance of the financial markets in India and globally;
- Competition in the industry; and
- Other factors beyond the Company’s control.

For further discussion of factors that could cause actual results, performance or achievements to differ, refer to Section V of this Information Memorandum at page number 16. By their nature, certain 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 of the Company could materially differ from those that have been estimated.

Neither the Company, its Directors, nor any of their respective affiliates or advisors 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.





#### IV. SUMMARY OF INFORMATION MEMORANDUM

This section is a summary of specific disclosures included in this Information Memorandum and is not exhaustive nor does it purport to contain a summary of all disclosures or details relevant to prospective investors. For additional information and further details with respect to any of the information summarised below, please refer to the relevant sections of this Information Memorandum. Unless otherwise stated, the financial information in this section is derived from the Financial Statements.

##### A. *Summary of Business*

The Company is engaged in the business of managing and operating of multi-specialty hospital and commenced its commercial operation by setting up a Hospital in the name of “Artemis Hospitals” (Also known as Artemis Health Institute) at Gurugram on July 16, 2007 spread across 9 acres, is a 394 bed; state-of-the-art multi-specialty hospital located in Gurugram, India. Artemis Hospital is the first JCI and NABH accredited hospital in Gurugram.

Designed as one of the most advanced in India, Artemis Hospital provides a depth of expertise in the spectrum of advanced medical & surgical interventions, comprehensive mix of inpatient and outpatient services.

Artemis Hospital has also successfully received accreditation from the Joint Commission International (JCI), National Accreditation Board for Testing and Calibration Laboratories (NABL) and also from National Accreditation Board for Hospitals & Healthcare Providers (NABH).

##### B. *Summary of Industry*

India is one of the fastest growing healthcare markets in the world. Rising income levels, an ageing population, increasing insurance coverage and the imbalance in demand-supply presents a big opportunity for healthcare providers to increase bed capacity and investments in this sector.

Indian healthcare delivery system is categorized into two major components - public and private. The public healthcare system comprises limited secondary and tertiary care institutions in key cities and focuses on providing basic healthcare facilities in the form of PHCs in rural areas. The private sector provides majority of secondary, tertiary and quaternary care institutions with a major concentration in metros, tier I and tier II cities. India is cost competitive compared to its peers in Asia and Western countries. The cost of surgery in India is about one-tenth of that in the US or Western Europe

India is experiencing 22-25 per cent growth in medical tourism and the industry is expected to reach US\$ 9 billion by 2020. There is a significant scope for enhancing healthcare services considering that healthcare spending as a percentage of GDP is rising. Rural India, which accounts for over 70 per cent of the population, is set to emerge as a potential demand source.

##### C. *Object of Issue*

The NCLT, Delhi vide its order dated September 30, 2019 approved the amalgamation of AHSL, AEL and AGLSL with Company through the Composite Scheme under the provisions of section 230 to 232 and other applicable provisions of Companies Act read with Regulation 37 of LODR. In terms of the Composite Scheme, upon the Composite Scheme becoming effective the Company shall, without any further act, application, instrument or deed, issue and allot in the ratio of 1 Equity Shares of face value Rs.10 each of the Company for every 5 equity shares of face value Rs. 2 each of AGLSL to each shareholder of AGLSL whose name appears in the register of members of AGLSL as on the record date (“**Share Exchange Ratio**”). The Share Exchange Ratio was computed and recommended by Chitale & Co., Mumbai (“**Valuer**”), who have submitted the valuation report dated May 04, 2018 containing their recommendations. AGLSL and the Company have also sought and obtained Fairness



Opinion on the valuation carried out by the Valuer from Chartered Capital and Investment Limited. Pursuant to the Scheme there is no issue of shares to the public at large except to the existing shareholders of AGLSL as on the determined record date. The Equity Shares so issued pursuant to the Scheme to the shareholders of AGLSL would be listed on stock exchanges in terms of Regulation 19 of the SCRR.

D. *Name of Promoters*

(I) **Individual Promoter – Mr. Onkar S. Kanwar**

Mr. Onkar S. Kanwar, aged 77 years' son of Late Shri Raunaq Singh residing at H. No. 3/3, Shanti Niketan, New Delhi-110021. Mr. Onkar S. Kanwar has experience of over 40 years in the manufacturing industry. Presently Mr. Onkar S. Kanwar is the Chairman of the Apollo Tyres Limited and PTL Enterprises Limited. He is the Past President of the FICCI, former Chairman of the Automotive Tyre Manufacturers' Association and was a Member of the Board of Governors for the Indian Institute of Management (Kozhikode). Currently he is the Chairman of the BRICS Business Council, India

Mr. Onkar S. Kanwar has a keen interest in the field of education and health care. Artemis Hospital, promoted by him, is an enterprise focusing on state-of-the-art medical care and runs a cutting edge multi-specialty medical facility which focuses on holistic treatment. An initiative close to his heart is Apollo Tyres' HIV-AIDS awareness and prevention programme for the commercial vehicle driver community, implemented through Apollo Tyres Foundation's Health Care Centers located in large transshipment hubs across India.

He has been conferred with 'Ernst & Young Entrepreneur of the Year award – Manufacturing' for the year 2012. He has recently been awarded with Hungarian 'Order of Merit', and Government of Japan's 'Order of the Rising Sun, Gold and Silver Star'.

(II) **Corporate Promoter – Constructive Finance Private Limited**

<b>Name</b>	:	<b>Constructive Finance Private Limited</b>
<b>Date of Incorporation</b>	:	26.08.1998
<b>CIN</b>	:	U67120DL1988PTC250410
<b>Registered Office</b>	:	414/1, 4th Floor, DDA Commercial Complex, District Centre, Janakpuri, New Delhi -110058
<b>Nature of Business</b>	:	a registered Non-Banking Financial Institution whose main object is to carry on business of an Investment company to buy invest in, acquire, hold and deal in shares & other securities.
<b>Names of Directors</b>	:	Mr. Rajan Sabharwal and Mr. Sudhir Wadhawan
<b>Name of Promoters</b>	:	Mr. Onkar S. Kanwar

E. *Pre- issue Shareholding of Promoter and Promoter Group*

Name of Promoter	No. Of Shares held	% of holding
<b>Promoters</b>		
Artemis Health Sciences Ltd(AHSL)*	2,10,35,000	100 %
<b>Total</b>	<b>2,10,35,000</b>	<b>100%</b>
<b>Public</b>	0	0
<b>Total</b>	<b>2,10,35,000</b>	<b>100%</b>

\*AHSL was a holding company of the Company prior to the approval of Composite Scheme and hold 100% shares of the Company and also in the latest Annual Return of the Company filed with MCA and AHSL was wholly owned subsidiary of AGLSL, AHSL was shown as Promoter.



For details of shareholding of Promoter and Promoter Group post the Composite Scheme becoming effective please refer to page 36 of this Information Memorandum

*Summary of Financial Information*

(Rs. in Lakhs)

Particulars	Financial year ending			
	30 <sup>th</sup> June 2019	31 <sup>st</sup> March 2019	31 <sup>st</sup> March 2018	31 <sup>st</sup> March 2017
Share Capital	2103.50	2103.50	2103.50	2103.50
Net Worth	19048.67	18604.73	16564.82	13899.22
Revenue	13027.16	55042.00	50667.89	46412.56
Profit after tax	453.15	2076.77	2677.02	2706.68
Earnings per share	-*	9.87	12.73	12.87
Net Asset Value (per share)	90.56	88.45	78.75	66.08
Total Borrowings	11142.81	11286.16	7306.54	7565.17
EBITDA	1546.26	6779.30	6322.42	5676.46
Return on Net Worth	-*	11.11%	16.18%	19.61%

\*Not annualised

F. *Auditors qualifications which have not been given effect to in the financial statements*

There have been no qualifications or adverse remarks by the Auditors in the Company's Financial Statements.

G. *Summary of outstanding litigations*

Litigations Against/By	Nature of Cases	Number of Outstanding Case	Amount Involved (Rs.)
HUDA	Petition for appointment of arbitrator at Punjab and Haryana High Court	1	37,00,00,000/-**

\*\*Paid under protest to HUDA towards land cost enhancement compensation for Artemis Hospital land at Sector 51, Gurugram and is being claimed from HUDA through Arbitration proceedings.

Please refer Part A of Chapter XII of this Information Memorandum on page 147 for details of outstanding litigation and material developments of the Company.

H. *Risk factors*

Please refer chapter titled "Risk Factors" in this Information Memorandum on page 16 for detailed risks associated with the Company.

I. *Summary of contingent liabilities*

Particulars	As at 31 <sup>st</sup> March 2019 (Rs.)	As at 31 <sup>st</sup> March 2018 (Rs.)	As at 31 <sup>st</sup> March 2017 (Rs.)
Consumer Cases	785.99	831.18	750.12
Service Tax Case	-	2016.25	2016.25



J. Summary of related party transactions for last 3 years

(Rs. in Lakhs)

Particulars	Name of Concern	As at March 2019	As at March 2018	As at March 2017
Reimbursement of Expenses incurred on behalf of the Company	Artemis Health Sciences Ltd.	2.33	0.07	1.35
Reimbursement of Expenses incurred on behalf of the Company	Artemis Health Sciences Foundation	2.32	-	0.32
Reimbursement of Expenses incurred on behalf of the Company	Artemis Education & Research Foundation	38.96	43.34	50.80
Reimbursement of Expenses incurred on behalf of the Company	Artemis Cardiac Care Pvt Ltd	20.77	-	-
CSR Expenses	Artemis Health Sciences Foundation	45.83	8.42	-
Corporate Guarantee Fee	Artemis Health Sciences Ltd.	4.87	4.87	-
Loans & Advances Given	Devlina Chakravarty	-	-	25.00
Loans & Advances Given	Sanjiv Kumar Kothari	-	-	25.00
Recovery of Loans & Advances	Devlina Chakravarty	12.00	12.00	10.00
Recovery of Loans & Advances	Sanjiv Kumar Kothari	6.00	6.00	7.00
Lease Expenses	Artemis Global Life Sciences Ltd	48.14	44.98	42.84
Lease Expenses	Swaranganga Consultants P Ltd	12.20	262.19	364.75
Lease Expenses	Dr. Devlina Chakravarty	-	-	48.00
Investment in Subsidiary	Artemis Cardiac Care Pvt Ltd.	6.50	-	-
Candidature Fees Taken	Artemis Health Sciences Ltd.	-	-	1.00
Sale of Services / License Total Transactions	Total Transaction	886.91	520.06	176.35
Transactions in excess of 10%	Apollo Tyres Ltd.	845.94	437.18	142.38
Purchase of services / goods	Apollo Tyres Ltd.	7.08	7.08	6.90
Purchase of services / goods	Devarchana Rana	6.20	6.00	2.56
Purchase of services	Bespoke Tours & Travels Ltd.	-	-	16.07
Purchase of services / goods	Z & A Medical Tourism Pte Ltd.	-	85.38	33.02
Purchase of services / goods	Premedium Pharmaceuticals Pvt Ltd	49.48	-	1.00



Particulars	Name of Concern	As at March 2019	As at March 2018	As at March 2017
Donation Paid	Artemis Education & Research Foundation	40.00	40.00	51.00
Donation Paid	Artemis Health Sciences Foundation	2.74	-	-
Directors' Sitting Fees paid	Onkar S Kanwar	1.40	1.20	0.60
Directors' Sitting Fees paid	Neeraj Singh Kanwar	0.80	1.60	0.90
Directors' Sitting Fees paid	Shalini Kanwar Chand	2.60	2.60	1.00
Directors' Sitting Fees paid	P.N. Wahal	-	-	1.10
Directors' Sitting Fees paid	S. Narayan	2.80	1.80	1.20
Directors' Sitting Fees paid	Sanjaya Baru	1.00	0.60	1.70
Directors' Sitting Fees paid	Naveen Kapur	-	-	0.40
Directors' Sitting Fees paid	Nirmal K. Ganguly	0.80	1.20	0.70
Directors' Sitting Fees paid	Saurabh Srivastav	0.40	-	-
Directors' Sitting Fees paid	Akshay Kumar	2.40	2.20	-
Key management personnel-Compensation	Devlina Chakravarty	459.77	403.59	258.99
Key management personnel-Compensation	Sanjiv Kumar Kothari	73.15	55.89	51.69
Key management personnel-Compensation	Rakesh Kaushik	27.50	-	-
Key management personnel-Compensation	Navneet Goel	64.93	35.73	28.77
Defined benefit obligation	Post-employment benefits	52.01	47.48	38.95
Defined benefit obligation	Short-term benefits	23.30	20.60	29.03
Defined benefit obligation	Total compensation	75.31	68.08	67.98
Corporate Guarantee taken	Artemis Health Sciences Limited	-	-	5,000.00

- K. *Details of all financing arrangements whereby the promoters, members of the promoter group, the directors of the company which is a promoter of the issuer, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity during the period of six months immediately preceding the date of this offer document/offer document.*

**Not Applicable**

- L. *Weighted average price at which specified security was acquired by each of the promoters and selling shareholders in the last one year.*

**Not Applicable**

- M. *Average cost of acquisition of shares for promoter and selling shareholders.*  
The average cost of acquisition per equity share of the promoters is not applicable as shares were allotted pursuant to the Composite Scheme.



N. *Size of the pre-IPO placement and allottees, upon completion of the placement*

**Not Applicable**

O. *Any issuances of equity shares made in the last one year for consideration other than cash.*

**Not Applicable**

P. *Any split/consolidation of equity shares in the last one year.*

**Not Applicable**



## V. RISK FACTORS

This Information Memorandum contains certain forward-looking statements that involve risks and uncertainties.

Prospective Investors should carefully consider the following risk factors as well as other information included in this Information Memorandum Document prior to making any decision as to whether or not to invest in the Equity Shares.

The risks described below and any additional risks and uncertainties not presently known to the Company or that currently are deemed immaterial could adversely affect the Company's business, financial condition, liquidity, results of operations and capital resources. As a result, the trading price of the Equity Shares could decline and investors may lose part or all of their investment.

Prospective investors should pay particular attention to the fact that we are an Indian company and are subject to a legal and regulatory environment which may differ in certain respects from that of other countries.

### **Risks Relating to the Business of the Company**

*The Company is highly dependent on the doctors, nurses and other healthcare professionals and the Company's business and financial results could be harmed if the Company is not able to attract and retain such doctors, nurses and other healthcare professionals.*

The Company's operations depend on the efforts, ability and experience of its employees and the doctors and medical staff at Artemis hospital. The Company's performance and the execution of its business strategy depend substantially on its ability to attract and retain leading doctors and other healthcare professionals in a particular specialty or in a region relevant to the Company's growth plans. We compete with other healthcare services providers in recruiting and retaining these doctors and other healthcare professionals.

The factors that doctors consider important before deciding where they will work include the level of compensation, the reputation of the hospital and its owner, the quality of the facilities, research opportunities and community relations. The Company may not compare favorably with other healthcare services providers on these factors. Many of these healthcare professionals are well-known personalities in their fields and regions with large patient bases and referral networks, and it may be difficult to negotiate favorable terms and arrangements with them. In some of the Company's markets, doctor recruitment and retention is also affected by a shortage of doctors in certain specialties such as nephrology, physiatrist, optometry and ophthalmology.

If the Company is unable to attract or retain doctors, nurses or other medical personnel as required, the Company may not be able to maintain the quality of its services and it could be forced to admit fewer patients to its hospital, thereby having a material adverse effect on its business, financial position and results of operations. The Company has also incurred increased costs to retain and recruit medical personnel and the Company expects such costs to continue to increase in the future.

*If the Company is unable to increase the ArtemisHospital's occupancy rates, the Company may not be able to generate adequate returns on its capital expenditures, which could materially adversely affect the Company's operating efficiencies and its profitability.*

The Company has invested and continues to invest a significant amount of capital expenditures in creating bed capacity and expansion of hospital. The Company has also introduced new technologies, modernized its facilities and expanded its range of services.

The Company intends to focus on improving occupancy rates. Improving occupancy rates at hospitals is highly dependent on brand recognition, wider acceptance in the communities in which it operates, its ability to attract



and retain well-known and respected doctors, its ability to develop super-specialty practices and its ability to compete effectively with other hospitals and clinics.

***Rapid technological obsolescence, technological failures, inability to identify and understand evolving technological advancements and other challenges related to the Company's medical equipment could adversely affect its business.***

The Company uses sophisticated and expensive medical equipment in its hospitals to provide its services. The healthcare services industry is characterized by frequent product improvements and evolving technology, which could, at times, lead to earlier than planned redundancy of the Company medical equipment and result in asset impairment charges. The purchase and replacement of some of these equipment may involve significant costs, and may expose the Company to currency fluctuation risk, as such equipment are imported from other countries. In addition, because of the high costs of such medical equipment, Company may not maintain back-up equipment, and, therefore, even though Company generally obtain warranties for its equipment, if such equipment is damaged or breaks down, the Company's ability to provide services to patients may be impaired, which could adversely affect the Company business. The Company's success in the future will depend significantly on its ability to take advantage of and adapt to technological developments to compete with other healthcare services providers. Company failure to understand, anticipate or respond adequately to evolving medical technologies, market demands or client healthcare requirements may cause adverse effects on business and reduce competitiveness and market share. The Company is required to continue incurring expenditure on medical equipment's introduction and upkeep in line with their expected life.

***The Company faces competition from other hospitals, stand-alone pharmacies and healthcare services providers. Any adverse effects on the Company's competitive position could result in a decline in its revenues, profitability and market share.***

The healthcare services business, including the hospital and stand-alone pharmacy businesses, is competitive and competition for patients and customers among hospitals, stand-alone pharmacies and other healthcare services providers has intensified in recent years. In some cases, competing hospitals are more established than the hospitals owned by the Company. Some of the hospitals that compete with are owned or operated by tax-supported governmental bodies or by private not-for-profit entities supported by endowments and charitable contributions which can finance capital expenditures on a tax-exempt basis. In some of these markets, Company also faces competition from other healthcare services providers such as stand-alone laboratories, orthopedic, oncology, radiology and imaging centers. Company may also face competition from the foreign healthcare chain industry which may begin providing services in India in the future. New or existing competitors may price their services at a significant discount to Company prices or offer better services or amenities than us. Smaller hospitals, stand-alone clinics and other hospitals may exert pricing pressure on some or all of the Company's services and also compete for doctors and other medical professionals. Some of Company competitors may also have plans to expand their hospital networks, which may exert further pricing and recruiting pressure on Company. If Company is forced to reduce the price of the services offered by its hospitals or are unable to attract patients, doctors or other healthcare professionals, Company's business, revenues, profitability and market share may be adversely affected and in turn adversely impact the Company.

***The Company's arrangements with some of its doctors may give rise to conflicts of interest and time-allocation constraints, adversely affecting the Company's operations.***

The Company contracts and other arrangements with some of the visiting doctors permit them to maintain their own private practices, as well as positions, at other hospitals. Some of these doctors may also have Information Memorandum 13 admitting privileges at other hospitals in addition to Artemis Hospital. Certain of the 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 Artemis Hospital and other clinics or hospitals at which they work and where doctors refer





patients. Such conflicts may prevent Company from providing a high quality of service at Artemis Hospital and adversely affect the level of patient intake.

The existing operations and execution of Company's business strategy requires substantial capital resources and Company intend to incur additional debt in the future, including as part of its expansion plans. However, Company may be unable to obtain sufficient financing on terms satisfactory to Company, or at all. If interest rates increase it will be more difficult to obtain credit. As a result, Company development activities may have to be curtailed or eliminated and Company financial results may be adversely affected. Company level of indebtedness and debt service obligations could have important consequences, including the following:

The terms of Company existing debt obligations contain numerous financial and other restrictive covenants which, among other things, require Company to maintain certain financial ratios and comply with certain reporting requirements and restrict any changes in controlling interest or restrict the Company's ability to 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, liens on the Company's assets, sell assets, undertake new projects, change the Company's management and Board of Directors, allow any Director who has been identified as a willful defaulter, materially amend or terminate any material contract or document and modify the Company's capital structure. If Company does not comply with these obligations, it may cause an event of default, which, if not cured or waived, could require Company to repay the indebtedness immediately.

A default under one financing document may also trigger cross-defaults under Company other financing documents. An event of default, if not cured or waived, could result in the acceleration of all or part of Company financial indebtedness or other obligations.

Company may be more vulnerable in the event of downturns in the Company's businesses and to general adverse economic and industry conditions.

If Company has difficulty obtaining additional financing at favorable interest rates, Company may face difficulties in meeting the Company's requirements for working capital, capital expenditures, acquisitions, general corporate purposes or other purposes.

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

***Heavy dependence on the Company's senior management team, and loss of the services of one or more of key executives or a significant portion of local management personnel could weaken the Company's management team and adversely affect Company's financial condition and prospects.***

The Company is heavily dependent on members of its senior management team, including certain employees who have been with Company since past many years, to manage its current operations. Company's success and ability to meet future business challenges largely depends on the skills, experience and efforts of members of its senior management team and on the efforts, ability and experience of key members of the Company's local management staff.

The loss of services of one or more members of its senior management team or of a significant portion of any of its local management staff could weaken significantly its management expertise and its ability to deliver healthcare services efficiently or continue managing or expanding its business.

***If Company is unable to identify expansion opportunities or experience delays or other problems in implementing expansion projects, growth, financial condition, cash flows and results of operations of Company may be adversely affected.***



The growth depends on Company ability to develop, acquire and manage additional hospitals and also expand and improve the existing hospital facilities. the Company has certain projects under development and are continuously evaluating other projects, including acquisition opportunities

The Company may not be able to identify suitable greenfield sites for new hospitals, acquisition or hospital management opportunities or opportunities for expanding capacity at the Company's existing hospital facilities. The number of attractive expansion opportunities may be limited and may command high valuations. The Company may be unable to secure the necessary financing or negotiate attractive terms to implement expansion projects.

Any new project the Company undertakes could be subject to a number of risks. The Company may face challenges while building new hospitals or renovating, rebuilding or repositioning existing hospitals. The Company may also be unable to effectively integrate new facilities with its current operations. Undertaking new hospital projects requires significant managerial and financial resources and Company may face difficulties in recruiting and retaining an adequate pool of doctors, nurses and other medical personnel for its new projects. The costs and time required to integrate the new hospitals with Company's existing business could cause an interruption or a loss of momentum in its business activities. All of these factors may adversely affect Company's business and growth prospects.

Company's ability to build and operate new hospital projects 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, the unavailability of equipment or supplies or other reasons, events or circumstances. Company's projects may incur significant cost overruns and may not be completed on time or at all.

New hospital projects are characterized by long gestation periods and substantial capital expenditures. Company's may not achieve the operating levels that the Company expects from future projects and it may not be able to achieve its targeted return on investment on, or intended benefits or operating synergies from, these projects. Potential title uncertainties regarding the lands on which potential acquisition targets and management contracts opportunities are or may be located, including related litigation, may also cause delays in, and may otherwise curtail, its expansion plans.

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

*Company may have difficulty in effectively integrating future acquisitions and - into ongoing operations.*

The competition to acquire hospitals that Company targets is significant, and the Company may not be able to consummate such transactions on terms favorable to it if other healthcare services companies, including those with greater financial resources than it, are competing for the same target businesses. In order to consummate such acquisitions, or consolidations, Company may be required to incur or assume additional indebtedness. Company may not be able to obtain financing, if necessary, for any acquisitions or may make or may be required to borrow at higher rates and on less favorable terms. Additionally, Company may not be able to effectively integrate the facilities that Company acquires or may experience difficulties arising from coordinating and consolidating corporate and administrative functions, including integration of internal controls and procedures with its ongoing operations. A failure to successfully integrate an acquired business or inability to realize the anticipated benefits of such joint venture or acquisition could adversely affect Company's results of operations and financial condition.

Acquired businesses may have unknown or contingent liabilities, including liabilities for failure to comply with healthcare laws and regulations, and Company may become liable for the past activities of such



businesses. Although Company has policies in place to ensure that the practices of newly acquired facilities conform to Company standards, and generally will seek indemnification from prospective sellers covering these matters, Company may become liable for past activities of any acquired business.

Certain cities in India require prior approval for the purchase, construction and expansion of healthcare facilities. The failure to obtain any required approval or the failure to maintain a required license could impair Company's ability to operate or expand operations in any city.

*The Company is exposed to legal claims and regulatory actions arising from the provision of healthcare services that, if adversely determined against the Company or its joint ventures, could have a material adverse effect on the Company's liquidity, financial position or results of operations.*

From time to time, the Company may be subject to litigation alleging, among other things, medical negligence by Company's doctors and other healthcare professionals and product negligence and product liability for medical devices at Artemis Hospital use or pharmaceuticals dispensed. Further, The Company could also be the subject of complaints from patients who are dissatisfied with the quality and cost of healthcare services.

The results of these claims and lawsuits cannot be predicted, and it is possible that the ultimate resolution of these legal claims and regulatory actions, individually or in the aggregate, may have a material adverse effect on the Company's business both in the near and long term, financial position, results of operations or cash flows. Although the Company may defend itself vigorously against claims and lawsuits, these matters could:

- require the Company to pay substantial damages or amounts in judgments or settlements, which individually or in the aggregate could exceed amounts, if any, that may be recovered under the Company's insurance policies where coverage applies and is available;
- harm reputation and the goodwill associated with the Company's brand;
- cause the Company to incur substantial expenses and/or substantial increases in the Company's insurance premiums;
- require significant time and attention from the Company's management; and
- require the Company to incur debt to finance any damages or amounts in judgment or settlement.
- If any of the Company's future cases are not resolved in the Company's favor, and if the insurance coverage or any applicable indemnity is insufficient to cover the damages awarded, the Company may be required to make substantial payments or modify or restrict its operations, which could have an adverse impact on the Company's reputation and competitive position, as well as the Company's business and financial results.

As of 20<sup>th</sup> October, 2019, AMSL is handling 30 (Thirty) legal claims/recovery/actions including various claims in relation to alleged medical negligence. Further, contingent liabilities as referred in the notes to accounts of the financial statements of AMSL and corresponding management reply may also be referred to estimate AMSL's liabilities. Further an amount of Rs. 37.00 Crores (paid under protest to HUDA towards land cost enhancement compensation for Artemis Hospital land) is being claimed from HUDA through Arbitration proceedings.

If Company is exposed to claims exceeding the scope of Company's insurance coverage or that are not covered by Company's insurance policies or if Company's insurance costs increase, and if Company's doctors are unable to obtain appropriate insurance coverage, Company's and the Company's liquidity, financial condition and results of operations may be adversely affected.



*Company may be subject to liabilities arising from the risks of hospital management, including liabilities from claims of medical negligence against Company's doctors and other healthcare professionals, which may adversely affect Company and the Company's business, financial position, results of operations or cash flow.*

Company maintains professional liability and general liability insurance coverage to cover certain claims arising out of the operations of Artemis Hospital.

Some of the claims, however, could exceed the scope of the coverage in effect or coverage of particular claims could be denied. Company also provide services to projects located outside of India. Claims under the laws in such foreign countries may expose Company to far greater liability than would be the case in India, and Company may not have adequate insurance to cover such liability. Company believes that its professional and other liability insurance has been adequate in the past but there can be no assurance that its insurance coverage will be sufficient to cover all future claims. If the arrangements for insurance or indemnification are not adequate to cover claims, Company may be required to make substantial payments and the Company's financial condition and results of operations may be adversely affected.

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

All reinsurance and any excess insurance purchased by Company are subject to policy aggregate limitations. Should such policy aggregates be partially or fully exhausted in the future, or if actual payments of claims materially exceed projected estimates of claims, Company may be required to make substantial payments and the Company's financial position, results of operations or cash flows could be materially adversely affected.

*Compliance with applicable safety, health, environmental and other governmental regulations and any violations of existing regulations may be costly and adversely affect Company business and results of operations.*

The healthcare services industry is subject to laws, rules and regulations in certain states in which Company currently conducts its business or in which Company intends to expand its operations. Company is subject to extensive international and local regulations relating, among other things, to:

- conduct of 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; and
- the screening, stabilization and transfer of patients who have emergency medical conditions.

Safety, health and environmental laws and regulations in India are stringent and it is possible that the evolving regulatory environment in India may lead to significantly more stringent healthcare laws and regulations in the



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

Further, if a determination is made that Company is in violation of such laws, rules or regulations, including conditions in the permits required for its operations, Company may have to pay fines, modify or discontinue its operations, incur additional operating costs or make capital expenditures and Company's and the Company's 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 Company. Any such costs could adversely affect Company's competitive position and results of operations. In addition, regulation is constantly changing and the Company is 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 the Company's business, financial position, results of operations or cash flows.

*Company's operations could be impaired by a failure of Company's information technology systems.*

Company's information technology systems are essential to a number of critical areas of its 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 systems could adversely affect operations or delay the collection of revenue or cause interruptions in the Company's ability to provide services to 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 patients. In addition, Company may be subject to liability as a result of any theft or misuse of personal information stored on its systems. Although Company has implemented network security measures, its servers are vulnerable to computer viruses, hacking, break-ins and similar disruptions from unauthorized tampering. 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 the Company's business reputation.

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

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



In addition, the 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 economic and business conditions, both nationally and regionally; demographic changes; and changes in the distribution process or other factors that increase the cost of supplies.

In particular, the patient volumes and net operating revenues at the Artemis Hospital 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 Company to effectively face these challenges could have a material adverse effect on results of operations of the Company.

***The Company has limited protection of the Company's intellectual property.***

Company has registered/filed the trademark of "ARTEMIS" and various designs/logo/label of the Company and Artemis Hospital

Unauthorized use of the brand name or logo could adversely affect the Company's reputation, which could in turn adversely affect the business, financial condition and results of operations. Intellectual property rights and the Company's ability to enforce them may be unavailable or limited in some circumstances. In addition, trade mark registration applications may not be allowed or competitors may challenge the validity of the Company's trade mark registrations. If the Company fails to successfully obtain or enforce intellectual property rights, the Company's competitive position and operating results could be adversely affected.

If Company loses or fails to renew accreditation from JCI and NABH for Artemis Hospital, Gurugram and/or if Company lose accreditation or does not receive re-accreditation of its hospitals by JCI and/or NABH or is refused accreditation of the Artemis Hospital, the Company's reputation and business operations could be adversely affected.

**Risks Relating to Investments in Indian Companies**

***A slowdown in economic growth in India could cause the Company's businesses to suffer.***

The Company currently operates primarily in the domestic Indian market, and its performance is intertwined with the overall economy, the gross domestic product growth rate and the economic cycle in India. A substantial portion of assets and employees of the Company is located in India, and the Company intends to continue to develop and expand the Company's facilities in India.



The Company's performance and the growth of business is dependent on the performance of the Indian economy and the economies of the regional markets they currently serve. These economies could be adversely affected by various factors, such as political and regulatory changes including adverse changes in liberalization policies, social disturbances, religious or communal tensions, terrorist attacks and other acts of violence or war, natural calamities, interest rates, commodity and energy prices and various other factors. Any slowdown in these economies could adversely affect the ability of patients to afford healthcare services provided by Company, which in turn would adversely impact the Company's business and financial performance and the price of the Equity Shares.

*The Company's ability to raise foreign capital may be constrained by Indian law.*

As an Indian company, the Company is subject to exchange controls that regulate borrowing in foreign currencies. Such regulatory restrictions limit the Company's financing sources and hence could constrain the Company's ability to obtain financing on competitive terms and refinance existing indebtedness. The limitations on foreign debt may have an adverse effect on the business growth, financial condition and results of operations of the Company.

*Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect business and the trading price of the Equity Shares could decrease.*

Terrorist attacks, civil unrests like community agitation and other acts of violence or war in India and around the region may adversely affect worldwide financial markets and result in a loss of consumer confidence and ultimately adversely affect the Company's business, results of operations, financial condition and cash flows. Political tensions could create a perception that an investment in Indian companies involves higher degrees of risk and on the business and price of the Equity Shares.

*Natural disasters could have a negative impact on the Indian economy and harm the Company's business.*

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 impact 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 impact on the Indian economy, adversely affecting the Company's business and the price of the Equity Shares.

*Any downgrading of India's debt rating by an international rating agency could have a negative impact on the Company's business*

Any adverse revision to India's credit rating for domestic and international debt by international rating agencies may adversely impact the Company's ability to raise additional financing and the interest rates and other commercial terms at which such additional financing is available. This could have an adverse effect on the Company's financial performance, cash flows, results of operations and future financial performance and the Company's ability to obtain financing to fund the Company's growth on favorable terms or at all, as well as the trading price of the Equity Shares.

*If inflation were to rise in India, the Company may be unable to reduce its costs and the Company's profits might decline.*

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. Increasing inflation in India could cause a rise in the price of transportation, wages, raw material, equipment and other expenses, and the Company may be unable to reduce its costs, and the results of operations, cash flows and financial conditions of the Company may therefore be adversely affected.



*The profitability of Company will decrease if the Indian Government reduces or withdraws tax benefits and other incentives that it currently provides or regulates pricing.*

If the Government regulates price or reduce or withdraw any incentive or benefits it presently provides than the profitability of the Company may be adversely affected.

#### **Risks Relating to the Equity Shares**

*Fluctuations in operating results and other factors may cause the market prices of the Equity Shares to decline.*

The stock markets have experienced extreme volatility that has often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the trading prices of the Equity Shares.

There may be significant volatility in the market prices of the Equity Shares. If the Company is unable to operate its hospitals or stand-alone pharmacies as profitably as the Company has in the past, investors could sell the Equity Shares when it becomes apparent that the expectations of the market may not be realized, resulting in a decline in the market prices of the Equity Shares.

In addition to the Company's operating results, the operating results of other hospital companies, changes in financial estimates or recommendations by analysts, changes in government healthcare programs, governmental investigations and litigation, speculation in the press or investment community, the possible effects of war, terrorist and other hostilities, adverse weather conditions, the level of seasonal illnesses, changes in general conditions in the economy or the financial markets, or other developments affecting the healthcare industry, could cause the market prices of the Equity Shares to fluctuate substantially or decline.

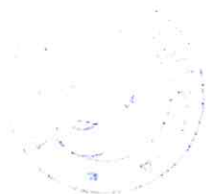
*The Company may decide to retain all of its earnings to finance the development and expansion of its business and, therefore, may not declare dividends on Equity Shares.*

Whether the Company will pay dividends in the future and the amount of any such dividends, if declared, will depend on a number of factors, including the Company's future earnings, financial condition, cash flows, working capital requirements, capital expenditures and other factors considered relevant by the Board of Directors and shareholders. The Company may decide to retain all of the Company's earnings to finance the development and expansion of its business and, therefore, may not declare dividends on Equity Shares. The Company's ability to pay dividends may also be restricted under certain financing arrangements that the Company has and may enter into. There can be no assurance that the Company will, or have the ability to, declare and pay any dividends on the Equity Shares at any point in the future.

*Rights of shareholders under Indian law may be more limited than under the laws of other jurisdictions.*

The Articles of Association and Indian law govern the Company's corporate affairs. Legal principles relating to these matters and the validity of corporate procedures, director's fiduciary duties and liabilities, and shareholder's rights may differ from those that would apply to a company in another jurisdiction. The shareholder's rights under Indian law may not be as extensive as shareholder's rights under the laws of other countries or jurisdictions. The investors may have more difficulty in asserting its rights as a shareholder of an Indian company than as a shareholder of a corporation in another jurisdiction.

*The Company cannot guarantee that the Equity Shares will be listed on the Stock Exchanges in a timely manner or at all, and any trading closure at the BSE or the NSE may adverse effect the trading price of the Equity Shares.*





Approval for listing and trading will require all relevant documents authorizing the issuing of the Equity Shares to be submitted. There could be a failure or delay in listing the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval would restrict the Investors ability to dispose of the Equity Shares.

The regulation and monitoring of Indian securities markets and the activities of investors, brokers and other participants differ, in some cases significantly, from those in Europe and USA. A closure of, or trading stoppage on, the BSE or the NSE could adversely affect the trading price of the Equity Shares. Historical trading prices, therefore, may not be indicative of the prices at which the Equity Shares will trade in the future.

*There are restrictions on daily movements in the price of the Equity Shares, which may adversely affect a holder's ability to sell, or the price at which it can sell, Equity Shares at a particular point in time.*

On listing of Equity Shares, the Company would be subject to a daily circuit breaker imposed by all Stock Exchanges, which will not allow transactions beyond specified increases or decreases in the price of the Equity Shares. This circuit breaker operates independently of the index-based market-wide circuit breakers generally imposed by SEBI on Indian stock exchanges. The maximum movement allowed in the price of the Equity Shares before the circuit breaker is triggered is determined by the Stock Exchanges based on the historical volatility in the price and trading volume of the Equity Shares.

The Stock Exchanges would not inform the Company of the triggering point of the circuit breaker in effect from time to time, and may change it without the Company's knowledge. This circuit breaker limits the upward and downward movements in the price of the Equity Shares. As a result of this circuit breaker, no assurance may be given regarding the Investors ability to sell Equity Shares or the price at which the investor may be able to sell the Equity Shares at any particular time.

#### PROMINENT NOTES

- The Company has allotted on October 26, 2019 an aggregate of 1,32,37,700 Equity Shares of Rs. 10/- each to shareholders of AGLSL (as on the record date October 25, 2019) pursuant to the Scheme approved by NCLT Delhi, vide its order dated September 30, 2019.
- The Company's net worth was Rs. 18,604.73 Lakhs (Standalone Basis) as per the audited financial statements as on March 31, 2019 and Rs 16,564.82 Lakhs as per audited financial statements as on March, 31 2018
- The book value per Equity Share was Rs. 88.45 (Standalone Basis) as per the audited Financial Statements as on March 30, 2019 and Rs 78.75 as per audited financial statements as on March, 31 2018.
- Except as stated in the part G of Section X of this Information Memorandum at page number 93, none of the Group Companies have any business or other interest in the Company.
- For details of related party transactions entered into by the Company with the Group Companies during the last year, the nature of transactions and the cumulative value of transactions, please refer to page number 11.
- The Company was incorporated as a public limited company under the Indian Companies Act, 1956, in the name of Artemis Medicare Services Private Limited, pursuant to a certificate of incorporation dated May 18, 2004, bearing registration number U85110DL2004PTC126414 and subsequently was converted into a Public Limited Company on October 5, 2009 by the ROC, National Capital Territory of Delhi & Haryana.
- The Company was originally incorporated with the object of providing medical facilities and human healthcare activities.



## VI. INTRODUCTION

### A. *Summary of Issue*

A joint application for Composite Scheme was presented under sections 230 to 232 and other applicable provisions of Companies Act, to the NCLT, Delhi, for the merger of AHSL, AEL and AGLSL with the Company on 28<sup>th</sup> September 2018.

The Composite Scheme is divided into two crucial parts to occur sequentially:

- a) Firstly, Part II of the Composite Scheme (relating to amalgamation of AHSL, AEL with AGLSL), to take effect, prior to merger under Part III of the Composite Scheme;
- b) Subsequently, Part III of the Composite Scheme (relating to amalgamation of AGLSL with AMSL, shall be deemed to have taken effect, after Part II of the Composite Scheme.

Merger under Part II of the Composite Scheme does not entail any share issuance, as there would be a cancellation of shares held by AGLSL directly in AHSL and indirectly in AEL (through AHSL). In the merger under the Part III of the Composite Scheme, as a consideration for the reverse merger the Company would issue and allot equity shares at par on a proportionate basis to each shareholder of AGLSL whose name is recorded in the register of members of the Company on record date in the ratio of 1:5 i.e. 1 (one) equity shares of Rs. 10/- each of the Company to be issued for every 5 (five) equity share of Rs. 2/- each of AGLSL held by the shareholder(s) of AGLSL (“**Share Exchange Ratio**”).

The NCLT, Delhi vide its order dated September 30, 2019 has sanctioned the Composite Scheme, and the Composite Scheme has been made effective from 14<sup>th</sup> October 2019. In terms of the Composite Scheme, the Company issued and allotted 13,237,700 Equity Shares to shareholders of AGLSL on the record date as per the Share Exchange Ratio.

Further, in accordance with the provisions of the Composite Scheme, the Equity Shares of the Company issued to the shareholders of AGLSL (as on 25<sup>th</sup> October 2019 being the record date) shall be listed and admitted to trading on the BSE and NSE. Such listing and admission for trading is not automatic and will be subject to fulfilment by the Company of listing criteria of BSE and NSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application by the Company seeking listing.



B. Summary of Financial Information

Balance Sheet (Standalone)

(Rs. in Lakhs)

Particulars		As on					
		30/06/2019	31/03/2019	31/03/2018	31/03/2017	31/03/2016	31/03/2015
<b>EQUITY AND LIABILITIES</b>							
1	Shareholders' Funds						
	Share Capital	2103.50	2103.50	2,103.50	2,103.50	2,103.50	2,103.50
	Reserves and Surplus	23521.06	23069.04	21,002.02	18,322.12	16,286.96	13,463.66
2	Non-current Liabilities	10,091.21	8,440.35	7,331.67	8433.88	5612.22	6288.22
3	Current Liabilities						
	Trade Payables	6991.20	7,369.55	6,745.74	6160.78	5514.67	5233.11
	Other Current Liabilities	9505.27	9965.30	8,002.11	7208.84	4946.03	6027.62
	<b>TOTAL</b>	<b>52212.24</b>	<b>50947.74</b>	<b>45185.04</b>	<b>42229.12</b>	<b>34463.38</b>	<b>33116.11</b>
<b>ASSETS</b>							
1	Non-current Assets	41202.12	39854.38	36,452.90	33402.54	26825.52	25732.11
2	Non-current Investments	-	-	-	-	-	-
3	Current Assets						
	Cash and Cash Equivalents	593.34	1125.39	1,217.93	954.22	598.34	2381.53
	Other Current Assets	10416.78	9967.97	7,514.21	7872.36	7039.52	5002.47
	<b>TOTAL</b>	<b>52212.24</b>	<b>50947.74</b>	<b>45,185.04</b>	<b>42,229.12</b>	<b>34,463.38</b>	<b>33,116.11</b>



Statement of Profit & Loss (Standalone)

(Rs. in Lakhs)

Particulars	For the Financial Year					
	30/06/2019	2018-19	2017-18	2016-17	2015-16	2014-15
<b>Revenue</b>						
Revenue from Operations	13570.76	54,650.09	50,277.13	45,899.55	40,179.45	36,736.95
Other Income	56.40	391.91	390.76	513.01	538.37	348.85
<b>Total Revenue</b>	<b>13,627.16</b>	<b>55,042.00</b>	<b>50,667.89</b>	<b>46,412.56</b>	<b>40,717.82</b>	<b>37,085.80</b>
Expenses	12,950.91	51,358.82	47,121.13	43,172.94	37,976.41	34,977.92
<b>Total Expenses</b>	<b>12,950.91</b>	<b>51,358.82</b>	<b>47,121.13</b>	<b>43,172.94</b>	<b>37,976.41</b>	<b>34,977.92</b>
<b>Profit Before Tax</b>	<b>676.25</b>	<b>3,683.18</b>	<b>3,546.76</b>	<b>3,239.62</b>	<b>2,741.41</b>	<b>2,107.88</b>
<u>Tax Expenses:</u>						
For the current year	224.22	1,616.16	869.74	532.94	577.03	250.09
<b>Profit After Tax</b>	<b>452.03</b>	<b>2,067.02</b>	<b>2,677.02</b>	<b>2,706.68</b>	<b>2,164.38</b>	<b>1,857.79</b>
<u>No of Shares (in Lakh)</u>	210.35	210.35	210.35	210.35	210.35	210.35
<u>Face Value per Share (INR)</u>	10	10	10	10	10	10
<u>Basic &amp; Diluted EPS (INR)</u>	-*	9.87	12.73	12.87	10.29	8.83

\*Not Annualized



Cash Flow Statement (Standalone)

(Rs. in Lakhs)

Particulars	30/06/2019	2018-19	2017-18	2016-17	2015-16	2014-15
<b>A Cash Flow from operating activities</b>						
Net Profit / (Loss) before tax and extraordinary items and interest	690.41	3,739.82	3,546.76	3,239.62	2,741.42	2,107.88
<b>Operating Profit before Working Capital Changes</b>	690.41	3,739.82	3,546.76	3,239.62	2,741.42	2,107.88
<b>Adjustment for :</b>						
Depreciation	541.47	1,992.29	1,847.08	1,515.85	1,238.84	1,242.71
Other Items of Profit & Loss Account	218.36	618.64	(484.56)	656.62	233.66	1,055.83
(Increase) / Decrease in assets & liabilities	47.25	(1294.06)	2,371.07	512.92	(2,138.3)	989.67
<b>Cash generated from operations</b>	<b>1,497.48</b>	<b>5,056.69</b>	<b>7,280.35</b>	<b>5,925.02</b>	<b>2,075.57</b>	<b>5,396.09</b>
Effect of exchange diff on cash & cash equivalents held in Forex	-	-	-	-	-	1.22
Direct Taxes Paid/ Refund	(1178.64)	(986.27)	(89.60)	(130.88)	(26.20)	(116.81)
<b>Net cash from operating activities</b>	<b>318.84</b>	<b>4,070.42</b>	<b>7,190.75</b>	<b>5,794.14</b>	<b>2,049.37</b>	<b>5,280.50</b>
<b>B Net cash from Investing activities</b>	<b>(386.61)</b>	<b>(4965.83)</b>	<b>(6657.04)</b>	<b>(7394.39)</b>	<b>(1416.98)</b>	<b>(1010.24)</b>
<b>C Net cash from Financing activities</b>	<b>(516.29)</b>	<b>1,436.64</b>	<b>(966.86)</b>	<b>1,938.94</b>	<b>(2,429.75)</b>	<b>(3,540.88)</b>
Net (Decrease) / Increase in Cash & Cash Equivalents	<b>(584.06)</b>	<b>541.23</b>	<b>(433.15)</b>	<b>338.70</b>	<b>(1,797.36)</b>	<b>729.38</b>
Effect of exchange diff on cash & cash equivalents held in Forex	-	-	-	-	-	(1.22)
Cash & Cash Equivalents (Opening)	811.00	269.78	702.96	364.26	2,161.62	1,433.46
Cash & Cash Equivalents (Closing)	226.93	811.00	269.81	702.96	364.26	2,161.62



## VII. GENERAL INFORMATION

### A. Details of the Company

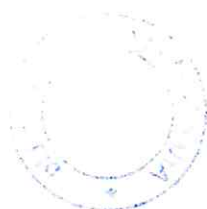
The Company was incorporated as a Private Limited Company under the Companies Act, 1956, in the name of Artemis Medicare Services Private Limited pursuant to a certificate of incorporation dated May 18, 2004 bearing registration number U85110DL2004PTC126414 and subsequently was converted into a Public Limited Company on October 5, 2009 by the ROC, National Capital Territory of Delhi & Haryana

Corporate Identification Number	U85110DL2004PLC126414
Registrar of Companies	ROC, National Capital Territory of Delhi
Registered Office	Plot No. 14, Sector 20, Dwarka, New Delhi-110075
Corporate Office	Artemis Hospital, Sector-51, Gurugram-122001 (Haryana)

### B. Board of Directors

The composition of the Board of Directors of the Company is as follows:

S. No.	Name of Director	DIN	Designation	Address
1.	Mr. Onkar S Kanwar*	00058921	Chairman and Non-Executive Director	H. No. 3/3, Shanti Niketan, New Delhi - 110021
2.	Ms. Shalini Kanwar Chand	00015511	Non-Executive Director	48 Coronation RD West #01-02 Astrid Meadows Singapore 269263 SG
3.	Mr. Neeraj Kanwar	00058951	Non-Executive Director	5 Upper Belgrave Street London SW1X8BD GB
4.	Dr. Nirmal Kumar Ganguly	02316154	Non-Executive Director	701, Gayatri Apartment, GH-06, Sector-45, Faridabad-121010, Haryana
5.	Dr. Devlina Chakravarty	07107875	Whole Time Director	W-12, 2nd Floor, Kings Court, Greater Kailash, Part-2, South Delhi Delhi 110048
6.	Mr. Akshay Kumar Narendrasinhji Chudasama	00010630	Independent Director	Shanti Cottage No.2, Narayan Dabholkar Road, Chandralok, Malabar Hill, Mumbai 400006, Maharashtra
7.	Dr. Sanjaya Baru	05344208	Independent Director	D-44, Panchsheel Enclave, New Delhi-110017
8.	Dr. Subbaraman Narayan	00094081	Independent Director	Flat No. 2B, Nithyasree Apartments, 51, Chaimers Road, Raja Annamalaipuram, Chennai- 600028
9.	Mr. Ugar Sain Anand	02055913	Independent	B-1/239, Paschim Vihar,



			Director	Delhi – 110063
10.	Mr. Sunil Tandon	08342585	Independent Director	D-36, Saket, Malviya Nagar, Delhi - 110017

\*Mr. Onkar S. Kanwar is also the Promoter of the Company

C. Company Secretary & Compliance Officer

Rakesh Kumar Kaushik  
Artemis Hospital Sector-51,  
Gurugram-122001, Haryana  
Telephone number: 0124-480-7180  
Fax number: 0124 -6767 701  
rakesh.kaushik@artemishospitals.com

D. Legal Advisors to Listing

Chitale Legal  
5th Floor, Nirlon House,  
Dr Annie Besant Road,  
Worli, Mumbai - 400030  
+91 22 40041010-15/66396833  
satish.dinavahi@chitale.net

E. Registrar of the Issue, Share Transfer Agents & Depository Participant

Alankit Assignments Limited  
Reg. Office- 1E/13, Jhandewalan Extension, New Delhi-110055  
SEBI Registration No: INR000002532  
Phone 011 - 42541234  
Fax No. 011- 42541201  
info@alankit.com  
www.alankit.com

F. Statutory Auditors

SCV & Co. LLP, Chartered Accountants  
B-41, Panchsheel Enclave, New Delhi - 110017  
000235N/N500089  
Ph No. 011-26499111, 222/444/5555  
delhi@scvindia.com

G. Secretarial Auditor

Chandrasekaran Associates  
Company Secretaries  
11F, Pocket – IV, Mayur Vihar Phase - I,  
Delhi – 110091, Tel. No. 011 – 22710514  
[www.caacsindia.com](http://www.caacsindia.com)

H. Change in Auditors in last 3 years

The auditors of the Company are M/s SCV & Co. LLP, Chartered Accountants, New Delhi (FRN: 000235N/ N500089). The following changes in the auditors have been made during the last three years.



Name	Date of Appointment	Date of Removal	Reasons for Removal
M/s S.P. Puri & Co. Chartered Accountants, New Delhi (FRN:001152N) (“SPP”)	12 <sup>th</sup> September 2014	SPP ceased to exist w.e.f 01 <sup>st</sup> April 2018	Merger of SPP with and into M/s SCV & Co., Chartered Accountants, New Delhi (FRN:000235N)
M/s SCV & Co., Chartered Accountants, New Delhi (FRN:000235N)	25 <sup>th</sup> April 2018 to hold office till conclusion of 14 <sup>th</sup> AGM which was held on 03 <sup>rd</sup> August 2018	On conclusion of 14 <sup>th</sup> AGM which was held on 03 <sup>rd</sup> August 2018	Expiry of tenure of appointment in Casual vacancy
M/s SCV & Co. LLP, Chartered Accountants, New Delhi, (FRN:000235N/N500089)	03 <sup>rd</sup> August 2018	-	-

\*\*Note: Members of the Company at their 10<sup>th</sup> AGM held on 12<sup>th</sup> September 2014 appointed SPP to hold the office until the conclusion of the 15<sup>th</sup> AGM.

SPP informed the Company vide a letter dated 18<sup>th</sup> April 2018 that consequent to a merger of SPP with and into M/s SCV & Co., Chartered Accountants, New Delhi (FRN:000235N), SPP ceased to exist w.e.f. 01<sup>st</sup> April 2018 and thereafter a casual vacancy arose in the office of Auditor of the Company which was filled by the Board of Directors on 25<sup>th</sup> April 2018 through the appointment of M/s SCV & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company to hold the office till the conclusion of 14<sup>th</sup> AGM which was to be conducted in year 2018.

Members of the Company at their 14<sup>th</sup> AGM held on 03<sup>rd</sup> August 2018 appointed M/s SCV & Co., Chartered Accountants, New Delhi and now presently known as M/s SCV & Co. LLP, Chartered Accountants, New Delhi, (FRN:000235N/N500089) as Statutory Auditor for a period of three consecutive years i.e, till the conclusion of 17<sup>th</sup> AGM of the Company.

#### **Authority for Listing**

The NCLT Delhi, vide its order dated September 30, 2019 approved the Composite Scheme and the Composite Scheme has been made effective from October 14, 2019.

In accordance with the provisions of the Composite Scheme, the Equity Shares of the Company issued to the shareholders of AGLSL (as on October 25, 2019, being the record date) shall be listed and admitted to trading on the BSE and NSE. Such listing and admission for trading is not automatic and will be subject to fulfilment by the Company of listing criteria of BSE and NSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application by the Company seeking listing. The Company has determined BSE as the Designated Stock Exchange for this listing.

#### **Eligibility Criteria**





There being no initial public offering or rights issue, the eligibility criteria of SEBI ICDR Regulation do not become applicable. The Company has received letter dated January 10, 2020 granting exemption from compliance with Rule 19(2)(b) of SCRR under Rule 19(7) of SCRR from SEBI.

The Company has submitted the draft information memorandum and this Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirement for public issues, as applicable to BSE and NSE for making this Information Memorandum available to public through their websites viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

The Company has made this Information Memorandum available on its website viz. [www.artemishospitals.com](http://www.artemishospitals.com) The Company has on January 15, 2020 published an advertisement in the newspapers containing its details in line with the SEBI Circular with the details required as in terms of Annexure A Part III(A) para 2(5) of the said circular. The advertisement specifically draws reference to the availability of this Information Memorandum on the Company's website.

#### **General Disclaimer from the Company**

The Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisement published on January 15, 2020 in terms of Annexure A Part III(A) para 2(5) of the SEBI Circular or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company 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.



## VIII. CAPITAL STRUCTURE

### A. Share Capital of the Company

Particulars	Number of securities	Description of Securities	Aggregate Value at Face value (Rs.)
Authorised Capital	7,00,50,000	(i) 6,95,50,000 Equity Shares of Rs. 10/- each and (ii) 50,000 preference shares of Rs. 100/- each	70,05,00,000
Issued Share Capital	1,32,37,700	1,32,37,700 Equity Shares of Rs. 10/- each	13,23,77,000
Subscribed Share Capital	1,32,37,700	1,32,37,700 Equity Shares of Rs. 10/- each	13,23,77,000
Paid Up Share Capital	1,32,37,700	1,32,37,700 Equity Shares of Rs. 10/- each	13,23,77,000

### Changes in Authorised Share Capital since Incorporation of the Company

Date of Change in Authorised Capital	Details of change in Authorised Capital
02.02.2007	Increase in Authorized Share Capital from Rs. 1,00,000 to Rs. 25,00,00,000
14.10.2019	Increase in Authorized Share Capital from Rs. 25,00,00,000 to Rs. 70,05,00,000

### B. Note to Capital Structure

(a) The following table sets forth the history of the Equity Share Capital of the Company.

Date of Allotment	Name of Allotee	No. of Equity shares allotted	Face Value (Rs.)	Issue Price (Rs.)	Nature of Allotment	Nature of Consideration	Cumulative No of Equity Shares	Cumulative Paid-Up Capital (Rs.)	Cumulative Security Premium
22.11.2004	Dr. Yogesh K. Trikha	5,000	10	10	Subscription of Memorandum	Banking Channel	5,000	50000	0
22.11.2004	Ms. Rani Saxena	5,000	10	10	Subscription of Memorandum	Banking Channel	10,000	100000	0
26.03.2007	Artemis Health Sciences Private Limited*	1,20,00,000	10	50	Right Issue	Banking Channel	1,20,10,000	1,20,10,000	48,00,000
27.02.2008	Artemis Health	60,00,000	10	50	Right Issue	Banking Channel	1,80,10,000	18,01,00,000	72,00,00,000



	Sciences Private Limited								0
05.08.2011	Artemis Health Sciences Private Limited	30,25,000	10	140	Right issue	Banking Channel	2,10,35,000	21,03,50,000	1,11,32,50,000
26.10.2019	Shareholders of AGLSL	1,32,37,700	10	10	Pursuant to the Composite Scheme	N.A	1,32,37,700	13,23,77,000	NA

\*(The first subscribers of the Company transferred 9,999 Equity Shares to PTL Enterprises Limited on 10<sup>th</sup> October 2005 and on 22<sup>nd</sup> February 2006, PTL Enterprises Limited transferred 9,999 shares to AHSL. Accordingly, from 22<sup>nd</sup> February 2006, AHSL became the holding company of the Company)

- (b) Equity shares issued for consideration other than cash or out of revaluation reserves

Date of Issue	Date of Revaluation of Assets	Name of allottee	Face Value (Rs.)	Issue Price (Rs.)	Reasons for Issue	Details of benefits accrued to the Company out of the said issue
N.A.						

- (c) *Issue of Equity Shares in terms of the Composite Scheme*

Date of Issue	Number of Shares issued and allotted	Details of Composite Scheme
26.10.2019	1,32,37,700	Upon the Composite Scheme becoming effective, from October 14, 2019, the issued, subscribed and paid-up Equity Share capital of the Company consisting of 2,10,35,000 Equity Shares aggregating to Rs. 10/- was cancelled and 13237700 Equity Shares were allotted to equity shareholders of AGLSL. For further details of the Composite Scheme, refer to Section IX on page 51 of this Information Memorandum.

- (d) *Employee stock option scheme*

Quarter	Name of Employee Stock Option Scheme	Aggregate number of Equity Shares Issued	Price range
NA			

- (e) *Issue of Equity Shares at price lower than issue price*

Name of Allottee	Part of Promoter Group	Reasons for issue	Price
NA			



(f) *Shareholding Pattern*

*Shareholding Pattern Pre Composite Scheme of Amalgamation*

Name of shareholders	No. of shares held	% Shareholding
<b>Promoters</b>		
Artemis Health Sciences Ltd	21,034,994	100 %
Sanjay Dua*	1	0%
Pradeep Kumar*	1	0%
Sanjay Mudgil*	1	0%
G G Gupta*	1	0%
Gorav Arora*	1	0%
Davendra Mittal*	1	0%
<b>Total</b>	<b>2,10,35,000</b>	<b>100%</b>
<b>Public</b>	<b>0</b>	<b>0</b>
<b>Total</b>	<b>2,10,35,000</b>	<b>100%</b>

\* Nominee Shareholder(s) of AHSL

*Shareholding Pattern Post Allotment of Shares pursuant to Composite Scheme of Amalgamation*





Table I - Summary Statement holding of specified securities

Category (I)	Category of shareholder (II)	Nos. of shares (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 nos. shares held (VII) = (IV)+(V)+(VI)	Shareholding as a % of total no. of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2)	Number of Voting Rights held in each class of securities (IX)			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)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Class eg: X	Class eg: y	Total		No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (b)	
(A)	Promoter & Promoter Group	2	9243079	0	0	9243079	69.824	9243079	0	69.824	0	0.000	0	0.000	9243079	
(B)	Public	5605	3994621	0	0	3994621	30.176	3994621	0	30.176	0	0.000	NA	NA	3809818	
(C)	Non Promoter-Non Public	0	0	0	0	0	0.000	0	0.000	0.000	0	0.000	NA	NA	0	
(CI)	Shares underlying DRs	0	0	0	0	0	NA	0	0.000	0.000	0	0.000	NA	NA	0	





Table III - Statement showing shareholding pattern of the Public Shareholder

Category & Name of the Shareholders (I)	PAN (II)	No. of shareholdes for (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % calculated as per SCRR, 1957 As a % of (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding Securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)
								Class X	Class Y	Total		No. (a)	As a % of total Shares held (b)	No. (a)	As a % of total Shares held (Not applicable)(b)	
(I) Institutions																
(a) Mutual Fund		0	0	0	0	0	0.000	0	0	0.000	0	0.000	NA	NA	0	
(b) Venture Capital Funds		0	0	0	0	0	0.000	0	0	0.000	0	0.000	NA	NA	0	
(c) Alternate investment Funds		1	41433	0	0	41433	0.313	41433	0	0.313	0	0.000	NA	NA	41433	
(d) Foreign Venture Capital Investors		0	0	0	0	0	0.000	0	0	0.000	0	0.000	NA	NA	0	
(e) Foreign Portfolio Investors		0	0	0	0	0	0.000	0	0	0.000	0	0.000	NA	NA	0	
(f) Financial		7	120220	0	0	120220	0.908	120220	0	0.908	0	0.000	NA	NA	11970	









Final Information Memorandum  
Dated January 15, 2020  
Private & Confidential

CORPORATE BODY # NISHITHA INVESTMENT & CONSULTANCY SERVICES PVT. LTD.	AABCN0494K	1	155360	0	0	0	155360	1.174	155360	0	1.174	0	1.174	0	0.000	NA	NA	155360
CORPORATE BODY # S S TEXOFAB PRIVATE LIMITED	AAOCS2182G	1	148372	0	0	148372	148372	1.121	148372	0	1.121	0	1.121	0	0.000	NA	NA	148372
CORPORATE BODY # TTJ VENTURES PRIVATE LIMITED	AAECT2301A	1	224827	0	0	224827	224827	1.698	224827	0	1.698	0	1.698	0	0.000	NA	NA	224827
NRI # RAFIQUE DAWOOD	BELPD6306N	1	283153	0	0	283153	283153	2.139	283153	0	2.139	0	2.139	0	0.000	NA	NA	283153
Sub-Total (B)(3)		559	2858008	0	0	2858008	2858008	21.590	2858008	0	21.590	0	21.590	0	0.000	NA	NA	2673725
Total Public Shareholding (B)= (B)(1)+(B)(2)+(B)(3)		560	3994621	0	0	3994621	3994621	30.176	3994621	0	30.176	0	30.176	0	0.000	NA	NA	3809818
Details of the shareholders acting as persons in Concert including their Shareholding (No. and %):																		
Details of Shares which remain unclaimed may be given hear along with details such as number of shareholders, outstanding shares held in demat/unclaimed suspense account, voting rights which are frozen etc.																		
Note:																		
(1) PAN would not be displayed on website of Stock Exchange(s).																		
(2) The above format needs to be disclosed along with the name of following persons: Institutions/Non Institutions holding more than 1% of total number of shares.																		
(3) W.r.t. the information pertaining to Depository Receipts, the same may be disclosed in the respective columns to the extent information available and the balance to be disclosed as held by custodian,																		



Category & Name of the Shareholders (I)	PAN (II)	No. of shareholder (III)	No. of fully paid up equity shares held (IV)	Partly paid-up equity shares held (V)	Nos. of shares underlying Depository Receipts (VI)	Total nos. shares held (VII = IV+V+VI)	Shareholding % as per SCRR, 1957 (A+B+C2) (VIII)	Number of Voting Rights held in each class of securities (IX)			No. of Shares Underlying Outstanding convertible securities (including Warrants) (X)	Total Shareholding, as assuming full conversion of convertible securities (as a percentage of diluted share capital) (XI)	Number of Locked in shares (XII)		Number of Shares pledged or otherwise encumbered (XIII)		Number of equity shares held in dematerialized form (XIV)	
								Classes	No of Voting Rights	Total			As a % of total Shares held (Not applicable)	No. (Not applicable)	As a % of total Shares held (Not applicable)(b)	No. (a)		As a % of total Shares held (b)
(1) Custodian/DR Holder		0	0	0	0	0	0.000	0	0	0.00	0	0.00	0	0.00	0	0	0	
(2) Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	0	0	0	0.000	0	0	0.00	0	0.00	0	0.00	0	0	0	
Total Non-Promoter-Non-Public Shareholding (C) = (C)(1)+(C)(2)		0	0	0	0	0	0.000	0	0	0.00	0	0.00	0	0.00	0	0	0	
Note																		





(g) Major Shareholders:

List of Shareholders holding more than 1% of the Share Capital of the Company as on 24.10.2019

Name of Shareholder	No. of Equity Shares Held	% holding to total Share Capital	Promoter / Non Promoter
Artemis Health Sciences Limited	2,10,35,000	100%	Promoter

List of Shareholders holding more than 1% of the Share Capital of the Company as on 31.03.2017

Name of Shareholder	No. of Equity Shares Held	% holding to total Share Capital	Promoter / Non Promoter
Artemis Health Science Limited	2,10,35,000	100	Promoter

List of Shareholders holding more than 1% of the Share Capital of the Company as on 31.03.2018

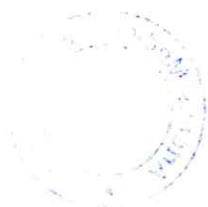
Name of Shareholder	No. of Equity Shares Held	% holding to total Share Capital	Promoter / Non Promoter
AHSL	2,10,35,000	100	Promoter

List of Shareholders holding more than 1% of the Share Capital of the Company as on 21.10.2019

Name of Shareholder	No. of Equity Shares Held	% holding to total Share Capital	Promoter / Non Promoter
AHSL	2,10,35,000	100	Promoter

(h) Details of securities of the Company held by the Promoters

Name of Promoter	Nature of Issue	Date of Allotment/transfer	Number of shares	Face value	Issue Price/ Consideration	Date when shares were made fully paid-up	Number of Pledged Shares	% of total pre-issue capital	% of total post-issue capital
Mr. Onkar S. Kanwar	Composite Scheme of Amalgamation	26.10.2019	500	10	10	26.10.2019	Nil	0%	0%
Constructive Finance Private Limited	Composite Scheme of Amalgamation	26.10.2019	92,42,579	10	10	26.10.2019	Nil	69.82%	69.82%



(i) *As on the date of this Memorandum, the Company has 5,781 members.*

(j) *Details of:*

(I) the aggregate shareholding of the promoter group and of the directors of the promoters, where the promoter is a body corporate

Name of Shareholder	No. of Equity Shares Held	% holding to total Share Capital	Promoter Group / Directors of Promoter
Constructive Finance Private Limited	92,42,579	69.82	1. Sudhir wadhawan 2. Rajan sabharwal

(II) the aggregate number of specified securities purchased or sold by the promoter group and/or by the directors of the company which is a promoter of the issuer and/or by the directors of the issuer and their relatives in the preceding six months

Nil

(III) all financing arrangements whereby the promoter group, the directors of the company which is a promoter of the issuer, the directors of the issuer and their relatives have financed the purchase by any other person of securities of the issuer other than in the normal course of the business of the financing entity in the six months immediately preceding the date of the Information Memorandum

Nil

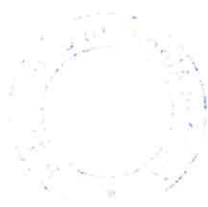
(IV) In case it is not possible to obtain information regarding sales and purchases of specified securities by any relatives of the promoter, details on the basis of the transfers as recorded in the books of the issuer and/or the depository, as applicable and a statement to such effect

N.A

(k) *Promoters' Contribution*

(I) Details of Promoters' contribution and lock-in

Name of Promoter / Promoter Group Entity	Date of Allotment of Specified Securities	Date when shares were made fully paid-up	Nature of Allotment	Number of Securities	Face Value (Rs.)	Issue Price (Rs.)	% to Total Shares held by Promoter	Lock-In Restrictions, if any	
								No. of Shares	Locked in Till date
Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil



- (l) *Except the allotment of the Equity Shares pursuant to the Scheme, the Company has not allotted any Equity Shares pursuant to any scheme of arrangement approved under sections 391 to 394 of the Companies Act, 1956 or sections 230 to 234 of the Companies Act, 2013, as applicable.*
- (m) *Other than in accordance with all applicable laws, neither the Company nor any of the Company's Directors have entered into any buy-back and/or standby arrangements for the purchase of Equity Shares of the Company from any person*
- (n) *The Equity Shares are fully paid-up and there are no partly paid-up Equity Shares as on the date of this Information Memorandum.*
- (o) *There are no outstanding warrants, options or rights to convert debentures, loans or other convertible instruments into Equity Shares as on the date of this Information Memorandum.*
- (p) *There will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from the date of filing of this Information Memorandum with SEBI until the Equity Shares have been listed on the Stock Exchanges.*
- (q) *The Company presently does not intend or propose to alter the Company's capital structure for a period of six months of this Information Memorandum, 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 for, directly or indirectly into Equity Shares), whether on a preferential basis or issue of bonus or rights or further public issue of Equity Shares or qualified institutions placement. However, if the Company enters into arrangements for acquisitions, joint ventures or other arrangements, the Company may, subject to necessary approvals, consider raising additional capital to fund such activity through issue of further Equity Shares.*
- (r) *There shall be only one denomination of the Equity Shares, unless otherwise permitted by law. The Company shall comply with such disclosure and accounting norms as may be specified by SEBI from time to time.*





## IX. COMPOSITE SCHEME OF AMALGAMATION

The Composite Scheme between AGLSL, AHSL, AEL, the Company and their respective shareholders and creditors deals with two distinct mergers i.e. merger under Part II and merger under Part III of the Composite Scheme to occur sequentially.

- (i) Part II of the Composite Scheme deals with merger of AHSL and AEL with AGLSL i.e. merger of subsidiary and sub-subsidiary with the Company. Upon the Composite Scheme becoming effective, in terms of the merger envisaged under Part II of the Composite Scheme, all the assets, liabilities (whether or not recorded in the books of accounts of AHSL and AEL), properties, estates, rights, title, interests, contracts, proceedings, employees and related retirement funds, taxes and the entire business and undertaking of each of AHSL and AEL, shall stand transferred to and vested in or be deemed to have been transferred to or vested in AGLSL, with effect from the appointed date.
- (ii) Part III of the Composite Scheme deals with merger of AGLSL (after giving effect to the merger under Part II of the Composite Scheme) into the Company i.e. a reverse merger of holding company into subsidiary. Upon the Composite Scheme becoming effective, in terms of the merger envisaged under Part III of the Composite Scheme (post the merger under Part II of the Composite Scheme being given effect to), all the assets, liabilities (whether or not recorded in the books of accounts of AGLSL), properties, estates, rights, title, interests, contracts, proceedings, employees and related retirement funds, taxes and the entire business and undertaking of AGLSL including assets, liabilities (whether or not recorded in the books of accounts of AHSL and AEL), properties, estates, rights, title, interests, contracts, proceedings, employees and related retirement funds, taxes and the entire business and undertaking of each of AHSL and AEL which were merged into AGLSL under Part II of the Composite Scheme), shall stand transferred to and vested in or be deemed to have been transferred to or vested in AMSL, with effect from the appointed date relevant to Part III of the Composite Scheme.

The appointed date for the merger under Part II of the Composite Scheme is the opening of business on 1<sup>st</sup> April 2018 and the appointed date for the merger under Part III of the Composite Scheme is 1<sup>st</sup> April 2018, immediately after giving effect to the merger under the Part II of the Composite Scheme. The effective date for the Composite Scheme in respect of the merger under Part II of the Composite Scheme is upon satisfaction of the conditionalities in the Composite Scheme; whilst the effective date for the merger under Part III of the Composite Scheme is upon the merger under Part II of Composite Scheme becoming effective. The Composite Scheme is effective for the mergers under each of Part II and Part III of the Composite Scheme from their respective appointed dates; but shall be operative from the effective date.

The mergers under both Part II and Part III of the Composite Scheme are in accordance with the provisions of section 2(1B) and other relevant provisions of the Income Tax Act.

The Composite Scheme would:

- benefit shareholders and other stakeholders of the respective companies by consolidating and simplifying the group structure, business operations, provide optimal utilization of various resources and eliminating cross holdings within the group;
- enhance growth prospects, reduce overheads, administrative, managerial and other costs and expenditure and remove inefficiencies and bring operational rationalization and organizational efficiency; and
- result in improved shareholder value for the shareholders of the respective companies, thus providing a stronger and wider capital and financial base for future growth/expansion of the Company.

In relation to the merger under Part II of Composite Scheme, there would be a cancellation of shares held by AGLSL directly in AHSL and indirectly in AEL (through AHSL), hence no share issuance. For the merger under Part III of the Composite Scheme, the Company would issue and allot equity shares to each shareholder of AGLSL on record date in the ratio of 1:5 i.e. 1 (one) equity shares of Rs. 10/- each of the Company to be issued for every 5 (five) equity share of Rs.2/- each of AGLSL held by the shareholder(s) of AGLSL. There



would also be a combination of the authorised capital of each of AHSL, AEL and AGLSL with the authorised capital of the Company as an integral part of the Scheme.

Consequently, AHSL, AEL and AGLSL would each be dissolved without winding up pursuant to the provisions of Companies Act as an integral part of the Composite Scheme.

The shares issued by the Company to the shareholders of AGLSL as on record date would be listed on BSE and NSE in terms of the rules, regulations and circulars issued by them in this behalf.

A joint application was filed by AGLSL, AHSL, AEL and the Company before the NCLT Delhi on 28<sup>th</sup> September 2018 under section 230-232 and other applicable provisions of Companies Act. NCLT Delhi sanctioned the Composite Scheme pursuant to its order dated September 30, 2019, a certified copy of which was filed with the ROC, New Delhi on October 14, 2019



## STATEMENT OF TAX BENEFITS

This statement of tax benefits has been certified by M/s AKCJ & Associates, Chartered Accountants, New Delhi vide their letter dated October 12, 2019.

Outlined below are the possible benefits available to the Company and its shareholders under the direct tax laws in force in India (i.e. applicable for the Financial Year 2019-20 relevant to the assessment year 2020-21). Several of 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 possible tax benefits is dependent upon fulfilling such conditions, which based on business imperatives it faces in the future, it may or may not choose to fulfil.

### UNDER THE INCOME TAX ACT, 1961 ("Act") - BENEFITS TO THE COMPANY

1. Carry Forward and Set off of Losses
  - As per the provisions of Section 72(1) of the Act, if the net result of the Income under the Head Business & Profession is a loss to the Company, not being a loss sustained in a speculation business, such loss can be set off against any other income except Income under the Head capital gain & Salary and the balance loss, if any, can be carried forward for eight consecutive assessment years immediately succeeding the assessment year for which the loss was first computed and shall be set off against the Income under the Business & Profession.
  - As per the provisions of Section 72A of the Act, pursuant to business re-organizations such as amalgamation, demerger, etc., the successor company shall be allowed to carry forward any accumulated tax losses/ unabsorbed depreciation of the predecessor company, subject to fulfillment of prescribed conditions.
  - The carry forward of accumulated losses/unabsorbed depreciation by the amalgamated/resulting companies other than company owning industrial undertaking or ship or hotel or banking company or public sector airline company shall be allowed subject to the following conditions: -
    - The amalgamating company has been engaged in the business in which accumulated business loss occurred or depreciation remains unabsorbed for three years or more years;
    - The amalgamating company has held continuously as on the date of the amalgamation of at least three fourth of the book value of fixed assets held by it two years prior to the date of amalgamation;
    - The amalgamated company continues to hold at least three fourth of the book value of fixed assets of the amalgamating company which it has acquired as a result of amalgamation for five years from the effective date of amalgamation;
    - The amalgamated company continues the business of amalgamating company for a minimum period of five years; and
    - The amalgamated company fulfills other conditions as may be prescribed to ensure the revival of the business of the amalgamating company or to ensure that the amalgamation is for the genuine business purpose.
2. Minimum Alternative Tax (MAT) credit



- As per provisions of Section 115JAA of the Act, the Company is eligible to claim credit for Minimum Alternate Tax (MAT) paid for any assessment year commencing on or after April 1, 2006. The amount of credit available shall be the difference between MAT payable under section 115JB of the Act and taxes payable on total income computed under other provisions of the Act.
- MAT credit shall be allowed to be carried forward for any assessment year to the extent of difference between the tax paid under Section 115JB and the tax payable as per other provisions of the Act for that assessment year. Such MAT credit is available for carry forward up to 15 years succeeding the assessment year in which the MAT credit arises. The MAT credit is allowed as set-off in the year when tax is payable under the provisions of the Act other than section 115JB.

### 3. Dividends

- As per the provisions of Section 10(34) read with Section 115-O of the Act, dividend (both interim and final), if any, received by the Company on its investments in shares of another Domestic Company is exempt from tax. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt, if any.
- Any amount declared, distributed or paid by the Company to shareholders by way of dividends on or after 1 April 2003, whether out of current or accumulated profits, shall be chargeable to additional income tax at the rate of 15 percent (plus applicable surcharge and education cess\*) of the aggregate dividend declared, distributed or paid. The DDT payable is required to be grossed up and effective rate is 17.65% (plus applicable surcharge and education cess\*) under Section 115-O of the Act. Above grossed up is in view of the amendment brought in by Finance (No.2) Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-O of the Act, the amount of dividends on or after 1 April 2003 needs to be increased to such amount as would, after reduction of tax on such increased amount at the specified rate, be equal to the net distributed profits.
- Further, if the company being a holding company, has received any dividend from its subsidiary on which dividend distribution tax has been paid by such subsidiary, then company will not be required to pay dividend distribution tax to the extent the same has been paid by such subsidiary company.
- As per the provisions of Section 115BBD of the Act, dividend received by Indian company from a specified foreign company (in which it has shareholding of 26% or more) would be taxable at the concessional rate of 15% on gross basis (excluding surcharge and education cess\*) up to March 31, 2014. As per Finance Act, 2014, the benefit of lower rate of 15% is extended without limiting it to a particular assessment year.
- For removing the cascading effect of dividend distribution tax, while computing the amount of dividend distribution tax payable by a Domestic Company, the dividend received from a foreign subsidiary on which income-tax has been paid by the Domestic Company under Section 115BBD of the Act shall be reduced.
- Any income received from distribution made by any mutual fund specified under Section 10(23D) of the Act or from the administrator of the specified undertaking or from the units of specified company referred to in Section 10(35) of the Act, is exempt from tax in the hands of the Company under Section 10(35) of the Act. However, as per Section 94(7) of the Act, losses arising from the sale/ redemption of units purchased within three months prior to the record date (for entitlement to receive income) and



sold within nine months from the record date, will be disallowed to the extent of the amount of income claimed exempt, if any.

As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.

4. Capital gains
- Capital assets are to be categorized into short-term capital assets and long-term capital assets based on their nature and the period of holding. All capital assets, being a security (other than a unit) listed in a recognized stock exchange in India, or a unit of the UTI established under the UTI Act, or a unit of an equity oriented fund (as defined in the Act), or a zero coupon bond (as defined in the Act), held by an assessee for more than twelve months.
  - In case of shares of a company whose shares are not listed in a recognized stock exchange in India are held by an assessee for more than twenty-four months, are considered to be long-term capital assets, capital gains arising from the transfer of which are termed as long-term capital gains ("LTCG").
  - STCG means capital gains arising from the transfer of capital asset being a security (other than a unit) listed in a recognized stock exchange in India, or a unit of the UTI established under the UTI Act, or a unit of an equity oriented fund (as defined in the Act), or a zero coupon bond (as defined in the Act), held by an assessee for twelve months or less. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for thirty-six months or less.
  - As per provisions of Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of COA/I and expenses incurred (other than STT paid) in connection with the transfer of a capital asset, from the sale consideration to arrive at the amounts of capital gains. However, in respect of LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the government) and depreciable assets, it offers a benefit by permitting substitution of COA/I with the indexed COA/I computed by applying the cost inflation index as prescribed from time to time. Finance Bill, 2017 has vide Section 50CA proposed that for shares of companies other than in which public is substantially interested, the full value of consideration would be the higher of (i) fair market value as determined in accordance to the rules prescribed or (ii) the actual consideration received.
  - In case of immovable property being land or building or both, the Finance Bill, 2017 proposed to decrease holding period to twenty four months to be considered as a long term capital asset. In respect of other capital assets, the holding period should exceed thirty six months to be considered as long - term capital assets.
  - As per the provisions of section 2(29A) of the Act, read with section 2(42A) of the Act, a listed equity share is treated as a long term capital asset if the same is held for more than 12 months immediately preceding the date of its transfer.
  - Long Term Capital Gain (LTCG) arising on transfer of equity shares of a company or units of an equity oriented fund which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust as defined in Section 2(13A) and, is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to Securities Transaction Tax (STT) and subject to conditions specified in that section. However, Exemption for long-term capital gains arising from transfer of listed securities as referred to in Section 10(38) has



been withdrawn by the Finance Act, 2018 w.e.f. Assessment Year 2019-20 and a new section 112A is introduced in the Act.

- As per Section 112A, long-term capital gains arising from transfer of an equity share, or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 10% (plus applicable surcharge and education cess\*) (without indexation) of such capital gains. The tax on capital gains shall be levied in excess of Rs. 1 lakh.
- Further, the cost of acquisition of listed company shares acquired by the shareholder before 01st February, 2018, shall be deemed to the higher of following:-
  - The Actual cost of acquisition of such share; or
  - Lower of following:
    - Fair Market value of such share as on January 31, 2018; or
    - Actual sales consideration accruing on its transfer
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% (plus applicable surcharge and education cess\*) with indexation benefits. However, if tax on long term capital gain resulting on sale of listed securities (other than a unit) or zero coupon bond, calculated at the rate of 20% (plus applicable surcharge and education cess\*) with indexation benefit exceeds the tax calculated at the rate of 10% (plus applicable surcharge and education cess\*) without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10% (plus applicable surcharge and education cess\*). The exemption u/s 10(38) is however not allowed for income arising from transfer of long-term capital asset, being an equity share in a company, if the acquisition of shares (other than that notified by the Central Government) was on or after October 1, 2004 and did not attract securities transaction tax.
- Income on transfer of investment in a company is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
- As per provisions of Section 111A of the Act, STCG arising on sale of equity shares or units of equity oriented mutual fund which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust, are subject to tax at the rate of 15% (plus applicable surcharge and education cess\*) provided the transaction is chargeable to STT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on sale of equity shares or units of equity oriented mutual fund as defined which has been set up under a scheme of a mutual fund specified under section 10(23D), where such transaction is not chargeable to STT is taxable at the normal prevailing rate (plus applicable surcharge and education cess\*).
- As per Section 50 of the Act, where a capital asset is forming part of a block of assets in respect of which depreciation has been allowed under the Act, capital gains shall be computed in the following manner: -
  - where full value of consideration on account of transfer of any asset forming part of block of asset, as reduced by expenditure incurred wholly or exclusively in connection with transfer, exceeds the written down value of block of assets and actual cost of assets acquired during the year, such excess shall be deemed to be short term capital gains and taxed accordingly.



- where any block of assets ceases to exist, for the reason that all the assets in that block are transferred, the difference between the consideration arising on result of transfer and the written down value of block of assets and the actual cost of assets acquired during the year, shall be deemed to be short term capital gains/ (losses) and taxed accordingly.
- As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long – term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.
- As per the provisions of section 54D of the Act and subject to the conditions to the extent specified therein, capital gains arising on compulsory acquisition of land and building or any right therein used by an industrial undertaking, will be exempt from tax if the capital gains are invested in —land, building, or any right therein within 3 years from the date of compulsory acquisition for the purpose of shifting / re-establishing/setting up another industrial undertaking Gain or the Cost of acquisition of new land and building subject to lower of Capital.
- Exemption of capital gains from income – tax:- In accordance with and subject to the conditions and to the extent specified in section 54EC of the Act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset (not covered by section 10(36) and 10(38)) if such capital gain is invested within a period of six months from the date of transfer in bonds redeemable after three years and issued by:-
  - National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
  - Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.
  - Any other bonds notified by the Central Government in this behalf.

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs. 50,00,000/- during any financial year as well as capital gain arising from transfer of one or more original assets. Where the long term specified assets is transferred or converted into money at any time with in a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.

- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
  - The characterization of the gain / losses, arising from sale/transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
5. Buy Back of Shares



- Buy back means purchase by a company of its own shares in accordance with the provision of any law for the time being in force relating to companies.
- As per the section 115QA of the Act, amended by the Finance Act, 2019, in addition to the Income Tax Chargeable in respect of the total income of a domestic company for any assessment year, any amount of distributed income by the company on buy back of shares from a shareholder shall be charged to tax and such company shall be liable to pay income tax @ 20% (plus applicable surcharge and education cess\*) on the distributed income.
- Distributed income means the consideration paid by the company on buy back of shares as reduced by the amount which was received by the company for issue of such shares determined in the manner as prescribed by the act.
- However, as per Taxation Laws (Amendment) Ordinance, 2019 and the Finance (No. 2) Act, 2019, listed companies which have made public announcement of buy back before 5th July, 2019 then tax on buy back of shares of such companies shall not be charged.

6. Other benefits

- As per section 35D of the Act, the Company is entitled to amortize certain preliminary expenditure, specified under Section 35D (2) of the Act, subject to the limit specified in Section 35D(3). The deduction is allowable for an amount equal to one-fifth of such expenditure for each of five successive assessment years beginning with the assessment year in which the extension of the unit is completed or the unit/ business commences production or operation.
- As per the provisions of Section 35DD of the Act, any expenditure incurred by an Indian Company, on or after April 1999, wholly and exclusively for the purpose of amalgamation or demerger of an undertaking, shall be allowed a deduction of an amount equal to one-fifth of such expenditure for each of five successive financial years beginning with the financial year in which the amalgamation or demerger takes place.
- As per the provisions of Section 35DDA of the Act, if a Company incurs any expenditure in any financial year by way of payment of any sum to an employee in connection with his voluntary retirement, in accordance with any scheme or schemes of voluntary retirement, the Company would be eligible to claim a deduction for one-fifth of the amount so paid in computing the profits and gains of the business for that financial year, and the balance shall be deducted in equal instalments for each of the four immediately succeeding financial years.
- As per Section 80JJAA, Where the gross total income of an assessee to whom section 44AB applies, includes any profits and gains derived from business, there shall, subject to the conditions specified in sub-section (2), be allowed a deduction of an amount equal to thirty per cent of additional employee cost incurred in the course of such business in the previous year, for three assessment years including the assessment year relevant to the previous year in which such employment is provided subject to conditions specified therein.
- As per the provisions of section 90, for taxes on income paid in Foreign Countries with which India has entered into Double Taxation Avoidance Agreements (Tax Treaties from projects/activities undertaken thereat), the Company will be entitled to the deduction from the India Income-tax of a sum calculated on such doubly taxed income to the extent of taxes paid in Foreign Countries. Further, the company as a tax resident of India would be entitled to the benefits of such Tax Treaties in respect of





income derived by it in foreign countries. In such cases the provisions of the Income tax Act shall apply to the extent they are more beneficial to the company. Section 91 provides for unilateral relief in respect of taxes paid in foreign countries.

- As per provisions of Section 80G of the Act, the Company is entitled to claim deduction of a specified amount in respect of eligible donations, subject to the fulfilment of the conditions specified in that section.

#### UNDER THE INCOME TAX ACT, 1961 ("Act") - BENEFITS TO MEMBERS/SHAREHOLDERS

##### 1. Dividends exempt under section 10(34) of the Act

- As per provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the members I shareholders from the Company is exempt from tax. The Company is liable to pay dividend distribution tax on the amount distributed as dividend, if any.
- However, the Finance Act 2016 has introduced Section 115BBDA which provides that the aggregate of dividends received by an individual, HUF or a firm resident in India from domestic companies in excess of Rs. 10 lakh will be taxed at 10 percent (plus applicable surcharge and education cess\*) on a gross basis and no deduction will be available for any expenditure.
- Also, Section 94(7) of the Act provides that losses arising from the sale/transfer of shares purchased within a period of three months prior to the record date and sold/transferred within three months after such date, will be disallowed to the extent dividend income on such shares is claimed as tax exempt, if any.

##### 2. Capital gains

- Capital assets are to be categorized into short term capital assets and long term capital assets based on their nature and the period of holding. All capital assets, being a security (other than a unit) listed in a recognized stock exchange in India, or a unit of the UTI established under the UTI Act, or a unit of an equity oriented fund (as defined in the Act), or a zero coupon bond (as defined in the Act), held by an assessee for more than twelve months are considered to be long - term capital assets, capital gains arising from the transfer of which are termed as LTCG. In respect of any other capital assets, the holding period should exceed thirty six months to be considered as long - term capital assets.
- STCG means capital gains arising from the transfer of capital asset being a security (other than a unit) listed in a recognized stock exchange in India, or a unit of the UTI established under the UTI Act, or a unit of an equity oriented fund (as defined in the Act), or a zero coupon bond (as defined in the Act), held by an assessee for twelve months or less. In respect of any other capital assets, STCG means capital gains arising from the transfer of an asset, held by an assessee for thirty six months or less.
- Long Term Capital Gain (LTCG) arising on transfer of equity shares of a company or units of an equity oriented fund which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust as defined in Section 2(13A) and, is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to Securities Transaction Tax (STT) and subject to conditions specified in that section. However, Exemption for long-term capital gains arising from transfer of listed securities as referred to in Section 10(38) has been withdrawn by the Finance Act, 2018 w.e.f. Assessment Year 2019-20 and a new section 112A is introduced in the Act.



- As per Section 112A, long-term capital gains arising from transfer of an equity share, or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 10% (plus applicable surcharge and education cess\*) (without indexation) of such capital gains. The tax on capital gains shall be levied in excess of Rs. 1 lakh.
- Further, the cost of acquisition of listed company shares acquired by the shareholder before 01st February, 2018, shall be deemed to the higher of following:-
  - The Actual cost of acquisition of such share; or
  - Lower of following:
    - Fair Market value of such share as on January 31, 2018; or
    - Actual sales consideration accruing on its transfer
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% (plus applicable surcharge and education cess\*) with indexation benefits. However, if tax on long term capital gain resulting on sale of listed securities (other than a unit) or zero coupon bond, calculated at the rate of 20% (plus applicable surcharge and education cess\*) with indexation benefit exceeds the tax calculated at the rate of 10% (plus applicable surcharge and education cess\*) without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10% (plus applicable surcharge and education cess\*). The exemption u/s 10(38) is however not allowed for income arising from transfer of long-term capital asset, being an equity share in a company, if the acquisition of shares (other than that notified by the Central Government) was on or after October 1, 2004 and did not attract securities transaction tax.
- Income on transfer of investment in a company is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
- As per provisions of Section 48 of the Act, which prescribes the mode of computation of capital gains, provides for deduction of COA/I and expenses incurred (other than STT paid) in connection with the transfer of a capital asset, from the sale consideration to arrive at the amounts of capital gains. However in respect of LTCG arising on transfer of capital assets, other than bonds and debentures (excluding capital indexed bonds issued by the government) and depreciable assets, it offers a benefit by permitting substitution of COA/I with the indexed COA/I computed by applying the cost inflation index as prescribed from time to time.
- In case if individual or Hindu Undivided Family ('HUF'), where the total taxable income as reduced by LTCG is below the basic exemption limit, the LTCG will be reduced to the extent of the shortfall and only the balance LTCG will be subjected to such tax in accordance with the Proviso to sub-section (1) of Section 112 of the Act.
- As per provisions of Section 111A of the Act, STCG arising on transfer of equity shares, or units of equity oriented mutual fund (as defined in the Act), or units if a business trust (as defined in the Act) and are subject to tax at the rate of 15% (plus applicable surcharge and education cess\*) provided the transaction is chargeable to SIT. No deduction under Chapter VIA is allowed from such income.
- STCG arising on transfer of equity shares, or units of equity oriented mutual fund (as defined in the Act), or units if a business trust (as defined in the Act), where such transaction is not chargeable to SIT is taxable at the rate of 30% (plus applicable surcharge and education cess\*)



- As per provisions of Section 71 read with Section 74 of the Act, short - term capital loss arising during a year is allowed to be set-off against short - term as well as long – term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years.
- As per provisions of Section 71 read with Section 74 of the Act, long - term capital loss arising during a year is allowed to be set-off only against long - term capital gains. Balance loss, if any, shall be carried forward and set-off against long – term capital gains arising during subsequent eight assessment years.
- Exemption of capital gains from income – tax:- In accordance with and subject to the conditions and to the extent specified in section 54EC of the Act, the company would be entitled to exemption from tax on gains arising from transfer of the long term capital asset (not covered by section 10(36) and 10(38)) if such capital gain is invested within a period of six months from the date of transfer in bonds redeemable after three years and issued by:-
  - National Highway Authority of India (NHAI) constituted under Section 3 of National Highway Authority of India Act, 1988; and
  - Rural Electrification Corporation Limited (REC), a company formed and registered under the Companies Act, 1956.
  - Any other bonds notified by the Central Government in this behalf.

Where a part of the capital gains is reinvested, the exemption is available on a proportionate basis. The maximum investment in the specified long term asset cannot exceed Rs. 5,000,000/- during any financial year as well as capital gain arising from transfer of one or more original assets. Where the long term specified assets is transferred or converted into money at any time within a period of three years from the date of its acquisition, the amount of capital gains exempted earlier would become chargeable to tax as long term capital gains in the year in which the long term specified assets is transferred or converted into money.

- As per provisions of Section 14A of the Act, expenditure incurred to earn an exempt income is not allowed as deduction while determining taxable income.
- The characterization of the gain / losses, arising from sale/transfer of shares as business income or capital gains would depend on the nature of holding and various other factors.
- As per provisions of Section 36(1)(XV) of the Act, STT paid in respect of the taxable securities transactions entered into in the course of the business is allowed as a deduction if the income arising from such taxable securities transactions is included in the income computed under the head 'Profit and gains of business or profession'. Where such deduction is claimed, no further deduction in respect of the said amount is allowed while determining the income chargeable to tax as capital gains.
- In addition to the same, some benefits are also available to a shareholder being an individual or HUF. As per provisions of Section 54F of the Act, LTCG arising from transfer of shares is exempt from tax if the net consideration from such transfer is utilized within a period of one year before, or two years after the date of transfer, for purchase of a new residential house, or for construction of residential house within three year from the date of transfer and subject to conditions and to the extent specified therein.



3. Tax Treaty benefits to non-resident shareholders

- As per provisions of Section 90(2) of the Act, non-resident shareholders can opt to be taxed in India as per the provisions of the Act or the double taxation avoidance agreement entered into by the Government of India with the country of residence of the non-resident shareholder, whichever is more beneficial, while deciding taxability in India (subject to furnishing of Tax Residency Certificate & information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013.). However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.

Requirement to furnish PAN under the I.T. Act: -

- Section 139A (5A) requires every person from whose income; tax has been deducted at source under chapter XVII-B of the I.T. Act to furnish his PAN to the person responsible for deduction of tax at source.
- Section 206AA of the I.T. Act requires every person entitled to receive any sum, on which tax is deductible under Chapter XVIIIB (deductee) to furnish his PAN to the deductor, failing which tax shall be deducted at the highest of the following rates:
  - i. at the rate specified in the relevant provision of the I.T. Act; or
  - ii. at the rate or rates in force; or
  - iii. at the rate of twenty per cent.
- As per sec 206AA(7), with effect from June 1 2016, the provisions of section 206AA shall not apply to a non-resident, not being a company, or to a foreign company, in respect of:
  - i. Payment of interest on long-term bonds as referred to in section 194LC; and
  - ii. Payment in the nature of interest, royalty, fees for technical services and payments on transfer of any capital asset, subject to fulfillment of conditions specified vide Notification no. 53/2016 dated 24th June, 2016.

4. Non-resident taxation

Special provisions in case of Non-Resident Indian ('NRI') in respect of income/ LTCG from specified foreign exchange assets under Chapter XII-A of the Act are as follows:

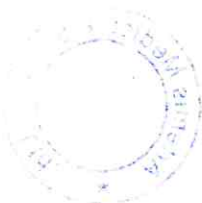
- NRI means an individual being a citizen of India or a person of Indian origin who is not a resident. A person is deemed to be of Indian origin if he, or either of his parents or any of his grandparents, were born in undivided India.
- In accordance with section 115E, income from investment or income from LTCG on transfer of assets other than specified asset shall be taxable at the rate of 20% (plus applicable surcharge and education cess\*). Income by way of LTCG in respect of a specified asset (as defined in Section 115C(f) of the Income-tax Act, 1961), shall be chargeable at 10 percent (plus applicable surcharge and education cess\*). Specified foreign exchange assets include shares of an Indian company which are acquired / purchased/ subscribed by NRI in convertible foreign exchange.



- As per the provisions of Section 115F of the Act, LTCG [not covered under Section 10(38) of the Act] arising to an NRI on transfer of a foreign exchange asset is exempt from tax if the net consideration from such transfer is reinvested in specified assets or in savings certificate referred to in Section 10(4B) of the Act within six months of the date of transfer, subject to the extent and conditions specified in that Section. If only part of the net consideration is so reinvested, the exemption shall be proportionately reduced. The amount so exempted shall be chargeable to tax subsequently; if the specified assets or saving certificates referred in Section 10(4B) of the Act are transferred or converted into money within three years from the date of their acquisition.
- Under the provisions of Section 115G of the Act, it shall not be necessary for an NRI to furnish his return of income if his only source of income is investment income or LTCG or both and tax deductible at source under provisions of Chapter XVII-B has been deducted from such income.
- Under the provisions of Section 115H of the Act, where a person who is an NRI in any previous year, becomes assessable as a resident in India in respect of the total income of any subsequent year, he / she may furnish a declaration in writing to the assessing officer, along with his her return of income under Section 139 of the Act for the assessment year in which he / she is first assessable as a resident, to the effect that the provisions of the Chapter XII-A shall continue to apply to him / her in relation to investment income derived from the specified assets for that year and subsequent years until such assets are transferred or converted into money.
- Under the provisions of Section 115-I of the Act, an NRI may elect not to be governed by the provisions of Chapter XII-A for any assessment year by furnishing his return of income under Section 139 of the Act declaring therein that the provisions of the Chapter shall not apply to him for that assessment year. In such a situation, the other provisions of the Act shall be applicable while determining the taxable income and the tax liability arising thereon.

UNDER THE INCOME TAX ACT, 1961 ("Act")- BENEFITS TO FINANCIAL INSTITUTIONAL INVESTORS ("FIIs")

1. Dividends exempt under section 10(34) of the Act
  - As per the provisions of Section 10(34) of the Act, dividend (both interim and final), if any, received by the shareholder from a domestic Company is exempt from tax. The Company will be liable to pay dividend distribution tax at the rate of 15 percent (plus applicable surcharge and cess\*) on the amount distributed as dividend. However, as per Section 94(7) of the Act, losses arising from purchase and sale of securities, where such securities are bought or acquired within a period of three months prior to the record date and such securities are sold or transferred within three months from the record date, will be disallowed to the extent of the amount of dividend claimed as exempt, if any.
  - In view of the amendment brought in by Finance (No.2) Act, 2014, for the purpose of determining the tax on distributed profits payable in accordance with Section 115-O of the Act, the amount of dividends needs to be increased to such amount as would, after reduction of tax on such increased amount at the specified rate, be equal to the net distributed profits. Resultantly, the effective rate of tax will be 17.65 percent (plus applicable surcharge & cess\*) of the amount of dividends declared, distributed or paid by the Company.
2. Capital gains



- In Finance Act (No.2), 2014 it was provided that any securities held by a FII which has invested in such securities in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 would be capital asset. Consequently, the income arising to a FII from transactions in securities would always be in the nature of capital gains.
- In accordance with Section 115AD, FIIs will be taxed at 10 percent (plus applicable surcharge and education cess\*) on long-term capital gains (computed without indexation of cost and foreign exchange fluctuation), if STT is not payable on the transfer of the shares.
- Long Term Capital Gain (LTCG) arising on transfer of equity shares of a company or units of an equity oriented fund which has been set up under a scheme of a mutual fund specified under Section 10(23D) or a unit of a business trust as defined in Section 2(13A) and, is exempt from tax as per provisions of Section 10(38) of the Act, provided the transaction is chargeable to Securities Transaction Tax (STT) and subject to conditions specified in that section. However, Exemption for long-term capital gains arising from transfer of listed securities as referred to in Section 10(38) has been withdrawn by the Finance Act, 2018 w.e.f. Assessment Year 2019-20 and a new section 112A is introduced in the Act.
- As per Section 112A, long-term capital gains arising from transfer of an equity share, or a unit of an equity oriented fund or a unit of a business trust shall be taxed at 10% (plus applicable surcharge and education cess\*) (without indexation) of such capital gains. The tax on capital gains shall be levied in excess of Rs. 1 lakh.
- Further, the cost of acquisition of listed company shares acquired by the shareholder before 01st February, 2018, shall be deemed to the higher of following:-
  - The Actual cost of acquisition of such share; or
  - Lower of following:
    - Fair Market value of such share as on January 31, 2018; or
    - Actual sales consideration accruing on its transfer
- As per provisions of Section 112 of the Act, LTCG not exempt under Section 10(38) of the Act are subject to tax at the rate of 20% (plus applicable surcharge and education cess\*) with indexation benefits. However, if tax on long term capital gain resulting on sale of listed securities (other than a unit) or zero coupon bond, calculated at the rate of 20% (plus applicable surcharge and education cess\*) with indexation benefit exceeds the tax calculated at the rate of 10% (plus applicable surcharge and education cess\*) without indexation benefit, then such gains are chargeable to tax at a concessional rate of 10% (plus applicable surcharge and education cess\*). The exemption u/s 10(38) is however not allowed for income arising from transfer of long-term capital asset, being an equity share in a company, if the acquisition of shares (other than that notified by the Central Government) was on or after October 1, 2004 and did not attract securities transaction tax.
- Income on transfer of investment in a company is to be taken into account while determining book profits in accordance with provisions of Section 115JB of the Act.
- As per the provisions of Section 111A of the Act, STCG arising on sale of short term capital asset, being listed equity shares in a company, shall be chargeable to tax at the rate of 15 percent (plus



applicable surcharge and education cess\*) provided the transaction is chargeable to STT. If the provisions of Section 111A are not applicable to the short term capital gains, then the tax will be charged at the rate of 30% (plus applicable surcharge and education cess\*), as applicable.

- As per provisions of Section 115AD of the Act, income (other than income by way of dividends referred to Section 115-O of the Act) received in respect of securities (other than units referred to in Section 115AB) is taxable at the rate of 20 percent (plus applicable surcharge and education cess\*).
- The benefits of exemption under Section 54EC of the Act mentioned above in case of the Company are also available to FIIs.
- The CBDT has issued a Notification No. 9 dated 22 January 2014 which provides that Foreign Portfolio Investors (FPI) registered under SEBI (Foreign Portfolio Investors) Regulations, 2014 shall be treated as FII for the purpose of Section 115AD of the I.T. Act.

3. Tax Treaty benefits

- In accordance with the provisions of Section 90 of the Act, FIIs being non-residents will be entitled to choose the provisions of Act or the provisions of tax treaty entered into by India with other foreign countries, whichever are more beneficial, while deciding taxability in India (subject to furnishing of Tax Residency Certificate & information in the Form 10F as prescribed vide Notification 57 of 2013 dated 1 August 2013.). However, it may be noted that Tax Authorities may ask for other information and supporting documents if required.
- As per section 2(14) of the Act, securities held by an FII which has invested in such securities in accordance with the regulations made under the SEBI Act, shall be treated as capital assets. Accordingly, income of an FII from transfer of securities shall be treated as capital gains.

4. Computation of book profit under Section 115JB

An explanation has been inserted in Section 115JB stating that, the provisions of Section 115JB shall not be applicable and shall be deemed never to have been applicable to a foreign company if: -

- i. It is a resident of a country or a specified territory with which India has a tax treaty referred to in sub-section (1) of Section 90 and it does not have a permanent establishment in India; or
- ii. It is a resident of a country with which India does not have a tax treaty and it is not required to seek registration under any law for the time being in force relating to companies.

UNDER THE INCOME TAX ACT, 1961 ("Act")- BENEFITS TO MUTUAL FUND

- In terms of Section 10(23D) of the Act, all Mutual funds set up by public sector banks or public sector financial institutions or Mutual Funds registered under the Securities and Exchange Board of India Act/ Regulations there under or Mutual Funds authorised by the Reserve Bank of India, subject to the conditions specified, are eligible for exemption from income taxes on all their income, including income from investment in the shares of the company.
- However, the Mutual Funds would be required to pay tax on distributed income to unit holders as per the provisions of Section 115R of the Act. However, w.e.f. 1 October 2014, for the purpose of determining additional income tax, the amount of distributed income shall be increased to such amount



as would after reduction of additional income tax on such increased amount at the rate specified be equal to the amount of income distributed by mutual fund

#### UNDER THE INCOME TAX ACT, 1961 ("Act")- BENEFITS TO VENTURE CAPITAL COMPANIES/FUNDS

- In terms of Section 10(23FB) of the Act, all venture capital companies/ fund registered with Securities and Exchange Board of India, subject to the conditions specified, are eligible for exemption from income tax on any income from investment in a venture capital undertaking. Further, the Finance Act, 2015 has inserted a proviso providing that nothing contained in this clause shall apply in respect of any income of a venture capital fund or venture capital company, being an "investment fund" of the previous year relevant to the assessment year beginning on or after April 1, 2016.
- "Investment fund" has been defined under in clause (a) of Explanation 1 to Section 115UB of the Act to mean any fund established or incorporated in India in the form of a trust or a company or a limited liability partnership or a body corporate which has been granted a certificate of registration as a Category I or Category II Alternative Investment Fund and is regulated under the Securities and Exchange Board of India (Alternative Investment Fund) Regulations, 2012, made under the Securities and Exchange Board of India Act, 1992.

#### UNDER THE INCOME TAX ACT, 1961 ("Act")- BENEFITS TO ALTERNATIVE INVESTMENT FUND

The Finance Act, 2015 has inserted Chapter XII-FB in the Act which provides for special taxation regime for Category I and Category II Alternative Investment Funds referred to as investment fund" as per clause (a) of Explanation 1 to Section 115UB of the Act. Further, the said Act has also inserted Section 10(23FBA) in terms of which income of any investment fund other than income chargeable under the head "Profits and gains of business or profession" shall be exempt from income tax.

#### UNDER THE WEALTH TAX ACT, 1957

Wealth tax has been abolished from FY 2015-16 onwards.

#### UNDER THE GIFT TAX ACT, 1958

Gift tax is not leviable in respect of any gifts made on or after October 1, 1998. However, gift of certain properties including shares are liable to tax in the hands of recipient other than from certain specified relatives as other income under the head income from other source. The scope of this provision is significantly tightened by Finance Bill, 2017 from 1st April, 2017 and therefore even listed shares received by body corporate/company or a firm for under consideration or without consideration would be subject to tax as other income.

#### Notes:

1. All the above benefits are as per the current tax laws and will be available only to the sole I first name holder where the shares are held by joint holders.
2. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase ownership and disposal of shares.





3. The possible tax benefits are subject to the condition and eligibility criteria which need to be examined for taxes implication.
4. In view of the individual tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences.



## X. INDUSTRY AND BUSINESS OVERVIEW

### A. Industry Overview

India is one of the fastest growing healthcare markets in the world. Rising income levels, an ageing population, increasing insurance coverage and the imbalance in demand-supply presents a big opportunity for healthcare providers to increase bed capacity and investments in this sector. The Indian healthcare industry is expected to grow at CAGR of 22-25 per cent due to aging and growing populations, chronic & lifestyle diseases, exponential advances in costly digital technologies – these and other developments continue to increase healthcare demand. Additionally, investments, innovation and entrepreneurship are expected to increase the market size, thereby boosting the contribution of healthcare to the country's GDP.

The hospital industry in India stood at Rs. 4 trillion (US\$ 61.79 billion) in FY17 and is expected to reach Rs. 8.6 trillion (US\$ 132.84 billion) by FY22. India is experiencing 22-25 per cent growth in medical tourism and the industry is expected to reach US\$ 9 billion by 2020.

There is a significant scope for enhancing healthcare services considering healthcare spending as a percentage of GDP is rising. Rural India, which accounts for over 70 per cent of the population is set to emerge as a potential demand source.

#### (1) Details of the business of the issuer:

- (a) Primary business of the Issuer;  
To provide Healthcare services, in a super specialty quaternary care set up, with a focus on better clinical outcome and excellence in service delivery
- (b) Plant, machinery, technology, process, etc.  
Artemis Hospital is located in Sector 51 in Gurugram, Haryana, India
- (c) Description of subsisting collaborations, any performance guarantees or assistance in marketing by the collaborators, infrastructure facilities for raw materials and utilities like water, electricity, etc.  
Not Applicable
- (d) Products or services of the issuer:
  - (i) Nature of the product(s)/services, and the end users.  
Healthcare services for treatment of patients. Artemis Hospital provides super specialty healthcare services in OPD, diagnostics services, emergency management, surgical and medical management IPD.
  - (ii) Approach to marketing of products and services  
Artemis Hospital caters to both India - domestic and international markets, domestic patients come through various channel, like word of mouth, Insurance/TPA tie ups, Government empanelment. International patients also approaches directly to Artemis Hospital, referred by patients treated earlier and also through various empanelment with Government and other agencies. Artemis Hospital focuses on building institutional practice and promote the 'Artemis' brand through various brand building activities including promotion through digital media.

- (2) **Business Strategy:** Description of the business strategy of the issuer, without any forecast of projections relating to the financial performance of the issuer



Artemis Hospital is a 394 bed hospital, planning to become 700+ bed over a period of time in same campus in Gurugram. Artemis is also working on setting up cardiac cath labs in tier 2/3 cities in collaboration with Phillips through its subsidiary company viz. ACCPL.

Artemis Hospital is also exploring multiple domestic and international management contract to run-manage hospitals for a fee.

(3) **Capacity and Capacity Utilization:**

Average occupancy @ Artemis Hospital is 80% + for last 3 years.

(4) **Intellectual Property Rights:**

- (a) If the issuer is entitled to certain intellectual property rights such as trademarks, brand names, etc. whether the same are legally held by the issuer and whether all formalities in this regard have been complied with.

Yes, Trade Marks are legally held by the Company and all formalities have been complied with in this regard

- (b) In case any of the material intellectual property rights are not registered in the name of the issuer, the name of the entity with which these are registered.

Not Applicable

- (c) In case the intellectual property rights are registered in the name of an entity in which the promoters are interested, the salient features of the agreement entered into for the use of the intellectual property rights by the issuer.

Not Applicable

- (5) **Property:** Premises of Artemis Hospital along with land and building situated at Sector 51, Gurugram, Haryana, India belongs to the Company. The land of the same was acquired from HUDA

B. *Business Overview*

The Company is engaged in the business of providing healthcare services and is managing and operating 394 bedded multi-specialty hospital situated at Sector 51, Gurugram, Haryana, India. The Company caters to both India- domestic and international markets and Government empanelments.



C. *Key Industry Regulations*

*The following description is a summary of certain sector specific laws and regulations in India, which are applicable to the Company. The information detailed in this chapter has been obtained from publications available in the public domain. The regulations set out below may not be exhaustive, and are only intended to provide general information to the investors and are neither designed nor intended to substitute for professional legal advice.*

**Environment Laws**

• **The Environment (Protection) Act, 1986 (“Environment Act”)**

The Environment Protection Act provides for the protection and improvement of the environment and for matters connected there with, including without limitation the standards of quality of air, water or soil for various areas and purposes, the maximum allowable units of concentration of various environmental pollutants, procedure for handling of hazardous substances, the prohibition and restrictions on the location of industries and the carrying on of processes and operations in different areas. Among other things, these laws regulate the environmental impact of construction and development activities, emission of air pollutants and discharge of chemicals into surrounding water bodies. These various environmental laws give primary environmental oversight authority to the Ministry of Environment and Forest (“MoEF”), the CPCB and the SPCB. Penalties for violation of the Environment Act include fines up to Rs. 1,00,000 or imprisonment of up to 5 years, or both.

• **Water (Prevention and Control of Pollution) Act 1974 (“Water Act”)**

The Water Act mandates that the previous consent of the State Pollution Control Board (“SPCB”) be taken before establishing any industry, operation or process, or any treatment and disposal system or any extension or addition thereto, which is likely to discharge sewage or trade effluent into a stream or well or sewer or on land; or bring into use any new or altered outlet for the discharge of sewage; or begin to make any new discharge of sewage. In addition, a cess is payable under the Water (Prevention and Control of Pollution) Cess Act, 1977 by a person carrying on any specified industry. The person in charge is to affix meters of prescribed standards to measure and record the quantity of water consumed. Furthermore, a monthly return showing the amount of water consumed in the previous month must also be submitted.

• **Air (Prevention and Control of Pollution) Act, 1981 (“Air Act”)**

The Air Act was enacted for the prevention, control and abatement of air pollution. The persons managing industry are to be penalized if they produce emissions of air pollutants in excess of the standards laid down by SPCB.

• **Bio-Medical Waste (Management and Handling) Rules, 2016 (“BMW Rules”)**

The BMW Rules apply to all persons who generate, transport, treat, dispose or handle bio-medical waste in any form. The BMW Rules mandate every occupier of an institution generating bio-medical waste to 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. 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 there under.

• **The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989**



The Manufacture, Storage and Import of Hazardous Chemicals Rules, 1989 has been formulated by the Department of Environment, Forests and Wildlife, Ministry of Environment and Forests in exercise of the power conferred by the Environment (Protection) Act, 1986 to govern the storage and import of hazardous chemicals.

- **Hazardous Wastes (Management and Handling) Rules, 1989 as amended in 2008**

The Hazardous Wastes (Management and Handling) Rules, 1989 allocate the responsibility of the occupier and the operator of the facility that treats hazardous wastes to collect, treat, store or dispose the hazardous wastes without adverse effects on the environment. Moreover, the occupier and the operator are required take steps to ensure that persons working on the site are given adequate training and equipment for performing their work. Hazardous wastes can be collected, treated, stored and disposed of only in such facilities as may be authorized for this purpose. The occupier is liable for damages caused to the environment resulting from the improper handling and disposal of hazardous waste and any fine that may be levied by the respective SPCB.

#### Tax laws

- **Income Tax Act, 1961**

The Income Tax Act, 1961 consolidates all the provisions in relation to income tax and is applicable to every domestic / foreign company whose income is taxable under the Income Tax Act depending upon its “residential status” and “kind of income” earned by the company. Further, every company is required to file a return for the income earned in the previous year with the authorities under the Income Tax Act by 31st October of the assessment year. The Income Tax Act inter alia provides for tax deduction at source, fringe benefit tax, advance tax and minimum alternative tax and the like which is required to be complied with by every company.

- **Goods and Services Tax**

The Government of India has introduced the GST regime with effect from July 1, 2017 pursuant to which the exemptions available under the earlier service tax regime for health care services provided by a clinical establishment, an authorized medical practitioner or paramedics within the taxable territory continue to prevail.

- **Finance Act, 1994**

The Finance Act, 1994 (“Finance Act”) provides for the valuation and levy of service tax wherein every service provider is liable to pay service tax and furnish a return with the Superintendent of Central Excise in accordance with the provisions of the Finance Act. It further provides for penalty in case of failure on part of the service provider to pay of service tax and power to the Central Government to grant an exemption in payment of service tax.

#### Labour Laws

- **The Code on Wages, 2019**

The Code on Wages, 2019 was approved by the Lok Sabha on 30 July 2019, by the Rajya Sabha on 2 August, 2019 and finally received Presidential assent on 8 August, 2019. It seeks to regulate wage and bonus payments in all employments where any industry, trade, business, or manufacture is carried out. The Wage Code replaces the following four laws: (i) the Payment of Wages Act, 1936, (ii) the Minimum Wages Act, 1948, (iii) the Payment of Bonus Act, 1965, and (iv) the Equal Remuneration Act, 1976. The Code will apply to all employees

- **Contract Labour (Regulation and Abolition) Act, 1970**

The Contract Labour (Regulation and Abolition) Act, 1970 provides for welfare and health of contract laborers. Under the CLRA, the principal employer has to be registered with the appropriate authority and the



contractor has to get licensed by the licensing officer. The contractors are required to provide facilities such as canteens, rest-rooms, first-aid amongst others. In case of failure of the contractor in providing such facilities, the CLRA shifts the obligation upon the principal employer within a prescribed time period. Contravention of the provisions of the CLRA may result in imprisonment of up to three months or a fine of up to one thousand rupees.

- **Employee State Insurance Act, 1948**

The Employees State Insurance Act, 1948, ("ESI Act") provides for certain benefits to employees in case of sickness, maternity and employment injury including covering of accidents occurring to an employee while commuting to and from office. All employees in establishments covered by the ESI Act are required to be insured, with an obligation imposed on the employer to make certain contributions in relation thereto. In addition, the employer is also required to register itself under the ESI Act and maintain prescribed records and registers.

- **Workmen's Compensation Act, 1923**

WCA has been enacted with the objective to provide for the payment of compensation to workmen by employers for injuries by accident arising out of and in the course of employment, and for occupational diseases resulting in death or disablement. WCA makes every employer liable to pay compensation in accordance with the WCA if a personal injury/disablement/loss of life is caused to a workman (including those employed through a contractor) by accident arising out of and in the course of his employment. In case the employer fails to pay compensation due under the WCA within one month from the date it falls due, the commissioner appointed under the WCA may direct the employer to pay the compensation amount along with interest and may also impose a penalty.

- **The Payment of Gratuity Act, 1972 ("Gratuity Act")**

The Payment of Gratuity Act, 1972 provides for payment of gratuity to employees who have been in continuous service for a period of five years upon their resignation, retirement, superannuation, death or disablement due to accident or disease. The maximum gratuity payable under the Gratuity Act is one million rupees.

- **The Maternity Benefit Act, 1961**

The Maternity Benefit Act, 1961 regulates the employment of women for certain periods before and after childbirth and also provides for maternity and other benefits to pregnant women. The maternity benefit under the Act is to be paid at the rate of the average daily wage for the period of her absence immediately before the delivery and six-weeks after that day. Contravention of the Act is punishable by imprisonment up to one year and/or a fine up to Rs.5000. Further, the Maternity Benefit (Amendment) Bill, 2016 was recently passed by the Rajya Sabha to amend certain provisions of the MB Act.

### Intellectual Property Laws

- **The Trade Marks Act, 1999**

The Trade Marks Act, 1999 governs the law pertaining to trade marks in India. A trade mark is essentially any mark capable of being represented graphically and distinguishing goods or services of one person from those of others and includes a device, brand, heading, label, ticket, name, signature, word, letter, numeral, shape of goods, packaging or combination of colours or combination thereof. In India, trademarks enjoy protection under both statutory and common law. Indian trademarks law permits the registration of trademarks for goods and services. Certification trademarks and collective marks can also be registered under The Trademarks Act. The Registrar of Trademarks is the authority responsible for registration of the trademarks, settling opposition proceedings and rectification of the register of trademarks.



Once a mark is registered, it is valid in India only, for a period of 10 years and can be renewed from time to time in perpetuity. Registration of a trademark grants the owner a right to exclusively use the trademark as a mark of goods and services and prevents the fraudulent use of deceptively similar marks by any third party.

#### Other Applicable Regulations

- **Shops and Commercial Establishments Legislations**

The provisions of various Shops and Establishments legislations, as applicable in the states in which establishments are set up, regulate the conditions of work and employment in shops and commercial establishments and generally prescribe obligations in respect of inter alia registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures and wages for overtime work.

- **The Clinical Establishments (Registration and Regulation) Act, 2010**

The Act has been enacted by the Central Government to provide for registration and regulation of all clinical establishments in the country with a view to prescribe the minimum standards of facilities and services provided by them. The Act is applicable to all types (both therapeutic and diagnostic types) of Clinical Establishments from the public and private sectors, belonging to all recognized systems of medicine, including single doctor clinics.

- **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.



- **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.

- **Drugs and Cosmetics Act, 1940**

The Drugs and Cosmetics Act, 1940 (“DCA”) regulates the import, manufacture, distribution and sale of drugs and cosmetics in India. It provides the procedure for testing and licensing of new drugs which involves obtaining a series of approvals for different stages at which the drugs are tested, before the Central Drugs Laboratory. Under the DCA, the Government can, by notification in the official gazette, regulate or restrict the manufacture, sale or distribution of a drug, if it is satisfied that in the public interest, it is necessary or expedient to do so or that the use of such drug is likely to involve any risk to human beings or animals or that it does not have the therapeutic value claimed or purported to be claimed for it or contains ingredients and in such quantity for which there is no therapeutic justification.

In order to give effect to the provisions of DCA, the government has notified the Drugs and Cosmetics Rules, 1945 (“DC Rules”) which prescribes the procedure for licensing new drugs and import of drugs as well as aspects relating to labeling, packing and testing. It provides for the sampling of drugs for analysis and classes of drugs for the import of which a license is required. On application, the medical and the chemical data are examined followed by which a no objection certificate is issued allowing the manufacturer of the drug to move on to the next stage of testing for its chemical integrity and analytical purity. The DC Rules also provides for the cancellation or suspension of such license in any case of contravention. The DC Rules further prescribe good manufacturing practices and requirements of premises, plants and equipments for pharmaceutical products including the manner of labeling and packaging of drugs.

- **Essential Commodities Act, 1955**

The Essential Commodities Act, 1955 is enacted to control the production, supply and distribution of trade and commerce in the essential commodities for maintaining or increasing supplies and for securing their equitable distribution and availability at fair prices. The Central Government has the power to seize products for inspection and if it is expedient to do so, can also confiscate after issuing a show cause notice to the owner. In case of contravention, penalties in terms of imprisonment and fine have been prescribed under the act.

- **Consumer Protection Act, 1986**

The COPRA came into effect on December 24, 1986. The COPRA reinforces the interest and rights of consumers by laying down a mechanism for speedy grievance redressal. Any person to whom goods were delivered/intended to be delivered or services were rendered/ intended to be rendered, or a recognized consumer association, or numerous consumers having the same interest, or the Central/State Government may lodge a complaint before the district forum or any other appropriate forum under the COPRA, inter alia, where: (a) an unfair trade practice or a restrictive trade practice has been adopted by a service provider; (b) the services availed or agreed to be availed suffer from any deficiency in any material aspect; and (c) the provision of services which are hazardous or likely to be hazardous to life and safety of the public when used are offered by the service provider which such person could have known with due diligence to be injurious to life and safety. When a person against whom a complaint is made fails to or omits to comply with any order made by the forum/commission, such person shall be punishable with imprisonment for a term ranging from one month to three years, or a fine of not less than `2,000, but not more than `10,000, or both.

In addition to the above, the Company is also required to comply with the provisions of the Companies Act and rules framed thereunder and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations. The Company is also amenable to various central and state tax laws.





D. *History and Corporate Structure*

*History*

The Company was incorporated as a private limited company under the Companies Act, 1956, in the name of Artemis Medicare Services Private Limited, pursuant to a certificate of incorporation dated May 18, 2004, bearing registration number U85110DL2004PTC126414 and subsequently was converted into a Public Limited Company on October 5, 2009 by the ROC, National Capital Territory of Delhi & Haryana.

*Registered Office*

The registered office of the Company is presently situated at Plot No. 14, Sector 20, Dwarka, New Delhi-110075. The changes in the registered office of the Company since incorporation are as set out below:

Effective date of Change	Details of Change	Reason(s) for change
13 <sup>th</sup> February 2017	Shifted from '414/1, 4th Floor, DDA Commercial Complex, District Centre, Janakpuri, New Delhi- 110058' to 'Plot No. 14 , Sector-20, Dwarka, New Delhi- 110075	Operational convenience
25 <sup>th</sup> February, 2008	Shifted from M-4, Surya Mansion, 1, Kaushalya Park, Hauz Khas, New Delhi-110016 to 414/1, 4 <sup>th</sup> Floor, DDA Commercial Complex, District Centre, Janakpuri, New Delhi-110058	Operational convenience
1 <sup>st</sup> April, 2006	Shifted from 20, Ansari Road, Daryaganj, New Delhi-110002 to M-4, Surya Mansion, 1, Kaushalya Park, Hauz Khas, New Delhi-110016	Operational convenience

The Company has corporate office situated at Artemis Hospital, Sector-51 Gurugram-122001 (Haryana).

*Business*

The Company is engaged in the business of managing and operating of multi-specialty hospital and commenced its commercial operation by setting up Artemis Hospital (also known as Artemis Health Institute) at Gurugram on July 16, 2007. Artemis Hospital has also successfully received accreditation from the JCI & NABL and also accredited from NABH.

*Major Events and Milestones*

Details of the major events in the history of the issuer, such as:

(i) Significant financial or strategic partnerships

During the year 2018-19, the Company approved an investment in a JV (Artemis Cardiac Care Private Limited) up to Rs. 50 Crores

(ii) Time/cost overrun in setting up projects

Not Applicable

(iii) Capacity/facility creation, location of plants



Artemis Hospital is located at Gurugram and an expansion is being planned at the same location.

(iv) launch of key products or services, entry in new geographies or exit from existing markets

Artemis Hospital focuses on introducing cutting edge medical technology, both for diagnostic and treatment of patients. The Company plans to expand its business to new and high paying international markets.

(v) Key awards, accreditations or recognition

The information on key awards, accreditations or recognition can be found at <https://www.artemishospitals.com/about-artemis-hospital/why-artemis/awards-and-accreditations>

(vi) Defaults or rescheduling/ restructuring of borrowings with financial institutions/ banks

Not Applicable

(vii) Details regarding material acquisitions or divestments of business/undertakings, mergers, amalgamation, any revaluation of assets etc., if any, in the last ten years.

There have been no divestments of business/undertakings, mergers, amalgamation in last ten years. However, during the year 2018-19, the Company approved an investment up to Rs. 50 Crores in ACCPL, a Joint venture with Philips Medical Systems B.V. ACCPL is now a subsidiary of the Company.

Also, during the FY 2015-16, the Company has revalued its land based on current market price determined by an approved valuer. This has resulted in increase in the book value of fixed assets by Rs 6,58,90,000/-.

#### *Objects of the Company*

The objects of the Company as set out in its Memorandum of Association *inter alia* include:

1. *To purchase, sell, manage, improve, maintain, obtain/give on lease, promote, administer, operate and otherwise deal and obtain license for running hospitals, clinics, nursing homes, pharmacy, dispensaries, maternity homes, old age homes, health resorts and health clubs, all types of ambulatory services, polyclinics, medical centers, child & women welfare and family planning centers, diagnostic centers, health aids and research centers/laboratory and to undertake all kinds of medical and health care activities in India and/or abroad.*
2. *To undertake, promote, assist or engage in all kinds of research including clinical and development work required to promote, assist or engage in setting up hospitals, any type of healthcare/medical relief centers and facilities for manufacturing medical equipments, apparatus and instruments etc. in India as well as abroad.*
3. *To undertake, provide, encourage, initiate or promote facilities for the discovery, improvement or development of new methods of diagnostics, understanding and prevention and treatment of any disease and to carry out medical and clinical research and other development work by engaging the research and development of all medical sciences and all types of treatment therapies in India as well as abroad.*
4. *To establish, run, promote and make investment in the educational institutions, schools, colleges, for imparting medical and healthcare education and management training in the field of medicine, nursing, physical medicine, rehabilitative medicine, pharmacy and allied medical administration and management of such medical institutions including health and hospital management, training and development, pharmaceutical management, hospitality, programmes for skills and competency development, training and certification of professionals and/or post-graduate students in India as well as abroad, in accordance with applicable laws/guidelines.*



5. To research, design, manufacture, import, export, buy, sell, and otherwise deal in all types of pharmaceuticals, organic and in-organic chemicals, medicines including all types of alternate medicines/therapies, drugs & intermediates and all kinds of equipment and instrumentation for medical and healthcare activities and to carry on in India or aboard any business activities of rendering support services of all types and kinds including forex services, e-commerce services, catering & food services, tailoring, washing & laundering with the objective of delivering solutions in relation to the medical and healthcare services provided/to be provided by the Company.
6. To carry on the business activities of medical publications and manufacturing of articles made from paper & cardboard, books, magazines, periodicals, brochures, pamphlets, catalogues, booklets, leaflets, bulletins, posters, newsletters, photographs, stationary, artist material, office requisites, packing materials, instructions and teaching materials, direct mailers and printed matters for publicity and advertisement in India or elsewhere and to provide all types of management consultancy and business development services in relation to medical and healthcare services provided by the Company”

*Changes in Memorandum and Articles of Association in last ten years*

Date of Event	Nature of Event	Change Effected
5 <sup>th</sup> October 2009	Company converted from private limited company into a public limited company with approvals of ROC, National Capital Territory of Delhi & Haryana	5 <sup>th</sup> October 2009
05 <sup>th</sup> August 2016	A new set of Memorandum of Association as adopted by the shareholders in the AGM held on 05 <sup>th</sup> August 2016 in order to rationalize and expand the main objects clause of the Company and to bring them in line with the requirements of Companies Act.	05 <sup>th</sup> August 2016
05 <sup>th</sup> August 2016	A new set of Articles of Association as adopted by the shareholders in the AGM held on 05 <sup>th</sup> August 2016 in order to bring them in line with the requirements of Companies Act.	05 <sup>th</sup> August 2016
26 <sup>th</sup> August, 2019	Altered the Article of Association through insertion of new clauses.	26 <sup>th</sup> August, 2019
26 <sup>th</sup> October 2019	Change in Memorandum of Association for increase in Authorized Capital of the Company pursuant to the approval of Composite Scheme	14 <sup>th</sup> October 2019

*Subsidiary*

The Company has the following subsidiary and Joint Venture:

**Name of the Company:** Artemis Cardiac Care Private Limited



**Capital Structure of ACCPL and stake held by the Company:**

Name of shareholders	No. of shares held	% Shareholding
Artemis Medicare Services Limited	16,90,000	65%
Philips Medical Systems Nederland BV	9,10,000	35%
Total	26,00,000	100%

Amount of accumulated profits or losses of the subsidiary not accounted for by the Company: N.A.

*Holding Company*

Constructive Finance Private Limited is the holding company of the Company.

Name: **Constructive Finance Private Limited**

Capital Structure: The Authorised Capital of Constructive Finance Private Limited is Rs. 11,00,00,000 and its Paid-up Capital is Rs. 8,61,29,400.

Stake held by Constructive Finance Private Limited in the Company: 69.82%

Nature of Business: Investment Company

E. *Shareholders Agreement And Other Agreements*

- (a) Key terms of all subsisting shareholders' agreements- N.A.
- (b) Key terms of agreements entered into by a key managerial personnel or director or promoter or any other employee of the Company, either by themselves or on behalf of any other person, with any shareholder or any other third party with regard to compensation or profit sharing in connection with dealings in the securities of the Company. - **N.A.**
- (c) Key terms of Guarantees, if any, given to third parties by the promoter offering its shares in the proposed offer for sale, stating reasons, amount, obligations on the issuer, period of guarantee, financial implications in case of default, security available, consideration etc.- **N.A.**
- (d) Key terms of dates, parties to and general nature of any other subsisting material agreements including with strategic partners, joint venture partners and/or financial partners, entered into, other than in the ordinary course of business of the issuer.
- (e) A JV agreement was entered with Philips Medical Systems BV on 9<sup>th</sup> November 2018, according to which a JV company namely ACCPL was incorporated in which AMSL contributed 65% of the agreed capital of ACCPL primarily for operating and setting up of Cath Lab Units in India.

F. *Management*

- (a) Board of Directors
  - (I) As per the Article of Association of the Company, the Company shall not have less than 3 Directors and not more than 15 Directors. Presently the Company has 10 (Ten) Directors, the details of which are as follows:



Name of the Director	Information	Brief Profile
Mr. Onkar S Kanwar	<p>Age:77 Date of Birth: 01/03/1942 Qualifications: Science and administration graduate Experience: Over 40 Years Address: H. No. 3/3, Shanti Niketan, New Delhi – 110021 Occupation: Industrialist Date of Appointment: 14.09.2006 Date of Expiration of Current Term: N.A. Period of Directorship: 13 years Other Directorships (India):</p> <ol style="list-style-type: none"> <li>1. Apollo Tyres Limited (Listed)</li> <li>2. PTL Enterprises Limited (Listed)</li> <li>3. Classic Industries &amp; Exports Limited (Unlisted)</li> <li>4. Leto Retailers Private Limited (Unlisted)</li> </ol>	<p>Mr. Onkar S. Kanwar, son of Late Shri Raunaq Singh, the co-founder of Apollo Tyres in 1976. Mr. Kanwar has experience of over 40 years in the manufacturing industry. Presently, Mr Kanwar is the Chairman of the Apollo Tyres Limited. He was the past president of FICCI and former Chairman of ATMA.</p>
Ms. Shalini Kanwar Chand	<p>Age: 51 Date of Birth: 08/03/1968 Qualifications: Post-Graduate Experience: 12 Year Address: 48 Coronation RD West #01-02 Astrid Meadows Singapore 269263 SG Occupation: Professional Date of Appointment: 25.09.2007 Date of Expiration of Current Term: NA Period of Directorship: 12 years Other Directorships: Nil</p>	<p>Ms. Shalini Kanwar Chand, daughter of Mr. Onkar S Kanwar, is experienced in Strategic Planning, New Business Developments, Marketing Strategy and Team Building. She graduated from the University of Delhi and pursued her Master's Degree specialising in Cognitive Behavioural Therapy from the Swinburne University of Technology, Australia. She propelled forward in her educational journey with several courses from the Academy of Human Development Singapore in association with Edith Cohen and is consummate in Cognitive Behavioural Therapy.</p>



<p>Mr. Neeraj Singh Kanwar</p>	<p>Age: 48 Date of Birth: 06/09/1971 Qualifications: Graduated from Lehigh University, USA, Experience: 20 years Address: 5 Upper Belgrave Street London SW1X8BD GB Occupation: Industrialist Date of Appointment: 17.01.2008 Date of Expiration of Current Term: NA Period of Directorship: 11 years Other Directorships (India):</p> <ol style="list-style-type: none"> <li>1. Apollo Tyres Limited (Listed)</li> <li>2. PTL Enterprises Limited (Listed)</li> <li>3. Sunlife Trade Links Private Limited (Unlisted)</li> </ol>	<p>Mr. Neeraj Kanwar, son of Mr. Onkar S Kanwar, is the Vice Chairman &amp; Managing Director of Apollo Tyres Limited. He is also associated with various industry associations and was the former Chairman of the Automotive Tyres Manufacturer's Association, India.</p>
<p>Dr. Nirmal Kumar Ganguly</p>	<p>Age: 77 Date of Birth: 11.11.1941 Qualifications: MBBS, MD (Microbiology), DSc (hc) Experience: more than 40 Year Address: 701, Gayatri Apartment, GH-06, Sector-45, Faridabad-121010, Haryana Occupation: Professional Date of Appointment: 10.02.2014 Date of Expiration of Current Term: N.A. Period of Directorship: 5 Years Other Directorships:</p> <ol style="list-style-type: none"> <li>1. Gennova Bio Pharmaceuticals Limited (Unlisted)</li> <li>2. Sapient Bio Sciences Limited (Unlisted)</li> <li>3. Pushpawati Singhanian Hospital &amp; Research Institute (Unlisted)</li> <li>4. International Bio Tech Private Limited (Unlisted)</li> <li>5. NCD Predisease Forum (Unlisted)</li> </ol>	<p>Dr Nirmal Kumar Ganguly is a Biotechnology Research Professor at the National Institute of Immunology, New Delhi. He is also President of the Jawaharlal Institute of Post Graduate Medical Education and Research, Pondicherry. He is former Director General of the Indian Council of Medical Research.</p>
<p>Dr. Subbaraman Narayan</p>	<p>Age: 76 Date of Birth: 20/06/1943 Qualifications: M.Sc. Physics, Master of Business Management (Finance) M.Phil (Development Economics) - Ph. D Experience: 40 years Address: Flat No. 2B, Nithyasree Apartments, 51, Chaimers Road, Raja Annamalaipuram, Chennai- 600028</p>	<p>Dr. Subbaraman Narayan, IAS (Retd.) served the Government of India as Finance and Economic Affairs Secretary. Dr. Narayan was also Secretary in the Departments of Revenue, Petroleum and Industrial Development. He has experience of 40 years in implementation of economic policies and monitoring</p>



	<p>Occupation: Professional Date of Appointment: 19.10.2006 Date of Expiration of Current Term: 11.09.2024 Period of Directorship: 13 years Other Directorships: 1. Seshasayee Paper and Boards Limited (Listed) 2. Dabur India Limited (Listed) 3. Rudransh Trading Private Limited (Unlisted) 4. Castlewood Trading Private Limited (Unlisted) 5. IIFL Wealth Finance Limited (Unlisted) 6. IIFL Wealth Management Limited (Unlisted) 7. Shanti Narayan Foundation (Unlisted)</p>	<p>of the special economic agenda of the Cabinet on behalf of Prime Minister's Office.</p>
Dr. Sanjaya Baru	<p>Age: 65 Date of Birth: 28/05/1954 Qualifications: PhD, Master's Degree in economics Experience: 30 Years Address: D-44, Panchsheel Enclave, New Delhi-110017 Occupation: Professional Date of Appointment: 06/02/2013 Date of Expiration of Current Term: 11.09.2024 Period of Directorship: 7 Years Other Directorships: 1. Wockhardt Limited (Listed) 2. Parampara Family Business Institute (Unlisted)</p>	<p>Dr. Sanjaya Baru, is one of India's most respected and influential commentators on political and economic issues. After serving as a consulting senior fellow of the IISS from September 2008, he became the first director of the institute's Geo-economics and Strategy programme in 2011, analysing the interplay between economics and geopolitics at the global level. From 2016, he moved to focusing on India for the IISS. Dr Baru was the Official Spokesman and Media Advisor to the Prime Minister of India from May 2004 until August 2008. He is a former editor of the leading Indian financial newspapers The Business Standard and The Financial Express, and associate editor of The Economic Times and The Times of India.</p>
Mr. Akshay Kumar Chudasama	<p>Age: 50 Date of Birth: 30/09/1969 Qualifications: Advocate Experience: more than 20 years Address: Shanti Cottage No.2, Narayan Dabholkar Road, Chandralok, Malabar Hill, Mumbai 400006, Maharashtra</p>	<p>Mr Akshay Chudasama, is the partner of a leading legal firm, Shardul Amarchand Mangaldas. He has been practicing Law since 1994 and has experience in Mergers &amp; Acquisitions, Joint Ventures, Cross Border</p>



	<p>Occupation: Lawyer Date of Appointment: 06/11/2015 Date of Expiration of Current Term: 04.08.2021 Period of Directorship: 3 Years Other Directorships: 1. Raymond Limited (Listed) 2. Bata India Limited (Listed) 3. Apollo Tyres Limited (Listed) 4. Wyosha Real Estates Private Limited (Unlisted)</p>	<p>Investments, Private Equity, Real Estate, Hospitality, Franchising and Media &amp; Entertainment Law..</p>
Dr. Devlina Chakravarty	<p>Age: 52 Date of Birth: 12/06/1967 Qualifications: MD, DNB, DMRD, Radiologist Experience: 26 years (approx.) Address: W-12, 2nd Floor, Kings Court, Greater Kailash, Part-2, South Delhi - 110048 Occupation: Services Date of Appointment: 02/04/2015 Date of Expiration of Current Term: 31.03.2020 Period of Directorship: 4 Years Other Directorships: 1. Artemis Cardiac Care Private Limited (Unlisted)</p>	<p>Dr Devlina Chakravarty started her career in 1993 as a radiologist trained from Mumbai University. She did fellowships/perceptorship programmes from University of Berlin (Germany), UCLA (Los Angeles) and Brigham &amp; Women (Boston) in Head and Neck &amp; Body Imaging. She worked as senior faculty and Programme Director in Radiology in different reputed hospitals in Delhi before joining AMSL. She is the Whole Time Director of the Company designated as Executive Director of the Company.</p>
Mr. Ugar Sain Anand	<p>Age: 76 Date of Birth: 15.01.1943 Qualifications: Chartered Accountant Experience: more than 38 Years Address: B-1/239, Paschim Vihar, New Delhi-110063 Occupation: Professional Date of Appointment: 10/10/2019 Date of Expiration of Current Term: 09/10/2020 Period of Directorship: upto 1 year Other Directorships: 1. PTL Enterprises Limited (Listed) 2. Apollo International Limited (Unlisted)</p>	<p>Mr. Ugar Sain Anand, is a Chartered Accountant, with over 38 years of experience. He joined the Board of Directors of the Company in the year 2019. His experience is focused in the areas of Accounts, Finance, Taxation and Business development.</p>
Mr. Sunil Tandon	<p>Age: 65 Date of Birth: 28.01.1954 Qualifications: MBA Experience: 42 years Address: D-26, Saket, Malviya Nagar S.O., South Delhi-110017 Occupation: Professional</p>	<p>Mr. Sunil Tandon is a Mechanical Engineer from Delhi College of Engineering (1975 batch) and an MBA with top honours &amp; a gold medal from FMS (1977 batch), University of Delhi. He has started his career with Engineers</p>





	<p>Date of Appointment: 10/10/2019 Date of Expiration of Current Term: 09/10/2020 Period of Directorship: upto 1 year Other Directorships: 1. PTL Enterprises Limited (Listed)</p>	<p>India Ltd. a premier Engineering design consultancy, where he had the opportunity of working with International Engineering design companies like Toyo, Snam Progetti etc. Thereafter, Mr. Sunil Tandon has changed over to commercial aspects of business, including Purchase &amp; Project exports at Ballarpur Industries Ltd, followed by a stint as Executive Asstt. to Vice Chairman at Modi Alkalies &amp; Chemicals with exposure to diverse functions.</p>
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- (II) Details of directorships in suspended companies  
None of the Directors have held or are holding directorship in any listed companies whose shares have been or were suspended from being traded on BSE and/or NSE in the past five years.
- (III) Details of directorships in delisted companies  
None of the Directors have held or are holding directorship in any listed companies whose shares have been or were delisted from being traded on BSE and/or NSE in the past five years.
- (IV) Relationship between Directors  
Save and except for the following Directors none of the Directors are related to each other pursuant to Companies Act.

Name of Director	Related To	Nature of relationship
Mr. Onkar S Kanwar	Mr. Neeraj Singh Kanwar	Father
Mr. Onkar S Kanwar	Ms. Shalini Kanwar Chand	Father

- (V) Arrangements with Major Shareholders, Customers, Suppliers and Others  
There are no arrangements or understandings with major shareholders, customers, suppliers or other, pursuant to which a Director was selected as a Director.
- (VI) *Service Contracts*  
There are no service contracts entered into by and between the Directors and the Company whereby benefits would be provided upon termination of employment.
- (VII) *Borrowing Powers of the Board*  
The shareholders have, pursuant to a special resolution adopted at the EGM dated 16<sup>th</sup> November 2016 authorized the Board to borrow sums from time to time, to the extent of Rs. 1000 Crores (Rupees One Thousand Crores).
- (b) Compensation of Managing Director and/or whole-time Director  
Dr. Devlina Chakravarty is the whole time Director of the Company and the current remuneration is Rs. 459.77 lacs per annum.



(I) Terms of appointment of Directors

Name of Director	Terms of Appointment
Dr. Devlina Chakravarty	Date of Board resolution: 25 <sup>th</sup> February 2015 effective from 02 <sup>nd</sup> April 2015  Date of Special Resolution: 30 <sup>th</sup> March 2015  Terms of Employment: appointed for a period of five years at a maximum remuneration of Rs. 6 Crores.

(II) Details of compensation paid to Directors during the last financial year (FY 2018-19)

Name of Director	Services Provided	Compensation paid/payable by the Company in (FY 2018-19) including contingent and deferred compensation) (Rs. in lakhs)	Compensation paid payable by the subsidiary/associate in (FY 2018-19) including contingent and deferred compensation)	Payment of the compensation as bonus/profit sharing plan. Brief description of plan
Mr. Onkar S Kanwar	Sitting Fees for Board and its Committee Meetings	1.40	NIL	NIL
Mr. Neeraj Singh Kanwar	Sitting Fees for Board and its Committee Meetings	0.80	NIL	NIL
Ms. Shalini Kanwar Chand	Sitting Fees for Board and its Committee Meetings	2.60	NIL	NIL
Dr. Subbaraman Narayan	Sitting Fees for Board and its Committee Meetings	2.80	NIL	NIL
Dr. Sanjaya Baru	Sitting Fees for Board and its Committee Meetings	1.00	NIL	NIL
Dr. Nirmal Kumar Ganguly	Sitting Fees for Board and its Committee Meetings along with professional services for	18.80	NIL	NIL



Name of Director	Name of Company / Body Corporate / Firm / Association with which Interest	Nature of Interest or Concern
	Apollo Tyres (UK) Pvt. Ltd. Apollo Tyres (London) Pvt Ltd Apollo Vredestein B.V. (Supervisory Board) Apollo Tyres(Hungary) Kft Kanwar Family Trust Neeraj Family Trust CATL Financial Services LLP	Director/ Member Director Director Director Director Beneficiary Beneficiary Designated Partner
<b>Dr. Nirmal Kumar Ganguly</b>	Vidyawati Chuttani Trust Gennova Biopharmaceuticals Limited Sapien Biosciences Private Limited Pushpawati Singhanian Hospital & Research Institute International Biotech Park Limited NCD Predisese Forum	Trustee Director Director Director Director Director Director
<b>Dr. Subbaraman Narayan</b>	Dabur India Limited Seshasayee Papers Board Limited IIFL Wealth Finance Limited Castlewood Trading Pvt. Limited Rudransh Trading Private Limited IIFL Wealth Management Limited Shanti Narayan Foundation	Director Director Director Director Director Director Trustee
<b>Dr. Sanjaya Baru</b>	Wockhardt Limited Parampara Family Business Institute	Director Director
<b>Mr. Akshay Kumar Narendrasinhji Chudasama</b>	Apollo Tyres Limited Bata India Limited Raymond Limited Wyosha Real Estate Private Limited India Luxco Retail Private Limited Wyoma Art Consultants LLP Shardul Amarchand Mangaldas & Co	Director Director Director Director/Member Member Designated Partner Equity Partner
<b>Dr. Devlina Chakravarty</b>	Artemis Education & Research Foundation Artemis Cardiac Care Private Limited	Trustee Director
<b>Mr. Ugar Sain Anand</b>	PTL Enterprises Limited Apollo International Limited	Director Director
<b>Mr. Sunil Tandon</b>	PTL Enterprises Limited	Director

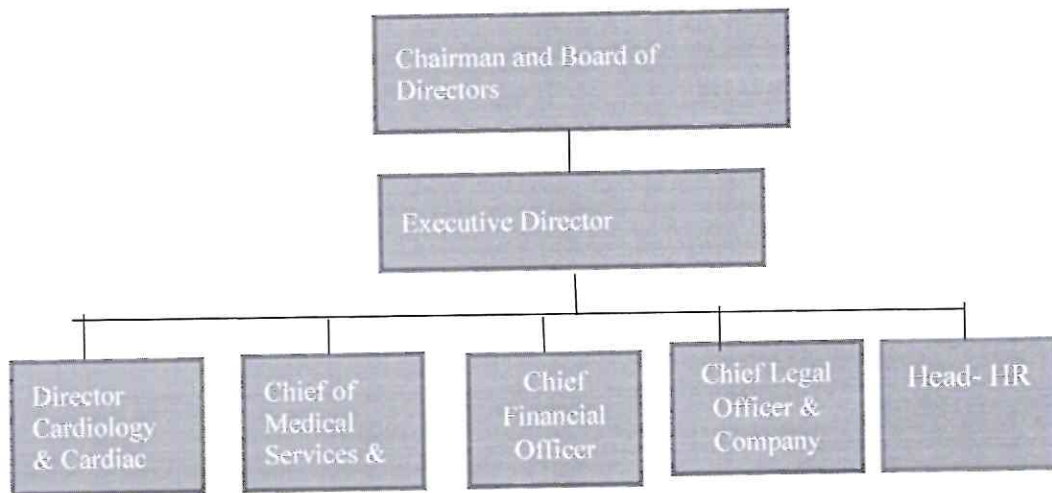
(e) *Change in directors in last three years and reasons thereof*

Name of Director	Date of Change	Reasons for Change
Mr. Akshay Kumar Chudasama	Change in Designation from Additional Director to Independent Director w.e.f. 5 <sup>th</sup> August 2016	Appointment recommended by Nomination and Remuneration Committee and approved by the Board of Directors and the



		Shareholders in their respective meetings.
Mr. P.N. Wahal	Resigned w.e.f. 3 <sup>rd</sup> November 2016	Pre-occupancy
Mr. Naveen Kapur	Resigned w.e.f. 3 <sup>rd</sup> November 2016	Pre-occupancy
Mr. Saurabh Srivastava	Appointed as Additional Director w.e.f. 12 <sup>th</sup> November 2018	Appointment recommended by Nomination and Remuneration Committee and approved by Board of Directors
Mr. Saurabh Srivastava	Resignation w.e.f. 13 <sup>th</sup> May 2019	Preoccupancy

(f) *Management Organisation Structure*



(g) *Corporate Governance*

The provisions with respect to the corporate governance will be applicable upon Listing of the Equity Shares of the Company on BSE and NSE. The Company administers corporate governance through the Board of Directors and the Committees of the Board. The Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the LODR and the Companies Act, pertaining to the constitution of the Board and committees thereof.

As on the date of filing this Information Memorandum, the Company has 10 Directors on the Company's board of directors, of whom 5 are Independent Directors, 1 is executive director and 4 are non-executive directors.

In compliance with the requirement of the Regulation 17-27 of LODR, the Company has constituted following Board Level Committees:

- (a) Audit Committee;
- (b) Nomination and Remuneration Committee (NRC);
- (c) Stakeholders' Relationship Committee; and
- (d) Corporate Social Responsibility Committee

*Audit Committee*



- ✓ To approve policies in relation to the implementation of the Code and to supervise implementation of the Code.
- ✓ To note and take on record the status reports detailing the dealings by Designated Persons in Securities of the Company, as submitted by the Compliance Officer on a quarterly basis.
- ✓ To provide directions on any penal action to be initiated, in case of any violation of the Regulations by any person.
- ✓ Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, at least once in a financial year and verify that the systems for internal control are adequate and are operating effectively.

#### Nomination and Remuneration Committee

The Nomination and Remuneration Committee was originally constituted by the board of directors at a meeting held on April 30, 2007. As on the date of this Information Memorandum the Nomination and Remuneration Committee consists of the following Directors:

Name of Director	Designation in the Committee	Nature of Directorship
Dr. Subaraman Narayan	Chairman	Independent Director
Mr. Onkar S Kanwar	Member	Non-Executive Director
Mr. Akshay Kumar Chudasama	Member	Independent Director
Ms. Shalini Kanwar Chand	Member	Non-Executive Director

Terms of Reference:

#### **Authority and Power**

- Investigate any matter within the scope of this charter or as referred to it by the Board. The Committee shall coordinate with other Committees to the extent that its work has a bearing on their scope of work.
- Seek any information or explanation from any employee or director of the company.
- Invite Senior Management or other executives, as it considers appropriate to be present at the meetings of the Committee.
- Ask for any records or documents of the Company.
- The Committee may also engage (at the expense of the Company) independent consultants and other advisors and seek their advice on matters related to discharge of their responsibilities.

#### **Responsibilities**

- Recommend to the Board the setup and composition of the Board and its committees, including the “formulation of the criteria for determining qualifications, positive attributes and independence of a director.” The Committee will consider periodically reviewing the composition of the Board with the objective of achieving an optimum balance of size, skills, independence, knowledge, age, gender and experience.
- Recommend to the Board the appointment or reappointment of directors.
- Devise a policy on Board diversity.
- Recommend to the Board appointment of Key Managerial Personnel (“KMP” as defined by the Act) and executive team members of the Company (as defined by this Committee).
- Carry out evaluation of every director’s performance and support the Board and Independent Directors in evaluation of the performance of the Board, its committees and individual Directors. This shall include “Formulation of criteria for evaluation of Independent Directors



and the Board". Additionally, the Committee may also oversee the performance review process of the KMP and executive team of the Company.

- Recommend to the Board the 'Remuneration Policy' for directors, executive team and KMP as well as the rest of the employees.
- On an annual basis, recommend to the Board the remuneration payable to the directors and oversee the remuneration to executive team and KMP of the Company.
- Oversee familiarization programmes for directors.
- Oversee the human resource philosophy, human resource and people strategy and human resource practices including those for leadership development, rewards and recognition, talent management and succession planning (specifically for Board, KMP and executive team).
- Provide guidelines for remuneration of directors on material subsidiary/(ies).
- Recommend to the Board on voting pattern for appointment and remuneration of directors on the boards of its material subsidiary company(ies).
- Performing such other duties and responsibilities as may be consistent with the provisions of the Committee charter.

**Stakeholders Relationship Committee**

The Stakeholders Relationship Committee ("SRC") was originally constituted by the Board of Directors at a meeting held on October 10, 2019. As on the date of this Memorandum the Stakeholders Relationship Committee consists of the following Directors:

Name of Director	Designation in the Committee	Nature of Directorship
Mr. Ugar Sain Anand	Chairman	Independent Director
Dr. Devlina Chakravarty	Member	Executive Director
Dr. Nirmal Kumar Ganguly	Member	Non-Executive Director

Terms of Reference:

**Role and Responsibilities**

The SRC shall have the powers to

- Review statutory compliances relating to the holders of securities issued by the Company.
- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar and Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- Oversee compliances in respect of dividend payments and transfer of unclaimed amounts to the Investor Education and Protection Fund.
- Consider and approve issue of share certificates (including issue of renewed or duplicate share certificates), transfer and transmission of securities, etc.
- Approve issuance of duplicate certificates of securities issued by the Company



- Review movements in shareholding and ownership structure of the Company
- Ensure setting up of proper controls on the performance of the Registrar and Share Transfer Agent and oversee the same.
- Authorize any person to take such actions as necessary or deemed fit by the Committee for any matter.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the registrar and share transfer agent.
- Recommend measures for overall improvement of the quality of investor services.
- Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

#### **Corporate Social Responsibility Committee**

The Corporate Social Responsibility Committee was originally constituted by the Board of Directors at a meeting held on May 2, 2014. As on the date of this Memorandum the Corporate Social Responsibility Committee consists of the following Directors:

Name of Director	Designation in the Committee	Nature of Directorship
Ms. Shalini Kanwar Chand	Chairperson	Non-Executive Director
Dr. Nirmal Kumar Ganguly	Member	Non-Executive Director
Dr. Subbaraman Narayan	Member	Independent Director
Dr. Devlina Chakravarty	Member	Executive Director

Terms of Reference:

#### **Scope Of CSR Activities**

- To eradicate hunger, poverty and malnutrition, promoting health care including preventive health care and sanitation including contribution to the Swatch Bharat Kosh set-up by the Central Government for the promotion of sanitation and making available safe drinking water;
- To promote education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects;
- To promote gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day care centers and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backwards groups;
- To ensure environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agro forestry, conservation of natural resources and maintaining quality of soil, air and water including contribution to the clean ganga fund set-up by the Central Government for rejuvenation of river Ganga;



- To protect national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts;
- To take measures for the benefit of armed forces veterans, war widows and their dependents;
- To train to promote rural sports, nationally recognized sports, Paralympic sports and Olympic sports;
- To make contribution to the Prime Minister's National Relief Fund or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women;
- To contribute funds to technology incubators located within academic institutions which are approved by the Central Government;
- To take measures for rural development projects.
- To take measures for Slum Area Development.
- To sustain urban development and urban public transport system.
- To undertake any other activities in furtherance of the aforesaid objectives, as the CSR Committee may deem fit.
- Any other activity which is notified by Ministry of Corporate Affairs through its notification, general circular etc.

(h) *Key Managerial Personnel*

(I) The Company is managed by the Board of Directors (including its committees) and assisted by qualified persons who form the key managerial personnel team of the Company. The following are the Key Managerial Personnels of the Company:

- (A) Name of Personnel: Dr. Devlina Chakravarty  
Date of Appointment: 02<sup>nd</sup> April 2015  
Qualifications: MD, DNB, DMRD, Radiologist  
Term of Office with date of Expiration of term: For a period of 5 years w.e.f. 02.04.2015 to 01.04.2020  
Details of Service Contracts: Board Resolution passed on Dated 25<sup>th</sup> February 2015  
Previous employment: She worked as senior faculty and Programme Director in Radiology in different reputed hospitals in Delhi before joining Artemis Hospital in 2007  
Past Business Experience and Achievements: Senior Radiologist  
Designation: Whole Time Director  
Status of employment: Permanent  
Scope of Functions: Executive Director of the Company
- (B) Name of Personnel: Rakesh Kumar Kaushik  
Date of Appointment: 04<sup>th</sup> February 2019  
Qualifications: Bachelor of Law from Delhi University and is also a Fellow Member of Institute of Company Secretaries of India  
Term of Office with date of Expiration of term: N.A.





Details of Service Contracts: Board Resolution dated 4<sup>th</sup> February 2019  
Previous employment: Bharti Airtel Limited  
Past Business Experience and Achievements: 22 years in Corporate Laws, Compliances with Companies Act, SEBI and other Securities Laws, Litigation, Contracts, Risk Management and Governance.  
Designation: Company Secretary and Compliance Officer  
Status of employment: Permanent  
Scope of Functions: Company Secretary and Chief Legal Officer

- (C) Name of Personnel: Sanjiv Kumar Kothari  
Date of Appointment: 24.07.2014  
Qualifications: Chartered Accountant  
Term of Office with date of Expiration of term: N.A.  
Details of Service Contracts: Board Resolution dated 24.07.2014  
Previous employment: General Head – Commercial in Ultra Tech Cement  
Past Business Experience and Achievements: associated with Apollo International as VP Accounts for more than 2 years, he has already been spearheading the finance team at the Company since September 2013.  
Designation: Chief Financial Officer  
Status of employment: Permanent  
Scope of Functions: Chief Financial Officer

(II) Relationship between Key Managerial Personnel

None of the Key Managerial Personnel are related to each other pursuant to Companies Act.

(III) *Arrangements with Major Shareholders, Customers, Suppliers and Others*

There are no arrangements or understandings with major shareholders, customers, suppliers or others, pursuant to which a Key Managerial Personnel was selected as a Key Managerial Personnel.

(IV) Other Commercial Arrangements with Key Managerial Personnel

Except for terms set forth in the appointment/engagement letters, the Key Managerial Personnel have not entered into any other contractual arrangements with the Company.

(V) Details of compensation paid to Key Managerial Personnel during the last financial year (FY 2018-19)

Name of Key Managerial Personnel	Services Provided	Compensation paid/payable by the Company in (FY 2018-19) including contingent and deferred compensation (In Rupees)	Benefits granted to KMP in (FY 2018-19)	Payment of the compensation as bonus/profit sharing plan. Brief description of plan
Dr. Devlina Chakravarty	Whole Time Director	459.77 Lacs	0	0



Mr. Navneet Goel	Company Secretary till 4 <sup>th</sup> February 2019	60.13 Lacs	0	0
Mr. Sanjiv Kumar Kothari	Chief Financial Officer	68.62 Lacs	0	0
Mr. Rakesh Kumar Kaushik	Company Secretary	24.51 Lacs*	0	0

\*The remuneration paid to Mr. Rakesh Kumar Kaushik was for the part of the year as he joined the organisation in the month of November 2018

(VI) Shareholding of Key Managerial Personnel in the Company

Name of Key Managerial Personnel	Shares held by Key Managerial Personnel in the Company
Nil	Nil

(VII) Changes in Key Managerial Personnel in the past 3 years

Name of Personnel and Designation	Date of Appointment	Date of Cessation	Reason
Mr. Navneet Goel	24 <sup>th</sup> July 2014	04 <sup>th</sup> February 2019	Cessation
Mr. Rakesh Kumar Kaushik	04 <sup>th</sup> February 2019	N.A.	To fill the Vacancy of Company Secretary (KMP)

(VIII) Interest of Key Managerial Personnel

None of the Key Managerial Personnel have been paid any consideration of any nature from the Company, other than their remuneration.

(IX) Employee Stock Options

The Company does not presently have in place any employee stock option plan/scheme.

(X) Number of Employees

At present the Company has 2051 employees including the Key Managerial Personnel. The attrition rate in the Company is not higher than industry standards.

G. Promoter and Promoter Group

The following are the Promoters of the Company

(i) Brief Details of Promoters

For Promoters who are individuals:



**Name: Mr. Onkar Singh Kanwar**

Date of Birth: 01/03/1942

Age: 77

Personal Address: H. No. 3/3, Shanti Niketan, New Delhi – 110021

Educational Qualifications: Science and Administration Graduate

Experience in Business / Employment: Over 40 Years

Position / Posts held in the Past: Mr. Onkar S. Kanwar has experience of over 40 years in the manufacturing industry. Presently, Mr Onkar S. Kanwar is the Chairman of the Apollo Tyres Limited and PTL Enterprises Limited. He was the past president of FICCI and former Chairman of ATMA.

Directorships held: Please refer to page 77 of this Information Memorandum.

Other Ventures: Apollo Tyres Limited & PTL Enterprises Limited

Special Achievements: Mr. Onkar S. Kanwar has experience of over 40 years in the manufacturing industry. Presently, Mr Onkar S. Kanwar is the Chairman of the Apollo Tyres Limited. He was the past president of FICCI and former Chairman of ATMA. Mr. Onkar S. Kanwar is the Chief Architect of the Apollo Tyres Ltd Vision and its value driven business strategy.

Business / Financial Activities: Hospital

Photograph:



PAN: AAIPK9639F

AADHAR No: 997655956612

Driving License: DL-0420050169421

Brief Details of Promoter Company

Where the promoters are companies:

**Name: Constructive Finance Private Limited**

Date of Incorporation: August 26, 1988

CIN: U67120DL1988PTC250410



Registered Office: 414/1, 4TH FLOOR, DDA Commercial Complex, District Centre, Janakpuri New Delhi- 110058

Nature of Business / Objects / Activity: Investment & Finance Company  
PAN: AACCC9252D

TIN: NA

Names of Directors: 1. Mr. Sudhir Wadhawan and 2. Mr. Rajan Sabharwal

Shareholding Pattern: 100% Shareholding is held by Mr. Onkar S Kanwar

Individuals holding more than 15% voting rights: Mr. Onkar S Kanwar

Details of promoters of Promoter Company: Mr. Onkar S Kanwar

Directors of promoters of Promoter Company: NA

History of Promoter Company: NA

No Change in any activity since incorporation

Details of change in control or management of the Promoter Companies, if any, including details of the persons who held the controlling interest in the three years immediately preceding the Information Memorandum: - Mr. Onkar S Kanwar was at all times whether directly or indirectly holding 100% shareholding/controlling interest.

(ii) Original Promoters

Mr. Onkar S. Kanwar

Reasons for change in control and date. – No Change

(iii) Interest of Promoters

Mr. Onkar S Kanwar

Except for the sitting fees received in the capacity of director for attending the meeting or shares held by him, Mr. Kanwar has no interest in the Company

In Promotion of the Company: Mr. Onkar S Kanwar is interested in the promotion of the Company as a Promoter/Director

In Property acquired by / proposed to be acquired by the Company in preceding 3 years: Not Applicable

Interest of the Promoters in the Company arising out of being a member of firm or company: Presently Mr. Onkar S Kanwar holds 500 shares in the company

In Business of Company: Nil

In acquisition of land, construction of building and supply of machinery in relation to the Company:

Nil



Constructive Finance Private Limited

In Promotion of the Company: Constructive Finance Private Limited is interested in the promotion of the Company as a promoter/holding company.

In Property acquired by / proposed to be acquired by the Company in preceding 3 years: Not Applicable

Interest of the Promoters in the Company arising out of being a member of firm or company: Presently Constructive Finance Private Limited holds 69.82 per cent shares in the company

In Business of Company: Nil

In acquisition of land, construction of building and supply of machinery in relation to the Company:

Nil

- (iv) Payments / Benefits to Promoters  
Apart from receiving sitting fees for attending the meeting of the Board by Mr. Onkar S. Kanwar, there are no payments made to or benefits provided to the Promoters in the 2 years preceding date of filing Information Memorandum
- (v) Material Guarantees given to third parties by the Promoters with respect to specified securities of the Company  
NIL
- (vi) *Promoter Group of the Company*

Name of Person / Entity	Manner in which part of Promoter Group	Aadhar / CIN
Mr. Taru Kanwar	Relative	453805937473
Mr. Neeraj Singh Kanwar	Relative	630875559517
Mr. Raaja Raunaq S. Kanwar	Relative	860640662409
Ms. Shalini Kanwar Chand	Relative	Z4836015 (passport No.)
Sunrays Properties & Investment Company Private Limited	Regulation 2(pp)(iii)(B) of ICDR Regulations	U74899DL1983PTC015890
Neeraj Consultants Private Limited	Regulation 2(pp)(iii)(B) of ICDR Regulations	U67200DL1980PTC253585
Global Capital Limited	Regulation 2(pp)(iii)(B) of ICDR Regulations	U74899DL1994PLC060911
Apollo Finance Limited	Regulation 2(pp)(iii)(B) of ICDR Regulations	U65923DL1995PLC064163
Motlay Finance Private Limited	Regulation 2(pp)(iii)(B) of ICDR Regulations	U67120DL1990PTC248374
Classic Auto Tubes Limited	Regulation 2(pp)(iii)(C) of ICDR Regulations	U74899DL2005PLC141511
PTL Enterprises Limited	Regulation 2(pp)(iii)(C) of ICDR Regulations	L25111KL1959PLC009300
Ganga Kaveri Credit & Holdings	Regulation 2(pp)(iii)(C) of	U74899DL1994PTC061451



Name of Person / Entity	Manner in which part of Promoter Group	Aadhar / CIN
Private Limited	ICDR Regulations	
Sacred Heart Investment Company Private Limited	Regulation 2(pp)(iii)(C) of ICDR Regulations	U74899DL1983PTC015873
Kenstar Investment & Finance Private Limited	Regulation 2(pp)(iii)(C) of ICDR Regulations	U67120DL1998PTC096572
Sayush Consultants & Investment Private Limited	Regulation 2(pp)(iii)(C) of ICDR Regulations	U74140DL1999PTC101354
Kewaldeep Consultants Private Limited	Regulation 2(pp)(iii)(C) of ICDR Regulations	U74140DL2003PTC120884
Indus Valley Investment & Finance Private Limited	Regulation 2(pp)(iii)(C) of ICDR Regulations	U74899DL1994PTC061425

(vii) Disassociation by Promoters from any company or firms during preceding three years:

Name of Promoter	Entity from which disassociated	Date of Disassociation	Reasons for Disassociation	Terms of Disassociation
Nil	Nil	Nil	Nil	Nil

(H) Dividend Policy

The Company has not declared or paid any dividends to its members in the last three financial years

The declaration and payment of dividends if any, will be recommended by the Board of Directors and approved by the members of the Company in their discretion, and will depend on a number of factors, including but not limited to the Company's earnings, capital requirements, contractual obligations, results of operations, financial condition, cash requirements, business prospects and any other financing arrangements, applicable legal restrictions and overall financial position of the Company. The Company has no stated dividend policy. This is not indicative of the Company's dividend policy or dividend amount, if any, in the future.

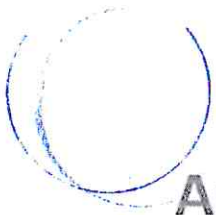


Cash Flow Statement (Standalone)

(INR in Lakh)

Particulars	30/06/2019	2018-19	2017-18	2016-17	2015-16	2014-15
<b>A Cash Flow from operating activities</b>						
Net Profit / (Loss) before tax and extraordinary items and interest	690.41	3,739.82	3,546.76	3,239.62	2,741.42	2,107.88
<b>Operating Profit before Working Capital Changes</b>	690.41	3,739.82	3,546.76	3,239.62	2,741.42	2,107.88
<b>Adjustment for :</b>						
Depreciation	541.47	1,992.29	1,847.08	1,515.85	1,238.84	1,242.71
Other Items of Profit & Loss Account	218.36	618.64	(484.56)	656.62	233.66	1,055.83
(Increase) / Decrease in assets & liabilities	47.25	(1294.06)	2,371.07	512.92	(2,138.3)	989.67
<b>Cash generated from operations</b>	<b>1,497.48</b>	<b>5,056.69</b>	<b>7,280.35</b>	<b>5,925.02</b>	<b>2,075.57</b>	<b>5,396.09</b>
Effect of exchange diff on cash & cash equivalents held in Forex	-	-	-	-	-	1.22
Direct Taxes Paid/ Refund	(1178.64)	(986.27)	(89.60)	(130.88)	(26.20)	(116.81)
<b>Net cash from operating activities</b>	<b>318.84</b>	<b>4,070.42</b>	<b>7,190.75</b>	<b>5,794.14</b>	<b>2,049.37</b>	<b>5,280.50</b>
<b>B Net cash from Investing activities</b>	<b>(386.61)</b>	<b>(4965.83)</b>	<b>(6657.04)</b>	<b>(7394.39)</b>	<b>(1416.98)</b>	<b>(1010.24)</b>
<b>C Net cash from Financing activities</b>	<b>(516.29)</b>	<b>1,436.64</b>	<b>(966.86)</b>	<b>1,938.94</b>	<b>(2,429.75)</b>	<b>(3,540.88)</b>
Net (Decrease) / Increase in Cash & Cash Equivalents	<b>(584.06)</b>	<b>541.23</b>	<b>(433.15)</b>	<b>338.70</b>	<b>(1,797.36)</b>	<b>729.38</b>
Effect of exchange diff on cash & cash equivalents held in Forex	-	-	-	-	-	(1.22)
Cash & Cash Equivalents (Opening)	811.00	269.78	702.96	364.26	2,161.62	1,433.46
Cash & Cash Equivalents (Closing)	226.93	811.00	269.81	702.96	364.26	2,161.62





**Artemis Medicare Services Limited**  
**Financial Statement for the year ended**  
**31st March, 2019**





INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
ARTEMIS MEDICARE SERVICES LIMITED

Report on the Audit of the Ind AS Financial Statements

Opinion

We have audited the accompanying Ind AS financial statements of ARTEMIS MEDICARE SERVICES LIMITED ("the Company"), which comprise the Balance Sheet as at 31st March, 2019, the Statement of Profit and Loss (including the statement of Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2019, and its profit including other comprehensive income, changes in equity and its cash flows and for the year ended on that date.

Basis for Opinion

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing (SAs), as specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Information other than the Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual Report of the Board of Directors including annexures to Board's Report, but does not include the Ind AS financial statements and our auditor's report thereon.

Our opinion on the Ind AS financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.



Other Offices

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New Delhi-110002  
T: +91 - 11 - 23274888/77410

B-XIX-220, Rani Jhansi  
Ludhiana -121001  
T: +91 - 161 - 2774527

In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

#### Auditor's responsibility for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

#### Report on other legal and regulatory requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in Paragraphs 3 and 4 of the Order.
2. As required by Section 143 (3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including other Comprehensive income), the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.
  - (e) On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".



- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the managerial remuneration for the year ended March 31, 2019 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act.

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

- i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 38 to the Ind AS financial statements.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 28b(ii) to the Ind AS financial statements.
- iii. There were no amounts which were required to be transferred, to the Investor Education and Protection Fund by the Company.

For SCV & Co. LLP  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION No. 000235N/N500089



A handwritten signature in black ink, appearing to read "Rajiv Puri".

(RAJIV PURI)  
PARTNER  
MEMBERSHIP No. 084318

PLACE: GURUGRAM  
DATED: 26<sup>th</sup> April, 2019

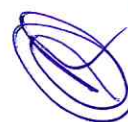


Annexure "A" to the Independent Auditors' Report

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our Report of even date.

- i. (a) The Company has maintained proper records showing full, including quantitative details and situation of fixed assets.
- (b) Fixed assets verification has been conducted by the management during the year. All the fixed assets of the Company have not been physically verified by the management during the year but there is a regular phased programme of physical verification which, in our opinion, is reasonable having regard to the size of the Company and nature of its fixed assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company as at the balance sheet date.
- ii. Physical verification of inventory has been conducted by the management at reasonable intervals during the year. The discrepancies noticed on verification between the physical stocks and book records, which in our opinion were not material, have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the paragraphs 3(iii)(a), 3(iii)(b) and 3(iii)(c) of the Order are not applicable to the Company.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 186 of the Companies Act, 2013 in respect of investment made in the subsidiary company during the year. The Company has not given any loans or guarantees or security during the year which are covered under provisions of section 185 and 186 of the Companies Act, 2013.
- v. According to the information and explanations provided by the management, we are of the opinion that the company has not accepted any deposits from public covered under section 73 to 76 or any other relevant provisions of the Companies Act, 2013 and rules framed there under. Accordingly, the paragraph 3(v) of the Order is not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company in respect of Health services, namely functioning as or running hospitals pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended, prescribed by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.

10/11/2017



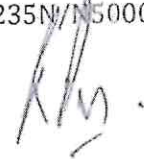
- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and Service Tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues applicable to it to the appropriate authorities.
- According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, Goods and Service Tax, duty of custom, duty of excise, value added tax and cess and other material statutory dues were outstanding, as on 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, and on the basis of our examination of the books of account, there are no dues of income tax, Goods and Service Tax, duty of custom, duty of excise, value added tax and cess which have not been deposited on account of any dispute.
- viii. Based on our audit procedures and on the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions or to any banks. The Company did not have any outstanding debentures, or loans or borrowings from Government during the year.
- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Based on our audit procedures and according to information and explanations given by the management, the term loans were applied for the purpose for which they were obtained.
- x. According to the information and explanations given to us, no fraud by the Company or no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given by the management, the managerial remuneration has been paid/ provided in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Companies Act, 2013.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, provisions of paragraph 3(xii) of the Order are not applicable to the Company.
- xiii. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Companies Act, 2013 where applicable and details of such transactions have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of paragraph 3(xiv) of the Order are not applicable to the Company.



- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him as referred to in section 192 of the Companies Act, 2013. Accordingly, provisions of paragraph 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, provisions of paragraph 3(xvi) of the Order are not applicable to the Company.

For SCV & Co. LLP  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION No. 000235N/1500089



  
( RAJIV PURI )  
PARTNER

MEMBERSHIP No. 084318

PLACE: GURUGRAM  
DATED: 26<sup>th</sup> April, 2019



**Annexure "B" To the Independent Auditor's Report**

Annexure referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of ARTEMIS MEDICARE SERVICES LIMITED ("the Company") as of March 31, 2019 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.





### Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For SCV & Co. LLP  
CHARTERED ACCOUNTANTS  
FIRM REGISTRATION No. 000235N/N500089



A handwritten signature in black ink, appearing to read "R. Puri".

( RAJIV PURI )  
PARTNER  
MEMBERSHIP No. 084318

PLACE: GURUGRAM  
DATED: 26<sup>th</sup> April, 2019



Artemis Medicare Services Limited  
Balance Sheet as at 31st March, 2019

Particulars	Note No.	As At 31st March, 2019 Rs. in Lacs	As At 31st March, 2018 Rs. in Lacs
<b>A Assets</b>			
<b>Non-Current Assets</b>			
Property, plant and equipment	2.1	33,337.35	30,558.97
Capital work-in-progress		4,943.22	4,317.46
Intangible assets	2.2	406.49	292.84
Financial assets			
i) Investment	3.1	6.50	-
ii) Loans	3.2	255.86	148.25
iii) Other financial assets	3.3	32.42	29.51
Non-current tax assets (Net)	4	608.80	390.95
Other non-current assets	5	203.74	714.92
<b>Total non-current assets</b>	<b>A</b>	<b>39,854.38</b>	<b>36,452.90</b>
<b>B Current assets</b>			
Inventories	6	693.70	644.79
Financial assets			
i. Trade receivables	7	7,844.06	5,556.40
ii. Cash and cash equivalents	8	811.00	269.78
iii. Bank balances other than (ii) above	9	314.39	948.16
iv. Loans	3.2	159.96	100.80
v. Other financial assets	3.3	514.70	494.94
Other current assets	5	755.55	717.27
<b>Total current assets</b>	<b>B</b>	<b>11,093.36</b>	<b>8,732.14</b>
<b>Total Assets</b>	<b>C = A + B</b>	<b>50,947.74</b>	<b>45,185.04</b>
<b>Equity and Liabilities</b>			
<b>D Equity</b>			
Equity share capital	10	2,103.50	2,103.50
Other equity	11	23,069.04	21,002.02
<b>Total equity</b>	<b>D</b>	<b>25,172.54</b>	<b>23,105.52</b>
<b>E Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
i.) Borrowings	12	5,345.88	5,224.61
Provisions	13	496.96	359.84
Deferred tax liabilities (Net)	14	2,597.51	1,747.22
<b>Total non-current liabilities</b>	<b>E</b>	<b>8,440.35</b>	<b>7,331.67</b>
<b>F Current liabilities</b>			
Financial liabilities			
i.) Borrowings	15	3,787.60	-
ii.) Trade payables			
(A) Total Outstanding dues of Micro Enterprises and Small Enterprises	16	62.81	-
(B) Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	16	7,306.74	6,745.74
iii.) Other financial liabilities	17	2,337.10	3,916.36
Provisions	13	855.85	1,078.32
Other current liabilities	18	2,984.76	3,007.43
<b>Total current liabilities</b>	<b>F</b>	<b>17,334.86</b>	<b>14,747.85</b>
<b>Total liabilities</b>	<b>G = E + F</b>	<b>25,775.20</b>	<b>22,079.52</b>
<b>Total equity and liabilities</b>	<b>H = D + G</b>	<b>50,947.74</b>	<b>45,185.04</b>

Significant accounting policies  
See accompanying Notes to Financial Statements

1  
2 to 43

As per our report of even date attached  
For SCV & Co. LLP  
Chartered Accountants  
Firm Registration Number 000235N / N500069

For and on behalf of the Board of Directors  
of Artemis Medicare Services Limited

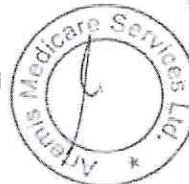
(Rajiv Puri)  
Partner  
Membership No. 084318



Place : Gurugram  
Dated: 26th April, 2019

Onkar S. Kanwar  
[Chairman & Director]  
[DIN : 00058921]

Sanjiv Kumar Kothari  
[Chief Financial Officer]



Dr. Devlina Chakravarty  
[Executive Director]  
[DIN : 07107875]

Rakesh Kaushik  
[Company Secretary]



Artemis Medicare Services Limited  
Statement of Profit & Loss for the year ended 31st March, 2019

Particulars	Note No.	Year Ended 31st March, 2019 Rs. in Lacs	Year Ended 31st March, 2018 Rs. in Lacs
<b>Income</b>			
Revenue from operations	19	54,650.09	50,277.13
Other income	20	391.91	390.76
<b>Total income</b>	<b>( I )</b>	<b>55,042.00</b>	<b>50,667.89</b>
<b>Expenses</b>			
Purchases of pharmacy drugs & medical consumables	-	12,940.94	12,083.89
Purchases of Stock in Trade	-	145.16	137.15
Changes in inventories of Pharmacy drugs,			
Medical consumables & Stock in Trade	21	(27.72)	(8.31)
Employee benefits expense	22	9,687.31	9,044.65
Finance costs	23	1,103.83	946.14
Depreciation and amortization expense	24	1,992.29	1,847.08
Other expenses	25	25,460.37	23,070.53
<b>Total expenses</b>	<b>( II )</b>	<b>51,302.18</b>	<b>47,121.13</b>
<b>Profit before Tax</b>	<b>III = ( I - II )</b>	<b>3,739.82</b>	<b>3,546.76</b>
<b>Tax Expense</b>			
Current Tax	26	1,377.54	652.32
Deferred tax		285.51	217.42
<b>Total Tax Expense</b>	<b>( IV )</b>	<b>1,663.05</b>	<b>869.74</b>
<b>Profit for the year</b>	<b>V = ( III - IV )</b>	<b>2,076.77</b>	<b>2,677.02</b>
<b>Other comprehensive income</b>			
Items that will not be reclassified to profit or loss gain / (loss) on remeasurement of defined benefit plans	( VI )	(56.65)	(17.56)
Deferred tax adjustment on revaluation of land	( VII )	27.11	14.30
Income tax relating to items that will not be reclassified to profit or loss	( VIII )	19.79	6.14
<b>Other comprehensive income for the year</b>	<b>IX = ( VI + VII - VIII )</b>	<b>(9.75)</b>	<b>2.88</b>
<b>Total comprehensive income for the year</b>	<b>X = V + IX</b>	<b>2,067.02</b>	<b>2,679.90</b>
<b>Earning Per Equity Share (Face Value of Rs. 10/- each)</b>			
Basic (Rs.)		9.87	12.73
Diluted (Rs.)		9.87	12.73

Significant accounting policies  
See accompanying Notes to Financial Statements

As per our report of even date attached  
For SCV & Co. LLP  
Chartered Accountants  
Firm Registration Number 000235N / N500089

(Rajiv Puri)  
Partner  
Membership No. 084318

Place : Gurugram  
Dated: 26th April, 2019



For and on behalf of the Board of Directors  
of Artemis Medicare Services Limited

*Onkar S. Kanwar*  
Onkar S. Kanwar  
[Chairman & Director]  
[DIN : 00058921]

*Sanjiv Kumar Kothari*  
Sanjiv Kumar Kothari  
[Chief Financial Officer]

*Dr. Devlina Chakravarty*  
Dr. Devlina Chakravarty  
[Executive Director]  
[DIN : 07107875]

*Rakesh Kaushik*  
Rakesh Kaushik  
[Company Secretary]



Artemis Medicare Services Limited  
Cash Flow Statement for the year ended 31st March, 2019

Particulars	(Rs. in lacs)	
	Year Ended As At 31st March, 2019	Year Ended As At 31st March, 2018
<b>Cash flow from operating activities</b>		
Profit before tax	3,739.82	3,546.76
<b>Adjustments:</b>		
Depreciation and amortization expenses	1,992.29	1,847.06
Interest Income	(127.48)	(144.00)
Finance Cost	890.00	739.55
Unclaimed Credit balances / provisions no longer required written back	(320.30)	(668.28)
Remeasurement through OCI	(56.55)	(17.56)
Allowance for Doubtful debts	39.42	(26.08)
Unrealised foreign exchange gain (net)	1.21	(58.30)
Deferred government grant	(18.08)	(386.41)
Loss on sale/scrap of fixed assets	210.51	78.51
<b>Operating cash flow before working capital changes</b>	<b>6,350.74</b>	<b>4,909.27</b>
<b>Movements in working capital :</b>		
Changes in trade receivables	(2,327.08)	487.94
Changes in inventories	(48.91)	(5.18)
Changes in loans	(188.76)	(29.13)
Changes in other financial assets	(22.67)	(231.56)
Changes in other non current & current assets	415.42	729.72
Changes in trade payables	944.11	1,253.24
Changes in Provisions	(323.96)	(475.80)
Changes in Other current liabilities / Other financial liabilities	235.80	641.83
<b>Cash generated from operations</b>	<b>5,056.69</b>	<b>7,280.32</b>
Income tax paid/(refund)	(896.27)	(89.60)
<b>Net cash generated from operating activities (A)</b>	<b>4,070.42</b>	<b>7,190.72</b>
<b>Cash flow from investing activity</b>		
Purchase of Property, Plant & Equipment / CWIP	(5,725.70)	(6,132.88)
Proceeds from sale of Property, Plant & Equipment	5.12	28.73
Maturity / (investments) of / in fixed deposits having original maturity of more than 3 months	633.77	(696.89)
Investment made in subsidiary	(8.50)	-
Interest received	127.48	144.00
<b>Net cash (used in) investing activities (B)</b>	<b>(4,965.83)</b>	<b>(6,667.04)</b>
<b>Cash flow from financing activity</b>		
Proceeds from non current borrowings	2,655.80	1,323.30
Repayment of non current borrowings	(4,116.76)	(1,550.61)
Proceeds from current borrowings (net)	3,787.60	-
Interest paid	(890.00)	(739.55)
<b>Net cash generated from financing activities (C)</b>	<b>1,436.64</b>	<b>(966.86)</b>
<b>Net increase in cash &amp; cash equivalents (A+B+C)</b>	<b>541.22</b>	<b>(433.18)</b>
Cash & cash equivalents as the beginning of the year	269.78	702.96
<b>Cash &amp; cash equivalents as the end of the year</b>	<b>811.00</b>	<b>269.78</b>
<b>Components of cash and cash equivalents</b>		
Cash in hand	66.88	63.91
<b>Balances with Banks:</b>		
On current accounts	744.12	205.87
On deposit accounts	314.39	948.16
Less: Fixed deposits not considered as cash equivalents	(314.39)	(948.16)
<b>Total Cash and Cash Equivalents (Refer Note 8)</b>	<b>811.00</b>	<b>269.78</b>

As per our report of even date attached  
For SCV & Co. LLP  
Chartered Accountants  
Firm Registration Number 000235N / N500089

(Rajiv Puri)  
Partner  
Membership No. 084313

Place : Gurugram  
Dated: 26th April, 2019



For and on behalf of the Board of Directors  
of Artemis Medicare Services Limited

*Onkar S. Kanwar*  
Onkar S. Kanwar  
[Chairman & Director]  
[DIN : 00086321]

*Dr. Devlina Chakravarty*  
Dr. Devlina Chakravarty  
[Executive Director]  
[DIN : 07107875]

*Sanjiv Kumar Kohli*  
Sanjiv Kumar Kohli  
[Chief Financial Officer]

*Rakesh Kaushik*  
Rakesh Kaushik  
[Company Secretary]



Note No. 2.1

Rs. in Lacs									
PROPERTY, PLANT AND EQUIPMENT									
Particulars	Freehold Land *	Building **	Leasehold Improvement	Computers	Furniture & Fixtures	Office Equipments	Plant and Equipments	Vehicles	Total
Cost or deemed cost									
As at 1st April, 2017	9,596.90	5,026.29	795.33	335.75	636.85	223.92	9,229.15	178.11	29,191.63
Additions	-	376.61	12.56	263.83	61.99	52.61	3,568.34	17.05	4,359.01
Disposals / Discarded during the year	-	-	(60.22)	-	-	-	(90.96)	(9.75)	(156.87)
Adjustment during the year #	-	-	-	-	-	-	43.51	-	43.51
As at 31st March, 2018	9,596.90	5,402.90	747.67	599.58	698.84	276.53	12,710.16	185.74	33,734.28
Additions	3,703.54	55.83	59.57	255.10	53.64	70.92	620.82	75.78	4,604.09
Disposals / Discarded during the year	-	(26.63)	(189.27)	-	(18.77)	(1.20)	(26.79)	-	(262.71)
Adjustment during the year #	-	-	-	-	-	-	7.52	-	7.52
As at 31st March, 2019	13,262.44	5,431.90	617.97	854.68	733.71	345.25	13,360.66	211.52	38,262.62

DEPRECIATION

As at 1st April, 2017	-	177.28	11.71	77.80	159.27	49.44	947.83	8.14	1,420.48
Charge for the year	-	167.43	27.82	118.10	101.88	58.04	1,277.74	24.64	1,796.54
Disposals / Discarded during the year	-	-	(11.02)	-	-	-	(31.80)	(6.89)	(49.71)
As at 31st March, 2018	-	344.71	28.51	196.90	261.15	107.48	2,193.77	25.89	3,175.31
Charge for the year	-	169.89	15.70	146.40	71.91	67.90	1,396.11	27.72	1,817.72
Disposals / Discarded during the year	-	(1.25)	(35.60)	-	(2.87)	(1.17)	(6.43)	-	(47.29)
As at 31st March, 2019	-	513.35	8.61	343.30	330.29	174.30	3,583.45	53.61	5,045.74

NET BOOK VALUE

As at 31st March, 2018	9,596.90	9,838.19	723.29	402.68	437.69	169.05	10,516.39	112.85	30,658.97
As at 31st March, 2019	13,262.44	8,878.66	617.97	599.38	463.42	171.88	9,777.16	160.91	33,237.65

\* Under the Previous GAAP (Indian GAAP), freehold land was carried in the balance sheet on the basis of revaluation performed as on 31.03.2016. The company has elected to regard such value as deemed cost at the date of transition.

\*\* Includes part of the building given on operating lease whose cost, depreciation for the year and WDV at the end of the year is not segregated.

# comprises of borrowing cost of Rs. 7.52 Lacs (31 March 2018 : Rs. 43.51 Lacs). The borrowing cost capitalised during the year ended 31 March 2019 was Rs. 85.92 Lacs (31 March 2018 : Rs. 138.59 Lacs). The company capitalised this borrowing cost in the capital work-in-progress (CWIP). The amount of borrowing cost shown as other adjustments in the above note reflects the amount of borrowing cost transferred from CWIP.

Note No. 2.2

INTANGIBLES ASSETS

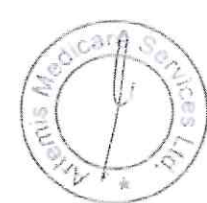
Particulars	Rs. in Lacs	
	Computer	Software
Cost or deemed cost		
As at 1st April, 2017	249.95	-
Additions	133.71	-
Disposals / Discarded during the year	-	-
As at 31st March, 2018	383.66	-
Additions	188.42	-
Disposals / Discarded during the year	(0.46)	-
As at 31st March, 2019	571.62	-

AMORTIZATION

As at 1st April, 2017	40.28
Charge for the year	50.54
Disposals / Discarded during the year	-
As at 31st March, 2018	90.82
Charge for the year	74.57
Disposals / Discarded during the year	(0.26)
As at 31st March, 2019	165.13

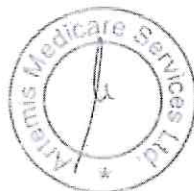
NET BOOK VALUE

As at 31st March, 2018	292.84
As at 31st March, 2019	406.49



Artemis Medicare Services Limited  
Notes to Financial Statements for the year ended 31st March, 2019

Note No.	Particulars	As At 31st March, 2019 Rs. in Lacs	As At 31st March, 2018 Rs. in Lacs
	<b>Financial Assets</b>		
3.1	<b>Investments (Non-Current)</b>		
	Unquoted Investments		
	Investment in Equity Instruments (at cost)		
	Investment in Subsidiary Company		
	i) Artemis Cardiac Care Private Limited	6.50	-
	(65,000 (Nil as at March 31, 2018) Equity		
	Shares of Rs.10/- each) (all fully paid)		
	<b>Total</b>	<u>6.50</u>	<u>-</u>
	<b>Aggregate amount of unquoted investments and market value thereof</b>		
	Aggregate value of unquoted investment	6.50	-
3.2	<b>Loans</b>		
	<b>Non Current (Unsecured, Considered good)</b>		
	Security Deposits	163.99	72.71
	Others		
	Loans & advances to Employees *	91.87	75.54
	<b>Total</b>	<u>255.86</u>	<u>148.25</u>
	<b>Current (Unsecured, Considered good)</b>		
	Security Deposits	91.18	1.55
	Others		
	Loans & advances to Employees *	68.78	99.25
		<u>159.96</u>	<u>100.80</u>
	* Loans & advances to Employees includes dues from Executive Director, officers etc. (Refer Note 29) (As a part of service condition extended to all its eligible employees)	97.50	115.50
3.3	<b>Other Financial Assets</b>		
	<b>Non Current</b>		
	Fixed Deposit in banks having remaining maturity of more than 12 months (Refer Note 9)	32.42	29.51
		<u>32.42</u>	<u>29.51</u>
	<b>Current</b>		
	Interest accrued on fixed deposits	16.15	16.08
	Unbilled Revenue (Accrued operating income)	498.55	478.86
		<u>514.70</u>	<u>494.94</u>



Artemis Medicare Services Limited  
Notes to Financial Statements for the year ended 31st March, 2019

Note No.	Particulars	As At 31st March, 2019 Rs. in Lacs	As At 31st March, 2018 Rs. in Lacs
4	<b>Income tax assets</b>		
	<b>Non Current</b>		
	Income Tax Recoverable (Net of provision for taxation)	668.80	390.95
	<b>Total</b>	<u>668.80</u>	<u>390.95</u>

Note No.	Particulars	As At 31st March, 2019 Rs. in Lacs	As At 31st March, 2018 Rs. in Lacs
5	<b>Other Assets</b>		
	<b>Non-Current (Unsecured, Considered good)</b>		
	Capital Advances	93.42	45.26
	Amount paid under protest/dispute	-	500.00
	Deposit with Service Tax Authorities	73.26	64.64
	Prepaid Expenses	37.06	105.02
	<b>Total</b>	<u>203.74</u>	<u>714.92</u>
	<b>Current (Unsecured, Considered good)</b>		
	Advances / other receivables *	55.69	34.39
	Balances with statutory / government authorities	25.11	73.43
	Prepaid Expenses	140.34	32.09
	Export Incentive receivable	534.41	577.36
	<b>Total</b>	<u>755.55</u>	<u>717.27</u>

\* includes of Rs. 20.77 Lacs (As at 31st March, 2018 Rs. Nil ) due from the private limited company, in which director of the company is director.

Note No.	Particulars	As At 31st March, 2019 Rs. in Lacs	As At 31st March, 2018 Rs. in Lacs
6	<b>Inventories</b>		
	(Valued at lower of cost or net realisable value)		
	Stock of Pharmacy Drugs & Medical Cosumables	605.03	574.13
	Stock in Trade (Pharmacy and Other Items)	30.43	33.61
	Stores & Spares	58.24	37.05
	<b>Total</b>	<u>693.70</u>	<u>644.79</u>



Artemis Medicare Services Limited  
Notes to Financial Statements for the year ended 31st March, 2019

Note No.	Particulars	As At 31st March, 2019 Rs. in Lacs	As At 31st March, 2018 Rs. in Lacs
7	Trade Receivables (Unsecured)		
	Current - at amortised cost		
	Considered good	7,844.06	5,556.40
	Credit Impaired	210.74	171.32
	Less: Allowance for doubtful debts (expected credit loss allowance)	(210.74)	(171.32)
		<u>7,844.06</u>	<u>5,556.40</u>
	Trade Receivables Includes :		
	Particulars	31st March, 2019	31st March, 2018
	- Dues from Directors	0.48	2.98

In accordance with Ind AS 109, the Company applies Expected Credit Loss (ECL) model for measurement and recognition of impairment loss towards expected risk of delays and default in collection.

No single customer accounted for more than 10% of the revenue as of 31st March, 2019 & 31st March, 2018. There is no significant concentration of credit risk.

The Company uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Company's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period. The provision matrix used to compute the expected credit loss allowance for different categories of trade receivables is as follows.

Ageing	Expected Credit Allowance %
0 - 1 year	0% -- 50%
1 - 2 year	25% -- 100%
2 - 3 year	50% -- 100%
More than 3 years	50% -- 100%

The Company has recorded an allowance of Rs. 210.74 lacs towards trade receivables. The Management believes that there is no further provision required in excess of the allowance for doubtful debts.

The movement in allowance for expected credit loss in respect of trade receivables during the year was as follows:

	As At 31st March, 2019	As At 31st March, 2018
Allowance for expected credit loss		
Opening balance	171.32	190.40
Credit loss created /(reversed)	39.42	(28.08)
Closing balance	210.74	171.32

The Company's exposure to currency risks related to trade receivables are disclosed Refer Note No. 35 (ii).





Artemis Medicare Services Limited  
Notes to Financial Statements for the year ended 31st March, 2019

Note No.	Particulars	As At 31st March, 2019 Rs. in Lacs	As At 31st March, 2018 Rs. in Lacs
8	<b>Cash &amp; Cash Equivalents</b>		
	<b>Balance with Banks:</b>		
	- In Current Accounts	744.12	205.87
	Cash on hand	66.88	63.91
		<u>811.00</u>	<u>269.78</u>

Note No.	Particulars	As At 31st March, 2019 Rs. in Lacs	As At 31st March, 2018 Rs. in Lacs
9	<b>Other Bank Balances</b>		
	Fixed Deposit in banks having original maturity of more than 12 months and remaining maturity of less than 12 months *	314.39	948.16
	Fixed Deposit in banks having original maturity of more than 12 months and remaining maturity of more than 12 months *	32.42	29.51
	Amount disclosed under Other Non-Current Assets	(32.42)	(29.51)
	<b>Total</b>	<u>314.39</u>	<u>948.16</u>

\* Given as security of Rs. 91.86 Lacs ( As at 31st March, 2018 Rs. 52.23 Lacs ) to secure bank guarantee issued to Customers.



Note No.	Particulars	As At 31st March, 2019 Rs. in Lacs	As At 31st March, 2018 Rs. in Lacs
10	<b>Equity Share Capital:</b>		
	Authorised Shares (in nos.) 25,000,000 (Previous Year 25,000,000) Equity Shares of Rs.10/- Each	2,500.00	2,500.00
	<b>Issued, Subscribed &amp; Paid Up Shares (in nos.)</b>		
	21,035,000 (Previous Year 21,035,000) Equity Shares of Rs.10/- each fully paid up	2,103.50	2,103.50
	<b>Total issued, subscribed and fully paid up capital</b>	<b>2,103.50</b>	<b>2,103.50</b>

a. Reconciliation of the equity shares at the beginning and at the end of the year

Reconciliation	As At 31st March, 2019		As At 31st March, 2018	
	Nos.	Rs. in Lacs	Nos.	Rs. in Lacs
Shares outstanding at the beginning of the year	21,035,000	2,103.50	21,035,000	2,103.50
Shares issued during the year	-	-	-	-
Shares bought back during the year	-	-	-	-
<b>Shares outstanding at the end of the year</b>	<b>21,035,000</b>	<b>2,103.50</b>	<b>21,035,000</b>	<b>2,103.50</b>

b. Terms/rights attached to Equity Shares

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share, where voting is held by show of hands. In case of Poll each holder of equity share is entitled to Number of votes against Number of shares held.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the equity share holders.

c. Shares held by holding / ultimate holding company and / or their subsidiaries / associates:

Name of the Shareholder	As At 31st March, 2019		As At 31st March, 2018	
	No. of Shares	Rs. in Lacs	No. of Shares	Rs. in Lacs
Artemis Health Sciences Limited - holding company (including nominee shares)	21,035,000	2,103.50	21,035,000	2,103.50

d. Details of Shareholders holding more than 5% Equity Shares in the Company:

Name of the Shareholder	As At 31st March, 2019		As At 31st March, 2018	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Artemis Health Sciences Limited - holding company (including nominee shares)	21,035,000	100.00%	21,035,000	100.00%



Note No.	Particulars	As At 31st March, 2019 Rs. in Lacs	As At 31st March, 2018 Rs. in Lacs
11	<b>Other Equity:</b>		
	<b>Securities Premium</b>		
	Balance as per last financial statements	11,132.50	11,132.50
	<b>Closing Balance ( A )</b>	<u>11,132.50</u>	<u>11,132.50</u>
	<b>Revaluation Reserve</b>		
	Balance as per last financial statements	6,540.70	6,526.40
	Less : Deferred tax adjustment on revaluation	27.11	14.30
	<b>Closing Balance ( B )</b>	<u>6,567.81</u>	<u>6,540.70</u>
	<b>Retained earnings</b>		
	Balance as per last financial statements	3,328.82	663.22
	Add : Profit / (Loss) for the year	2,076.77	2,677.02
	Add : Other comprehensive income arising from re-measurement of defined benefit obligation net of income tax	(36.86)	(11.42)
	<b>Balance at end of year ( C )</b>	<u>5,368.73</u>	<u>3,328.82</u>
	<b>Total Other Equity ( A + B +C)</b>	<u>23,069.04</u>	<u>21,002.02</u>

**Description of reserves**

- A. **Security Premium**  
Securities premium is used to record the premium on issue of shares. The same is to be utilised in accordance with the provisions of Section 52 of the Companies Act, 2013.
- B. **Revaluation Reserve**  
Revaluation Reserve represents freehold land revalued as on 31st March, 2016 as per independent valuer report.
- C. **Retained Earnings**  
Retained earnings represents the profits that the Company has earned till date, less any transfer of general reserve, dividends or other distributions to shareholders etc.



Artemis Medicare Services Limited

Statement of Changes in Equity

Equity Share Capital

Particulars	Notes	Amounts
Balance as at April 1, 2017	10	2,103.50
Changes in equity share capital during the year	10	-
Balance as at March 31, 2018		2,103.50
Changes in equity share capital during the year	10	-
Balance as at March 31, 2019	10	2,103.50

Other Equity

Particulars	Notes	Reserves and surplus				Items of OCI	Total
		General reserve	Security Premium	Revaluation Reserve	Retained earnings	Remeasurements of the net defined benefit plans	
Balance as at April 1, 2017	11	-	11,132.50	6,526.40	677.63	(14.41)	18,322.12
Profit for the year	11	-	-	-	2,677.02	-	2,677.02
Deferred tax adjustment on revaluation	11	-	-	14.30	-	-	14.30
Other comprehensive income (OCI) (net of tax)	11	-	-	-	-	(11.42)	(11.42)
Balance as at March 31, 2018	11	-	11,132.50	6,540.70	3,354.65	(25.83)	21,002.02
Profit for the year	11	-	-	-	2,076.77	-	2,076.77
Deferred tax adjustment on revaluation	11	-	-	27.11	-	-	27.11
Other comprehensive income (OCI) (net of tax)	11	-	-	-	-	(36.86)	(36.86)
Balance as at March 31, 2019	11	-	11,132.50	6,567.81	5,431.42	(62.69)	23,069.04

Significant accounting policies  
See accompanying Notes to Financial Statements

1  
2 to 43

As per our report of even date attached  
For SCV & Co. LLP  
Chartered Accountants  
Firm Registration Number 000235N/N500089

For and on behalf of the Board of Directors  
of Artemis Medicare Services Limited

(Tajiv Pan)  
Partner  
Membership No. 084318

Place : Gurugram  
Dated: 26th April, 2019



*Onkar S. Kanwar*  
Onkar S. Kanwar  
[Chairman & Director]  
[DIN : 00000021]

*Sanjiv Kumar Kohari*  
Sanjiv Kumar Kohari  
[Chief Financial Officer]



*Dr. Devina Chakravarty*  
Dr. Devina Chakravarty  
[Executive Director]  
[DIN : 07107975]

*Baksh Kaushik*  
Baksh Kaushik  
[Company Secretary]



Note No.	Particulars	As At 31st March, 2019 Rs. in Lacs	As At 31st March, 2018 Rs. in Lacs
12	<b>Borrowings</b>		
	<b>Non Current Borrowings</b>		
	<b>Term Loans</b>		
	<u>From Banks</u>		
	- Indian Rupee loans from Banks (secured at amortised cost)	5,345.88	5,137.63
	<u>From Others</u>		
	- Indian Rupee loan from NBFC (Unsecured)	-	31.03
		5,345.88	5,168.66
	<b>Deferred Payment Liabilities (secured)</b>	-	55.95
	<b>Total</b>	<b>5,345.88</b>	<b>5,224.61</b>
	<b>Current Maturity</b>		
	<b>Term Loans</b>		
	<u>From Banks</u>		
	- Indian Rupee loans from Banks (secured (at amortised cost)	2,121.65	2,080.43
	<u>From Others</u>		
	- Indian Rupee loan from NBFC (Unsecured)	31.03	57.45
		2,152.68	2,137.88
	<b>Deferred Payment Liabilities (secured)</b>	132.18	1,728.00
		2,284.86	3,865.88
	<b>Transferred to Other Financial Liability (Note 17)</b>	(2,284.86)	(3,865.88)
	<b>Total</b>	<b>-</b>	<b>-</b>

**1. Indian Rupee Loans from Banks include :**

- Term loans of Rs. 7395.51 Lacs (As at 31st March, 2018 Rs. 7177.91 Lacs) from Scheduled Bank carries interest as linked with Base Rate of banks. The loans are secured by the charge on entire movable fixed assets on pari passu basis with existing lender, and Second charge on current assets. Further, these loans are collaterally secured by the Corporate Guarantee of Artemis Health Sciences Limited.
- Vehicle Loans of Rs. 75.52 Lacs (As at 31st March, 2018 Rs. 45.83 Lacs) from Scheduled Bank carries interest as exclusive charge on the vehicles financed out of the said term loan. The rate of interest on aforesaid loan is linked to Bank's Prime Lending Rate (PLR).

**2. Indian Rupee loan from NBFC include :**

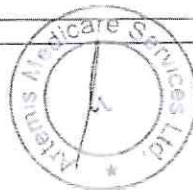
Unsecured loan of Rs. 31.03 Lacs (As at 31st March, 2018 Rs. 88.48 Lacs and) from NBFC carries effective interest rate of 10.49% per annum, payable in instalments, as per repayment schedule below.

**3. Deferred Payment Liability :**

Deferred payment liability of Rs. 132.18 Lacs (As at 31st March, 2018 Rs.1783.95 Lacs) is on account of purchase of medical equipments and secured against letter of credit issued by HDFC Bank Limited, as per non fund based facility with charge on entire movable fixed assets on pari passu basis with existing lender, and Second charge on current assets. Further, these loans are collaterally secured by the Corporate Guarantee of Artemis Health Sciences Limited.

Repayment Schedule	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
<b>Secured Loan</b>				
Term Loan - HDFC Bank Limited	2,090.75	2,090.75	2,090.74	1,123.27
Vehicle Loan - HDFC Bank Limited	30.90	22.19	21.80	0.63
<b>Unsecured Loan</b>				
Unsecured Loan - CISCO Systems Capital (India) Pvt. Ltd.	31.03	-	-	-
Deferred Payment Liability	132.18	-	-	-
<b>Total</b>	<b>2,284.86</b>	<b>2,112.94</b>	<b>2,112.54</b>	<b>1,123.90</b>

(Rs. in lacs)



Note No.	Particulars	As At 31st March, 2019 Rs. In Lacs		As At 31st March, 2018 Rs. In Lacs	
		Non-Current	Current	Non-Current	Current
13	Provisions				
	Provision for Employee Benefits				
	Leave Benefits	166.18	83.15	127.10	61.89
	Gratuity (Refer Note 34)	330.78	101.92	232.74	74.98
	Other Provisions				
	Provision for Contingencies (Refer Note 39)	-	670.78	-	941.45
	<b>Total</b>	<b>496.96</b>	<b>855.85</b>	<b>359.84</b>	<b>1,078.32</b>

Note No.	Deferred tax assets / (liabilities) in relation to :	As at April 1, 2017	Credit / (Charge) to Profit or loss	Credit / (Charge) to Other Comprehensive Income	Rs. In Lacs As at 31st March, 2018
----------	------------------------------------------------------	------------------------	-------------------------------------------	----------------------------------------------------------	---------------------------------------------

14 Deferred Tax Assets / (Liabilities) (Net)

The following is the analysis of deferred tax assets / liabilities recognised in statement of profit and loss and other comprehensive income

Property, plant and equipment (including intangible assets)	(3,716.60)	(191.89)	14.30	(3,894.19)
Other provisions	514.88	(185.92)	-	328.98
Allowance for Doubtful Debts (Expected credit loss)	69.00	(9.13)	-	59.87
Employee Benefits	147.50	19.94	6.14	173.57
Unabsorbed Losses as per Income Tax act	582.75	(582.75)	-	-
MAT Credit Entitlement	903.03	652.32	-	1,555.35
Fair Value Adjustments	0.43	(1.13)	-	(0.70)
Others	(51.23)	81.13	-	29.90
	<b>(1,550.24)</b>	<b>(217.42)</b>	<b>20.44</b>	<b>(1,747.22)</b>

Note: Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

Note No.	Deferred tax assets / (liabilities) in relation to :	As at 31st March, 2018	Credit / (Charge) to Profit or loss	Credit / (Charge) to Other Comprehensive Income	Rs. In Lacs As at 31st March, 2019
----------	------------------------------------------------------	---------------------------	-------------------------------------------	----------------------------------------------------------	---------------------------------------------

14 Deferred Tax Assets / (Liabilities) (Net)

The following is the analysis of deferred tax assets / liabilities recognised in statement of profit and loss and other comprehensive income

Property, plant and equipment (including intangible assets)	(3,894.19)	(144.08)	27.11	(4,011.16)
Other provisions	328.98	(94.55)	-	234.43
Allowance for Doubtful Debts (Expected credit loss)	59.87	13.77	-	73.64
Employee Benefits	173.57	44.97	19.79	238.33
MAT Credit Entitlement	1,555.35	(776.13) *	-	779.22
Fair Value Adjustments	(0.70)	(4.35)	-	(5.06)
Others	29.90	63.20	-	93.09
	<b>(1,747.22)</b>	<b>(897.17)</b>	<b>46.90</b>	<b>(2,597.51)</b>

Note : Deferred tax assets and deferred tax liabilities have been offset as they are governed by the same taxation laws.

\* : Including MAT credit utilisation forming part of Current Year Tax of Rs.611.67 Lacs.

Note No.	Particulars	As At 31st March, 2019 Rs. In Lacs	As At 31st March, 2018 Rs. In Lacs
15	Borrowings		
	Bank Overdraft (secured) *	3,787.60	
		<b>3,787.60</b>	

\* Bank overdraft which is for routine working capital purpose / cash flow mismatch and the same is secured by the first charge on current assets and subservient charge on movable fixed assets.



Artemis Medicare Services Limited  
Notes to Financial Statements for the year ended 31st March, 2019

Note No.	Particulars	As At 31st March, 2019 Rs. in Lacs	As At 31st March, 2018 Rs. in Lacs
16	Trade payables		
	Total Outstanding dues of Micro Enterprises and Small Enterprises (Refer Note 32)	62.81	-
	Total Outstanding dues of Creditors other than Micro Enterprises and Small Enterprises	7,306.74	6,745.74
	<b>Total</b>	<b>7,369.55</b>	<b>6,745.74</b>

Note No.	Particulars	As At 31st March, 2019 Rs. in Lacs	As At 31st March, 2018 Rs. in Lacs
17	Other Financial Liabilities (secured)		
	Current		
	Term Loan (current maturity) (Refer Note 12)	2,152.68	2,137.88
	Deferred payment liability (current maturity) (Refer Note 12)	132.18	1,728.00
		<u>2,284.86</u>	<u>3,865.88</u>
	Interest Accrued but not due on borrowings	52.24	50.48
		<u>52.24</u>	<u>50.48</u>
	<b>Total</b>	<b>2,337.10</b>	<b>3,916.36</b>

Note No.	Particulars	As At 31st March, 2019 Rs. in Lacs	As At 31st March, 2018 Rs. in Lacs
18	Other Liabilities		
	Current		
	Advance from Patients / Others	1,217.99	949.70
	Taxes payable *	306.23	319.83
	Security Deposits	537.68	530.11
	Deferred Government Grant **	78.96	-
	Other Payable ***	843.90	1,207.79
	<b>Total</b>	<b>2,984.76</b>	<b>3,007.43</b>

\* Taxes payable includes Withholding Tax, Goods & Services Tax.

\*\* During the year company has obtained EPCG License against import of fixed assets. The company has recognised this grant as deferred income at fair value, which is being amortised in proportion to fulfillment of Export Obligation (Refer note 38B).

\*\*\* Other payable includes payments due to employees, due on account of capital items, contribution of PF, ESI etc.



Artemis Medicare Services Limited  
Notes to Financial Statements for the year ended 31st March, 2019

Note No.	Particulars	Year Ended 31st March, 2019 Rs. in Lacs	Year Ended 31st March, 2018 Rs. in Lacs
19	<b>Revenue from Operations</b>		
	<b>Sale of Services</b>		
	Revenue from Health Care Services	52,493.48	47,354.33
	<b>Sale of Goods</b>		
	Sale of Pharmacy Drugs & Medical Consumables	914.88	963.49
	Sale of Stock in Trade (Pharmacy)	199.82	181.48
	<b>Other Operating Income</b>		
	Income from Nursing Hostel	34.62	34.41
	Income from Education & Training	60.73	108.66
	Income from Export Incentive	612.60	925.97
	Unclaimed credit balances / provisions no longer required written back	320.30	696.36
	Sale of Scrap	13.66	12.41
	<b>Total</b>	<b>54,650.09</b>	<b>50,277.13</b>

Note No.	Particulars	Year Ended 31st March, 2019 Rs. in Lacs	Year Ended 31st March, 2018 Rs. in Lacs
20	<b>Other Income</b>		
	Interest Income	127.48	144.00
	- From Bank deposits	68.88	48.19
	- From Financial Assets carried at amortised cost	57.62	11.99
	- From Others	0.98	83.82
	Income from outsource activities (Cafeteria, Parking etc.)	105.37	96.74
	Other Non-Operating Income (net of reimbursements)	115.05	101.33
	Foreign Exchange Gain (Net)	44.01	48.69
	<b>Total</b>	<b>391.91</b>	<b>390.76</b>





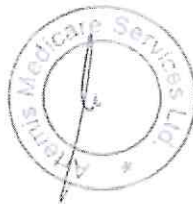
Artemis Medicare Services Limited  
Notes to Financial Statements for the year ended 31st March, 2019

Note No.	Particulars	Year Ended 31st March, 2019 Rs. in Lacs		Year Ended 31st March, 2018 Rs. in Lacs	
21	<b>(Increase) / Decrease in Inventories of Pharmacy Drugs &amp; Medical Consumables</b>				
	Inventories at the beginning of the year	574.13		577.73	
	Inventories at the end of the year	<u>605.03</u>	(30.90)	<u>574.13</u>	3.60
	<b>(Increase) / Decrease in Inventories of Stock in Trade</b>				
	Inventories at the beginning of the year	33.61		21.70	
	Inventories at the end of the year	<u>30.43</u>	3.18	<u>33.61</u>	(11.91)
	<b>Total</b>		<u>(27.72)</u>		<u>(8.31)</u>

Note No.	Particulars	Year Ended 31st March, 2019 Rs. in Lacs		Year Ended 31st March, 2018 Rs. in Lacs	
22	<b>Employee Benefits Expense</b>				
	Salaries, Wages and Bonus	8,961.98		8,414.60	
	Contribution to Provident and Other Funds	355.38		331.66	
	Gratuity Expenses	101.58		73.46	
	Employee Welfare Expenses	288.37		224.93	
	<b>Total</b>	<u>9,687.31</u>		<u>9,044.65</u>	

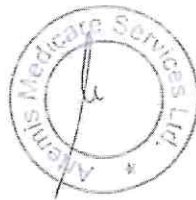
Note No.	Particulars	Year Ended 31st March, 2019 Rs. in Lacs		Year Ended 31st March, 2018 Rs. in Lacs	
23	<b>Finance Costs</b>				
	Interest expense on financial liabilities measured at amortised cost				
	- On term Loans	817.97		573.27	
	- Deferred Payment	88.39		163.57	
	Other Interest Expense	3.64		2.71	
	Other Borrowing Costs	4.87		4.87	
	Bank Charges	208.96		201.72	
	<b>Total</b>	<u>1,103.83</u>		<u>946.14</u>	

Note No.	Particulars	Year Ended 31st March, 2019 Rs. in Lacs		Year Ended 31st March, 2018 Rs. in Lacs	
24	<b>Depreciation and amortization expense</b>				
	Depreciation of property, plant and equipment	1,917.72		1,796.54	
	Amortization of intangible assets	74.57		50.54	
	<b>Total</b>	<u>1,992.29</u>		<u>1,847.08</u>	



Artemis Medicare Services Limited  
Notes to Financial Statements for the year ended 31st March, 2019

Note No.	Particulars	Year Ended 31st March, 2019 Rs. in Lacs	Year Ended 31st March, 2018 Rs. in Lacs
25	<b>Other expenses</b>		
	Consumption of stores & spares	133.23	160.26
	Power & Fuel	1,102.35	1,107.12
	Rent - Lease Rent	242.99	446.36
	Equipment Hire Charges	147.59	176.30
	Repairs and Maintenance		
	- Machinery	906.45	830.79
	- Buildings	147.97	21.20
	- Others	198.02	188.20
	Rates & Taxes	48.63	59.89
	Legal & Professional Consultation Fees	448.35	376.56
	Merger expenses	112.19	-
	Fee paid to doctors	11,940.61	10,781.63
	Printing & Stationery	148.04	162.74
	Patient Facility Maintenance	732.91	768.85
	Patient Food & Beverages Expenses	548.28	660.19
	Outsource Lab Test Charges	387.55	325.77
	Security Charges	253.61	270.96
	Professional Medical Consultancy	6,140.54	5,189.76
	Provision for Contingencies	-	7.08
	Travelling & Conveyance	614.69	541.84
	Advertisement & Business Promotion	355.37	348.18
	Patients Amenities	221.52	242.02
	Communication Expenses	70.58	75.16
	Charity & Donation	42.74	40.00
	Insurance	48.92	42.14
	Clinical Research Expenses	53.00	58.16
	Guest House Expenses	0.52	0.39
	<u>Auditors Remuneration</u>		
	- Audit Fee	11.51	10.39
	- Tax Audit Fee	2.89	2.60
	- Others Services & Certification	5.20	8.00
	Directors Sitting Fees	14.32	13.09
	CSR Expenses	60.64	36.41
	Newspaper & Periodicals	22.74	10.60
	Bad Debts Written Off	17.81	17.01
	Allowance for Doubtful Debts	39.42	-
	Loss on Sale / Scrap of Property, Plant and Equipment (Net)	210.51	78.51
	Miscellaneous Expenses	28.68	12.37
	<b>Total</b>	<u><u>25,460.37</u></u>	<u><u>23,070.53</u></u>



Note 26

INCOME TAX

Particulars	Year Ended 31st March, 2019 Rs. in Lacs	Year Ended 31st March, 2018 Rs. in Lacs
<b>Amount recognised in Statement of Profit &amp; Loss</b>		
<b>Current Tax</b>		
(a) In respect of the current year	1,377.54	652.32
(b) Earlier years tax provision written back	-	-
	<u>1,377.54</u>	<u>652.32</u>
<b>Deferred Tax</b>		
(a) In respect of the current year	285.51	217.42
<b>Tax expense recognised through statement of profit and loss</b>	<u>1,663.05</u>	<u>869.74</u>
<b>Recognised in Other Comprehensive Income (OCI)</b>		
<b>Deferred tax</b>		
In respect of the current year	46.90	20.43
<b>Tax credit recognised through Other Comprehensive Income</b>	<u>46.90</u>	<u>20.43</u>
The income tax expense for the year can be reconciled to the accounting profit as follows:		
Profit before tax	3,739.82	3,546.76
Enacted income tax rate in India	34.944%	34.608%
Income tax calculated	1,306.84	1,227.46
Effect of expenses not deductible in determining taxable profit	356.21	(369.62)
Others	-	11.91
<b>Income tax expense recognised in statement of profit &amp; loss</b>	<u>1,663.05</u>	<u>869.74</u>



**Artemis Medicare Services Limited**

Notes to Financial Statements for the year ended 31st March, 2019

Note No.

**1.1 Nature of operations**

Artemis Medicare Services Limited ("The Company") was incorporated on 15th May, 2004. The Company is engaged in the business of managing and operating of multi speciality hospitals and commenced its commercial operation by setting up Artemis Hospital (formerly Artemis Health Institute) at Gurugram on July 16, 2007.

**1.2 Application of New and revised Ind ASs**

As at the date of authorisation of the financial statements, the Company has not applied the following revisions to the Ind AS that have been issued by MCA but are not yet effective:

**IND AS 116 Leases :**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116, Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor. Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognize assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit & Loss. The Standard also contains enhanced disclosure requirements for lessees. Ind AS 116 substantially carries forward the lessor accounting requirements in Ind AS 17. The effective date for adoption of Ind AS 116 is annual periods beginning on or after April 1, 2019.

The standard permits two possible methods of transition:

**Full retrospective** – Retrospectively to each prior period presented applying Ind AS 8 Accounting Policies, Changes in Accounting Estimates and Errors

**Modified retrospective** – Retrospectively, with the cumulative effect of initially applying the Standard recognized at the date of initial application.

Under modified retrospective approach, the lessee records the lease liability as the present value of the remaining lease payments, discounted at the incremental borrowing rate and the right of use asset either as:

- Its carrying amount as if the standard had been applied since the commencement date, but discounted at lessee's incremental borrowing rate at the date of initial application or

- An amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments related to that lease recognized under Ind AS 17 immediately before the date of initial application. Certain practical expedients are available under both the methods.

On completion of evaluation of the effect of adoption of Ind AS 116, the Company is proposing to use the 'Modified Retrospective Approach' for transitioning to Ind AS 116 - Leases.

The effect on adoption of Ind AS 116 would be insignificant in the company's financial statements.

**Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :**

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates.

The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives.

The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application

i.e. April 1, 2019 without adjusting comparatives.

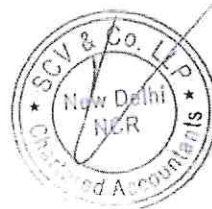
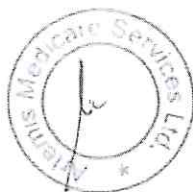
The effect on adoption of Ind AS 12 Appendix C would be insignificant in the company's financial statements.

**Amendment to Ind AS 12 – Income taxes :**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.



**Amendment to Ind AS 19 – plan amendment, curtailment or settlement-**

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements.

The amendments require an entity:

- to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and
- to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling.

Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment.

**1.3 Statement of Significant Accounting Policies**

**a) Statement of compliance**

The financial statements have been prepared in accordance of Indian Accounting Standards (IndAS) notified under section 133 of the Companies Act, 2013 (the "Act") read together with Companies (IND-AS) Rules, 2015.

The financial statements were authenticated by the Company's Board of Directors on 26th April, 2019. Details of the accounting policies are included in Note 1.

**b) Basis of preparation and presentation**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period.

Historical Cost is generally based on the fair value of the consideration given in exchange of goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company taken into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and / or disclosure purposes in these financial statements is determined on such a basis.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the assets or liabilities either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

**c) Property, Plant and Equipment (PPE)**

Property, Plant and Equipment are stated at cost (or revalued amounts, as the case may be), less accumulated depreciation and impairment loss, if any. Cost comprises the purchase price and any attributable cost of bringing the property, plant and equipment to its working condition for its intended use. Borrowing costs relating to acquisition of property, plant and equipment which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such property, plant and equipment are ready to be put to use.

The cost of an item of property, plant and equipment is the cash price equivalent at the recognition date. If payment is deferred beyond normal credit terms, the difference between the cash price equivalent and the total payment is recognised as interest over the period of credit, unless such interest is capitalised as per borrowing cost.

The Company identifies and determines separate useful life of each major component of the property, plant and equipment, if they have useful life that is materially different from that of the remaining asset, as per Schedule II of Companies Act, 2013.

**d) Depreciation on Property, Plant and Equipment**

Depreciation on all of the property, plant and equipment is provided using the straight line method at the rates prescribed by Schedule II of the Companies Act, 2013 and / or useful life estimated by management supported by technical valuer's independent assessment. The management believes that depreciation rates currently used fairly reflect its estimates of the useful lives and residual values of property, plant and equipment.

**Depreciation on property, plant and equipment costing less than Rs. 5,000/-**

The company is depreciating property, plant and equipment costing less than Rs. 5,000/- over their useful life same as prescribed by Schedule II to the Companies Act, 2013.

Depreciation commences when the fixed assets are ready for their intended use. Depreciation on all PPE except land are provided on a straight line based on the estimated useful life of PPE, which is as follows:



Assets	Useful Life of property, plant and equipment as per Schedule II	Useful Life of property, plant and equipment as per Management supported by Technical Valuer's Estimate
<b>Buildings :</b>		
- with RCC	60 Years	
- Temporary Structure (Porta Cabin)		30 Years
- Tubewell / Borewell	5 Years	
<b>Plant &amp; Machinery :</b>		
- Electric Medical Equipments	13 Years	
- Other Medical Equipments	15 Years	
- Other Plant & Machinery	15 Years	
Office Equipments	5 Years	
<b>Computers &amp; Data Processing Units</b>		
- Desktop & Laptops	3 Years	
- Servers & Network	6 Years	
<b>Vehicles</b>	8 Years	
<b>Furnitures &amp; Fittings</b>	10 Years	
<b>Electrical Installations &amp; Equipments</b>	10 Years	

Leasehold improvements including renovation done on shared facilities have been depreciated as per the useful life ascertained or over the primary period of lease / contract, whichever is shorter.

#### c) Intangible Assets

Intangible assets acquired separately are measured on initial recognition at cost less accumulated amortisation and accumulated impairment losses, if any.

Cost is the amount of cash or cash equivalents paid or the fair value of other consideration given to acquire an asset at the time of its acquisition or construction, or, when applicable, the amount attributed to that asset when initially recognised in accordance with the specific requirements of other Indian Accounting Standards.

#### Software

Cost of software is amortized over a period of 3-6 years, being the estimated useful life as per the management estimates.

The cost of intangible assets are amortized on a straight line basis over their estimated useful life of six years.

#### f) Borrowing Cost

Borrowing costs directly attributable to the acquisition, construction or production of an property, plant and equipment that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective property, plant and equipment. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

#### g) Impairment

At the end of each reporting period, the company reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication based on internal/ external factors that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the company estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

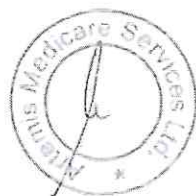
Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in the statement of profit and loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in the statement of profit and loss.

#### h) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.



Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items 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. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

Leases where the lessor effectively transfers substantially all the risks and benefits of ownership of the asset are classified as finance leases and are capitalized at the inception of the lease term at the lower of the fair value of the leased property and present value of minimum lease payments. Lease payments are apportioned between the finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss. Lease management fees, legal charges and other initial direct costs of lease are capitalized.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in PPE. Rental income on operating lease is recognized in the statement of profit and loss on a straight-line basis over the lease term. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the company's expected inflationary cost increases, such increases are recognised in the year in which such

Costs, including depreciation, are recognized as an expense in the statement of profit and loss. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased assets and recognised on a straight line basis over the lease

**i) Inventories**

Inventories of Pharmacy Drugs & Other Items, Medical Consumables and the Stores and Spares are valued at lower of cost and net realizable value. Cost is determined on weighted average basis.

Traded goods are valued at lower of cost and net realisable value. Costs includes cost of purchase and other costs incurred to bring inventories to their present locations and conditions. Cost is determined on weighted average basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs necessary to make the sale.

**ii) Revenue recognition**

The Company derives revenue primarily from Healthcare Services through operating of multi-specialty Hospital.

Effective April 1, 2018, the Company adopted Ind AS 115 "Revenue from Contracts with Customers" using the cumulative catch up transition method, applied to contracts that were not completed as of April 1, 2018. In accordance with the cumulative catch-up transition method, the comparatives have not been retrospectively adjusted. The following is a summary of new and/or revised significant accounting policies related to revenue recognition. The effect on adoption of Ind AS 115 was insignificant as the revenue is of short term nature and performance obligations are satisfied upon delivery of service/goods.

Revenue is measured at the transaction price. Revenue is reduced for returns, trade allowances for deduction, rebates, value added taxes and amounts collected on behalf of third parties.

Sale of Pharmacy Drugs and Medical Supplies including Traded Goods

Revenue is recognized as and when Pharmacy Drugs, Medical Supplies and Traded goods are sold. Revenue from the sale of Pharmacy Drugs, Medical Supplies and Traded good are recognised when control of the goods has passed to the buyer i.e. at the point of sale / to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods. Sale is net of sales returns, discounts and goods & services tax.

Income from Operations

Revenue is recorded when the performance obligation are satisfied. For outpatient customers services are simultaneously received and consumed by the patient. For inpatient customers, revenue is recognized as serviced are performed over the period. Revenue for the ongoing services at the reporting date is recognised as unbilled revenue. The income is stated net of discount and price differences, as per terms of contract.

Interest

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the applicable interest rate.

Income from Nursing Hostel

Revenue is recognized as per contractual arrangement with nursing staff using the hostel facilities.

Income from Lease Rentals & Outsourced Facilities

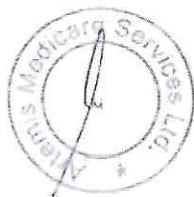
Revenue is recognized in accordance with the terms of lease agreements entered into with the respective lessees.

Income from Service Export from India Scheme (SEIS)

Income from 'Service Export from India Scheme' is recognized on accrual basis as and when eligible services are performed and convertible foreign exchange is received on a net basis.

Income from Clinical Research

Income from clinical research is recognised as and when the services are rendered in accordance with the terms of the respective agreements.



### Income from Sponsorships

Sponsorship income is recognized when the underlying obligations are completed as per contractual terms.

### **k) Foreign currency transactions**

In preparing the financial statements, transaction in currencies other than the Company's functional currency (foreign currencies) are recognized at the rates of exchange prevailing at the dates of the transactions.

#### **At the end of each reporting period**

- i) Monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date,
- ii) Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined.
- iii) Non-monetary items that are measured in terms of historical cost in foreign currency are not retranslated.

Exchange differences on monetary items are recognized in the statement of profit and loss in the period in which they arise except exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as adjustment to interest costs on those foreign currency borrowings.

### **l) Employees Benefits**

#### Short term employee benefits

Employee benefits payable wholly within twelve months of receiving services are classified as short-term employee benefits. These benefits include salary and wages, bonus and exgratia. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognized as an expense as the related service is rendered by the employees.

#### Post employment benefits

##### Defined contribution plans

A defined contribution plan is post-employment benefit plan under which an entity pays specified contributions to separate entity and has no obligation to pay any further amounts. The Company makes specified obligations towards employee provident fund and employee state insurance to Government administered provident fund scheme and ESI scheme which is a defined contribution plan. The Company's contributions are recognized as an expense in the statement of profit and loss during the period in which the employee renders the related service.

##### Defined benefit plans

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of a defined benefit plan is calculated by estimating the amount of future benefit that employees have earned and returned for services in the current and prior periods; that benefit is discounted to determine its present value. The calculation of Company's obligation under the plan is performed periodically by a qualified actuary using the projected unit credit method.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in the statement of profit and loss.

#### 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 employee has unconditional right to avail the leave, the benefit is classified as a short 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.

### **m) Income taxes**

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### **i) Current Tax**

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current income-tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-tax Act, 1961 enacted in India and tax laws prevailing in the respective tax jurisdictions where the Group operates.

#### **ii) Deferred tax**

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in computation of taxable profit.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred tax is measured based on tax rates and tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities. Deferred tax assets are recognized only to the extent, that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognized only if there is virtual certainty supported by convincing evidence that they can be realized against future taxable profits.





The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that is no longer probable that sufficient taxable profits will be available to allow all part of assets to be recovered.

Deferred tax is measured based on tax rates and tax laws enacted or substantively enacted by the end of the reporting period. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities.

iii) Current and deferred tax for the year

Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

n) Expenditure on new projects

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the Statement of profit & loss.

o) Earnings Per share

Basic earnings per share is being calculated by dividing net profit or loss for the year (including prior period items, if any) attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

p) Operating Cycle

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 12 months for the purpose of classification of its assets and liabilities as current and non-current.

q) Financial Instrument

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial Assets that meet the following conditions are subsequently measured at amortised cost (except for financial assets that are designated as at fair value through profit or loss on initial recognition):

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

Financial Assets that meet the following conditions are subsequently measured at fair value through other comprehensive income (except for financial assets that are designated as at fair value through profit or loss on initial recognition):

- i) the assets is held within a business model whose objective is achieved both by collecting contractual cash flows and selling financial assets; and
- ii) the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Interest income is recognised in profit or loss for FVTOCI financial assets. For the purposes of recognising foreign exchange gains and losses, FVTOCI financial assets are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income and accumulated under the heading of 'Reserve for financial assets through other comprehensive income'. When the investment is disposed of, the cumulative gain or loss previously accumulated in this reserve is reclassified to profit or loss.



All other financial assets are subsequently measured at fair value.

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

#### Financial assets at fair value through profit or loss (FVTPL)

A financial asset that meets the amortised cost criteria or debt instruments that meet the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the "Other income" line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

#### Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, debt instruments at FVTOCI, lease receivables, trade receivables, and other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit-adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 115, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward looking information.

The impairment requirements for the recognition and measurement of a loss allowance are equally applied to debt instruments at FVTOCI except that the loss allowance is recognised in other comprehensive income and is not reduced from the carrying amount in the balance sheet.

#### Derecognition of financial assets

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.



On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

#### Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period. For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in statement of profit & loss since there are no designated hedging instruments in a hedging relationship.

#### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

#### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- i) it has been incurred principally for the purpose of repurchasing it in the near term; or
- ii) on initial recognition it is part of a portfolio of identified financial instruments that the company manages together and has a recent actual pattern of short-term profit-taking; or
- iii) it is a derivative that is not designated and effective as a hedging instrument.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

Financial liabilities subsequently measured at amortised cost.

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- i) the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 115.



#### Commitments to provide a loan at a below-market interest rate

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- i) the amount of loss allowance determined in accordance with impairment requirements of Ind AS 108, and
- ii) the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS115.

#### Foreign exchange gains and losses

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

#### Derecognition of financial liabilities

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit & loss.

#### **r) Provisions & Contingencies**

Provisions are recognised when the company has a present obligation (legal or constructive) as a result of a past event, it is probable that the company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material). When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

#### **s) Contingent Liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by occurrence or non-occurrence of one or more of uncertain future events beyond the control of company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in the extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably its existence in the financial statements. Company does not recognize the contingent liability but disclosed its existence in financial statements.

#### **t) Government Grants**

Government grants are not recognised until there is reasonable assurance that the Company will comply with the conditions attaching to them and such grants can reasonably have a value placed upon them.

Government grants are recognised in statement of profit & loss on a systematic basis over the periods in which the Company recognises as expenses the related costs for which the grants are intended to compensate.

#### **u) Cash and Cash Equivalents**

Cash and cash equivalents for the purposes of cash flow statement are comprise of cash at bank and cash in hand and short-term investments with an original maturity of three months or less. Bank overdrafts are shown within borrowings in current liabilities in the balance sheet and forms part of financing activities in the cash flow statement. Bank overdraft are shown within other financial liabilities in the balance sheet and forms part of operating activities in the cash flow statement.

#### **v) Critical Accounting Estimates**

##### Expected Credit Loss

The impairment provisions for trade receivables is based on assumptions about risk of default and expected loss rates. The Company uses judgements in making certain assumptions and selecting inputs to determine impairment of these trade receivables, based on the Company's historical experience towards potential billing adjustments, delays and defaults at the end of each reporting period.

## **27 Segmental Reporting**

### Operating segments

Ind AS 108 "Operating Segment" ("Ind AS 108") establishes standards for the way that public business enterprises report information about operating segments and related disclosures about products and services, geographic areas, and major customers. Based on the "management approach" as defined in Ind AS 108, Operating segments are to be reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker (CODM). The CODM evaluates the Company's performance and allocates resources on an overall basis. The Company's sole operating segment is therefore 'Medical and Healthcare Services'. Accordingly, there are no additional disclosures to be provided under Ind AS 108, other than those already provided in the financial statements.

15/03/2024



Geographical information

Geographical information analyses the company's revenue and non current assets by the Company's country of domicile (i.e. India) and other countries. In presenting the geographical information, segment revenue has been based on the geographical location of the customers and segment assets which have been based on the geographical location of the assets.

Secondary Segment - Geographical Location of customers

	India		Outside India		Total	
	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)	Current Year (Rs. in lacs)	Previous Year (Rs. in lacs)
Revenue by geographical markets	33,340.79	32,366.33	21,509.30	17,910.80	54,850.09	50,277.13
Non current assets	39,559.60	36,275.13	-	-	39,559.60	36,275.13

28 Capital and Other Commitments

	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
a) Capital Commitments		
Estimated amount of contracts remaining to be executed on capital account not provided for (Net of Advances)	4,177.80	4,895.57

b) Other Commitments

i) For commitments relating to lease arrangement, please refer Note 30.

ii) The Company does not have any long term commitments or material non-cancellable contractual commitments/contracts, including derivative contracts for which there were any material foreseeable losses.

c) Expenditure on Corporate Social Responsibility (CSR)

i) Gross amount required to be spent by the Company during the year ended 31st March, 2019 Rs. 64.12 Lacs

ii) Amount spent during the year ended 31st March, 2019 :

Particulars	Paid (A)		Yet to be paid (B)		Total (A + B)	
(i) Construction / acquisition of any property, plant and equipment	-		-		-	
(ii) On purposes other than (i) above	60.64		3.48		64.12	

iii) Details of related party transactions :

a) Contribution during the year ended 31st March, 2019

Rs. 45.83

b) Payable as at 31st March, 2019

Rs. Nil

29 Related party disclosure

a) Name of related parties

Parties where control exists irrespective of whether transactions have occurred or not

Ultimate Parent Company Artemis Global Life Sciences Limited

Holding Company Artemis Health Sciences Limited

Fellow Subsidiary Company Athena Eduspark Limited

Names of other related parties with whom transactions have taken place during the year

Subsidiary Company Artemis Cardiac Care Pvt. Ltd. (w.e.f. 14th Jan, 2019)

Key Management Personnel

Mr. Onkar S. Kanwar (Chairman & Director)  
Dr. Devlina Chakravarty (Executive Director)  
Mr. Sanjiv Kumar Kothari (Chief Financial Officer)  
Mr. Navneet Goel (Head - Legal & Company Secretary) upto 3rd Feb, 2019  
Mr. Rakesh Kaushik (Chief Legal Officer & Company Secretary) from 4th Feb, 2019

Relatives of Key Managerial Personnel

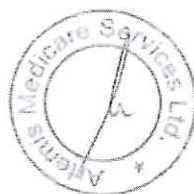
Mr. Neeraj Singh Kanwar (Non-Executive Director)  
Mrs. Shalini Kanwar Chand (Non-Executive Director)  
Mrs. Taru Kanwar  
Mrs. Devarchana Rana

Non-Executive Directors

Dr. Nirmal Kumar Ganguly (Non-Executive Director)  
Dr. S Narayan (Independent Director)  
Dr. Sanjaya Baru (Independent Director)  
Mr. Akshay Kumar Chudasama (Independent Director)

Enterprises owned or significantly influenced by key management personnel or their relatives

Apollo Tyres Ltd.  
Apollo International Ltd.  
Artemis Health Sciences Foundation  
Artemis Education & Research Foundation  
Swaranganga Consultants Pvt. Ltd.  
Z & A Medical Tourism Pte Ltd.  
Premedium Pharmaceuticals Pvt. Ltd. (w.e.f. 9th Oct, 2018)

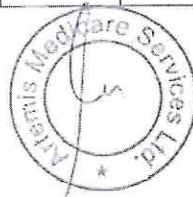


b) Transactions during the year

(Rs. In Lacs)

Particulars	Ultimate Parent Company / Holding Company		Subsidiary Company		Key Management Personnel and their relatives		Enterprises owned or significantly influenced by key management personnel or their relatives	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
Reimbursement of Expenses incurred on behalf of the Company *								
Artemis Health Sciences Ltd	2.33	0.07	-	-	-	-	-	-
Artemis Health Sciences Foundation	-	-	-	-	-	-	2.32	-
Artemis Education & Research Foundation	-	-	-	-	-	-	38.96	43.34
Artemis Cardiac Care Pvt Ltd	-	-	20.77	-	-	-	-	-
CSR Expenses								
Artemis Health Sciences Foundation	-	-	-	-	-	-	45.83	8.42
Corporate Guarantee Fee								
Artemis Health Sciences Ltd	4.87	4.87	-	-	-	-	-	-
Recovery of Loans & Advances								
Dovlina Chakravarty	-	-	-	-	12.00	12.00	-	-
Sanjiv Kumar Kothari	-	-	-	-	6.00	6.00	-	-
Lease Expenses								
Artemis Global Life Sciences Ltd	40.14	44.98	-	-	-	-	-	-
Swaranganga Consultants P Ltd	-	-	-	-	-	-	12.20	262.19
Investment in Subsidiary								
Artemis Cardiac Care Pvt Ltd	-	-	6.50	-	-	-	-	-
Sale of Services / License								
Total Transactions					31.31	78.58	855.60	441.48
Transactions in excess of 10%								
Apollo Tyres Ltd	-	-	-	-	-	-	845.94	437.18
Purchase of services / goods *								
Apollo Tyres Ltd	-	-	-	-	-	-	7.08	7.08
Devachana Rana	-	-	-	-	6.20	6.00	-	-
Z & A Medical Tourism Pte Ltd.	-	-	-	-	-	-	-	85.38
Premidium Pharmaceuticals Pvt Ltd	-	-	-	-	-	-	49.48	-
Donation Paid								
Artemis Education & Research Foundation	-	-	-	-	-	-	40.00	40.00
Artemis Health Sciences Foundation	-	-	-	-	-	-	2.74	-
Directors' Sitting Fees paid								
Onkar S Kanwar	-	-	-	-	1.43	1.20	-	-
Neeraj Singh Kanwar	-	-	-	-	0.80	1.60	-	-
Shalini Kanwar Chand	-	-	-	-	2.60	2.60	-	-
S. Narayan	-	-	-	-	2.80	1.80	-	-
Sanjya Baru	-	-	-	-	1.00	0.60	-	-
Nirmal K. Ganguly	-	-	-	-	0.80	1.20	-	-
Saurabh Snyastav	-	-	-	-	0.40	-	-	-
Akshay Kumar	-	-	-	-	2.40	2.20	-	-
Key management personnel- Compensation								
Dovlina Chakravarty	-	-	-	-	459.77	403.59	-	-
Sanjiv Kumar Kothari	-	-	-	-	73.15	55.89	-	-
Rakesh Kaushik	-	-	-	-	27.50	-	-	-
Navneet Goel	-	-	-	-	64.93	35.73	-	-
Defined benefit obligation								
Post-employment benefits	-	-	-	-	52.01	47.48	-	-
Short-term benefits	-	-	-	-	23.30	20.60	-	-
Total compensation	-	-	-	-	75.31	68.08	-	-
Dr. Dovlina Chakravarty	-	-	-	-	64.21	51.49	-	-
Mr. Sanjiv Kumar Kothari	-	-	-	-	10.21	7.11	-	-
Mr. Navneet Goel	-	-	-	-	-	9.48	-	-
Mr. Rakesh Kaushik	-	-	-	-	0.89	-	-	-
Total compensation	-	-	-	-	75.31	68.08	-	-

\* Transactions are reported including taxes.



		(Rs. In Lacs)	
Balance Payable	Name of Entity	31st March, 2019	31st March, 2018
Ultimate Parent Company	Artemis Global Life Sciences Limited	-	11.22
Holding Company	Artemis Health Sciences Limited	4.38	4.31
Key Management Personnel and their relatives	Relatives of Director & KMP	0.40	-
Enterprises owned or significantly influenced by key management personnel or their relatives	Apollo Tyres Ltd.	7.08	6.48
	Apollo International Ltd.	1.49	0.45
	Swaranganga Consultants P Ltd	0.22	-
	Premedium Pharmaceuticals Pvt. Ltd.	49.48	-

		(Rs. In Lacs)	
Balance Recoverable	Name of Entity	31st March, 2019	31st March, 2018
Key Management Personnel and their relatives	Relatives of Director & KMP	0.48	17.38
	Devlina Chakravarty	82.14	72.90
	Sanjiv Kumar Kothari	20.06	36.87
Enterprises owned or significantly influenced by key management personnel or their relatives	Apollo Tyres Ltd.	438.92	1.85
	Artemis Education & Research Foundation	38.00	42.30
	Swaranganga Consultants P Ltd	84.00	84.00
	Artemis Cardiac Care Pvt. Ltd.	14.82	-

### 30 Operating Leases

#### a) Assets taken on lease (Cancellable)

The Company has taken cancellable lease for premises in the nature of buildings, hostels and guest houses etc. under operating lease. All premises taken on operating lease are on cancellable terms after initial lock in period as per each respective lease and thereafter may be renewed by mutual consent on mutually agreed terms.

Total lease payments recognized in the Statement of Profit & Loss for the year is Rs. 242.99 Lacs (previous year Rs. 448.36 Lacs).

(Rs. In Lacs)		
Minimum Lease Rentals Payable for lock in period	As at 31st March, 2019	As at 31st March, 2018
Not later than one year	-	2.29
After one year but not more than five years	-	-

#### b) Assets given on Lease

The Company has leased out some portion of hospital premises as outsourced activities for a period of 1 to 9 years. The returns are fixed as well as based on a certain percentage of net sales of the lessee from the leased premises.

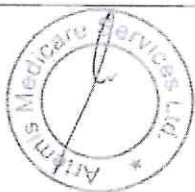
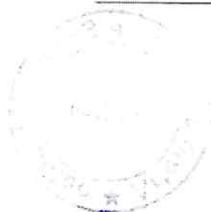
Total lease amount received / receivable in the respect of above leases recognised in the Statement of Profit & Loss for the year are Rs. 104.89 Lacs (Previous year Rs. 94.91 Lacs).

(Rs. In Lacs)		
Minimum Lease Rentals Receivable during lock in period	As at 31st March, 2019	As at 31st March, 2018
Not later than one year	4.07	3.88
Later than one year but not later than five years	3.17	7.24
Later than five years	-	-

Note : The lease payment recognized in statement of profit & loss under non-cancellable operating lease represent only the fixed component / minimum recoverable of leases as variable component receivable based on net sales from lease premises cannot be determined.

### 31 Earning Per Share (EPS)

		(Rs. in Lacs)	
Particulars	Year Ended 31st March, 2019	Year Ended 31st March, 2018	
<b>Net profit after Tax</b>			
Profit / (Loss) attributable to the Equity Shareholders	2,076.77	2,677.02	
Basic / Weighted Average Number of Equity Shares Outstanding during the year	21,035,000	21,035,000	
<b>Earning Per Share (in Rupees)</b>			
- Basic	9.87	12.73	
- Diluted	9.87	12.73	
Nominal value of Equity Shares	10.00	10.00	



- 32 The Micro, Small and Medium Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, the disclosures as per Section 22 of "The Micro, Small and Medium Enterprise Development (MSMED) Act, 2006" are as follows:

(Rs. In Lacs)		
Details of dues to Micro and Small Enterprises as per MSMED Act, 2006	31st March, 2019	31st March, 2018
The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year		
- Principal Amount	62.81	-
- Interest thereon	0.33	-
The amount of interest paid by the buyer in terms of section 16 of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting 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 Micro Small and Medium Enterprise Development Act, 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of the accounting year;	0.33	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006.	-	-

- 33 The Company has availed the exemption given as per proviso to Rule 6 of The Companies (Accounts) Rules, 2014 for preparation of consolidated financial statements which is required to be prepared as per section 129 (3) of the Companies Act, 2013, as the Company being a subsidiary of another company and its ultimate or any intermediate holding company is filing consolidated financial statements with the Registrar of Companies which are in compliance with the applicable Accounting Standards.

34 Employee Benefits

A) Defined Contribution Plan

- i) The company has recognized, in statement of Profit & Loss for year ended 31st March, 2019 an amount of Rs. 355.38 Lacs (Previous year Rs. 331.66 Lacs) under defined contribution plans.

Expense under defined contribution plans include:

	31st March, 2019	31st March, 2018
a) Employer's contribution to provident fund	276.60	249.12
b) Employer's contribution to Employee State Insurance Corporation	74.60	78.69
c) Employer's contribution to Labour Welfare Fund	3.98	3.85
	<u>355.38</u>	<u>331.66</u>

The expense is disclosed in the line item - contribution to provident fund and other funds in Note 22.

B) Defined Benefit Plan

- ii) The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of the service gets a gratuity on retirement / termination at 15 days salary (last drawn salary) for each completed year of service. The Company has also provided for long-term compensated absences.

	Gratuity (unfunded)		Leaves (unfunded)	
	31st March, 2019	31st March, 2018	31st March, 2019	31st March, 2018
	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)	(Rs. In Lacs)
(i) Reconciliation of opening and closing balances of obligations:				
a) Obligation at the beginning	307.72	232.57	188.98	193.87
b) Current Service Cost	79.12	57.88	66.61	50.84
c) Interest Cost	22.46	15.58	13.60	12.98
d) Past Service Cost	-	-	-	-
e) Actuarial (Gain) / Loss	56.65	17.56	11.65	(44.77)
f) Benefits paid	(33.24)	(15.87)	(31.71)	(23.73)
g) Obligation at the year end	432.70	307.72	249.33	188.98
(ii) Change in Plan Assets (Reconciliation of opening and closing balances):				
a) Fair Value of Plan Assets at beginning	-	-	-	-
b) Prior Period Adjustment	-	-	-	-
c) Expected return on Plan Asset	-	-	-	-
d) Contributions	-	-	-	-
e) Benefits paid	-	-	-	-
f) Actuarial Gain / (Loss) on Plan Assets	-	-	-	-
g) Fair Value of Plan Assets at year end	-	-	-	-
(iii) Reconciliation of fair value of assets and obligations:				
a) Present value of obligation at year end	432.70	307.72	249.33	188.98
b) Fair Value of Plan Assets at year end	-	-	-	-
c) Asset / Liability recognized in the Balance Sheet	432.70	307.72	249.33	188.98





(iv) Amount recognized in the income statement				
a) Current Service Cost	79.12	57.68	66.61	50.84
b) Past Service Cost	-	-	-	-
c) Interest Cost	22.46	15.68	13.80	12.98
d) Curtailment Cost (Credit)	-	-	-	-
e) Expected return on Plan Assets	-	-	-	-
f) Actuarial (Gain) / Loss	-	-	11.85	(44.77)
g) Expenses recognized during the year	101.58	73.46	92.05	19.04
(v) Other Comprehensive Income (OCI)				
a) Unrealised actuarial Gain / (Loss)	(56.65)	(17.56)	-	-
(vi) Assumptions:	As at 31st March, 2019	As at 31st March, 2018		
a) Discounting Rate (per annum)	6.90%	7.30%		
b) Future Salary Increase	5.00%	6.00%		
Withdrawal / Employee Turnover Rate				
c) Age upto 30 years	36.00%	36.00%		
d) Age from 31 to 44 years	32.00%	32.00%		
e) Age above 44 years	15.00%	15.00%		
Mortality table used	Indian Assured Lives Mortality (2006-06)	Indian Assured Lives Mortality (2006-06)		

The estimates of future salary increases, considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market.

Significant actuarial assumption for the determination of the defined obligation are discounted rate, expected salary escalation rate and withdrawal rate. The sensitivity analyses below have been determined based on reasonably possible changes of the respective assumption occurring at the end of the reporting period, while holding all other assumptions constant.

The above information is certified by the actuarial valuer.

Enterprise best estimate of contribution during next year is Rs. 124.73 Lacs for Gratuity & Rs. 30.28 Lacs for Leave Encashment.

The discount rate is based on prevailing market yield of Government Bonds as at the date of valuation.

Particulars	Year ended 31st March, 2019		Year ended 31st March, 2018	
	Increase	Decrease	Increase	Decrease
Change in discount rate by 1.00%	18.31	19.46	13.77	14.66
Change in Salary escalation rate by 1.00%	14.93	23.07	14.71	14.06

Sensitivity due to mortality and withdrawals are not material & hence impact of change not calculated.

Sensitivity as to rate of inflation, rate of increase of pensions in payment, rate of increase of pensions before retirement and life expectancy are not applicable being a lump sum benefit on retirement.

## 35 Financial Instruments

### i) Capital Management

The Company manages its capital to ensure that the Company will be able to continue as going concerns while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The capital structure of the Company consists of net debt (borrowings as Detailed in Notes 12 & 15 & 17 offset by cash and bank balances) and total equity of the company.

The Company is not subject to any externally imposed capital requirements other than for covenants under various loan arrangements of the Company.

The Company's Board reviews the capital structure of the Company on need basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. The gearing ratio at 31st March, 2019 of 42.35% (previous year 38.39%) (See below).

#### Gearing Ratio:

The gearing ratio at end of the reporting period was as follows:

Particulars	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
Debt *	11,470.58	9,140.97
Less: Cash and Cash Equivalents (Refer Note 8)	811.00	269.78
Net Debt	10,659.58	8,871.19
Total Equity	25,172.54	23,105.52
Net Debt to Equity Ratio	42.35%	38.39%

\* Debt is defined as long-term and short-term borrowings.



ii) Categories of Financial Instruments

Financial Assets	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>Measured at amortised cost</b>		
Loans- Non Current	255.86	140.25
Other Financial assets - Non Current	32.42	29.51
Trade receivables - Current	7,844.06	5,556.40
Cash and cash equivalents	811.00	259.78
Other Bank balances - Current	314.39	948.16
Loans - Current	159.96	100.60
Other financial assets - Current	514.70	494.94
<b>Total</b>	<b>9,932.39</b>	<b>7,547.64</b>

At the end of the reporting period, there are no significant concentrations of financial assets designated at FVTPL. The carrying amount reflected above represents the Company's maximum exposure to credit risk for such financial assets.

Financial Liabilities	(Rs. In Lacs)	
	As at 31st March, 2019	As at 31st March, 2018
<b>Measured at amortised cost</b>		
Borrowings - Non Current	5,345.88	5,224.61
Borrowings - Current	3,787.60	-
Trade payables - Current	7,369.55	6,745.74
Other financial liabilities - Current	2,337.10	3,916.36
<b>Total</b>	<b>18,840.13</b>	<b>15,886.71</b>

iii) Financial Risk Management Objectives

The Company's Corporate Treasury function provides services to the business, co-ordinates access to domestic and international financial markets, monitors and manages the financial risks including market risk (including currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

The Board of Directors manages the financial risk of the Company through internal risk reports which analyse exposure by magnitude of risk. The Company has limited exposure from the international market as the Company's operations are in India. The Company has limited exposure towards foreign currency risk it earns approx. 29% of its revenue from in foreign currency from international patients. Also capital expenditure includes capital goods purchased in foreign currency through the overseas vendors. The Company has not taken any derivative contracts to hedge the exposure. However the exposure towards foreign currency foreign currency fluctuation is partly hedged naturally on account of receivable from customers and payable to vendors in foreign currency.

**Market Risk**

The Company's activities expose it primarily to the financial risks of changes in interest rates and foreign currency exchange rates.

a) **Foreign Currency risk management**

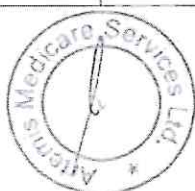
The Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. Exchange rate exposures are managed within approved policy parameters.

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

I. Assets		As at 31st March, 2019		As at 31st March, 2018	
		FC in lacs	Equivalent Rs. In Lacs	FC in lacs	Equivalent Rs. In Lacs
Receivables (trade & others) (A)	USD	11.69	799.72	9.48	609.51
Hedges by derivative contracts (B)	USD	-	-	-	-
Unhedged Receivables (C = A - B)	USD	11.69	799.72	9.48	609.51

II. Liabilities	Foreign Currency	As at 31st March, 2019		As at 31st March, 2018	
		FC in lacs	Equivalent Rs. In Lacs	FC in lacs	Equivalent Rs. In Lacs
Payables (trade & others) (including Deferred payment liability) (D)	USD	2.74	191.94	28.49	1,874.65
	EURO	-	-	0.02	1.63
Hedges by derivative contracts (E)	USD	-	-	-	-
	EURO	-	-	-	-
Unhedged Payables (F = D - E)	USD	2.74	191.94	28.49	1,874.65
	EURO	-	-	0.02	1.63



III. Contingent Liabilities and Commitments	Foreign Currency	As at 31st March, 2019		As at 31st March, 2018	
		FC in lacs	Equivalent Rs. in Lacs	FC in lacs	Equivalent Rs. in Lacs
Contingent Liabilities ( G )	USD	-	-	-	-
	EURO	-	-	-	-
Commitments ( H )	USD	0.02	1.05	0.14	9.01
	JPY	3.00	1.89	-	-
	EURO	-	-	0.48	38.84
Hedges by derivative contracts ( I )	USD	-	-	-	-
	EURO	-	-	-	-
Unhedged Payables ( J = G + H - I )	USD	0.02	1.05	0.14	9.01
	JPY	3.00	1.89	-	-
	EURO	-	-	0.48	38.84
Total unhedged FC Exposures ( K = C + F + J )	USD	14.45	992.71	38.11	2,493.17
	JPY	3.00	1.89	-	-
	EURO	-	-	0.50	40.46

#### Foreign currency sensitivity analysis

The company is mainly exposed to the USD & EURO currency

The following table details the company's sensitivity to a 1% increase and decrease in the 'Rs. against the USD. 1% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates. The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the period end for a 1% change in foreign currency rates. The sensitivity analysis includes external loans. A positive number below indicates an increase in profit or equity where the Rs. strengthens 1% against the relevant currency. For a 1% weakening of the Rs. against the relevant currency, there would be a comparable impact on the profit or equity, and the balances below would be negative.

(Rs. In Lacs)		
If increase by 1%	Currency Impact USD	
	As at 31st March, 2019	As at 31st March, 2018
Particulars		
Increase / (decrease) in profit or loss for the year	6.08	(12.65)
Increase / (decrease) in total equity as at the end of the reporting period	6.08	(12.65)
(Rs. In Lacs)		
If decrease by 1%	Currency Impact USD	
	As at 31st March, 2019	As at 31st March, 2018
Particulars		
Increase / (decrease) in profit or loss for the year	(6.08)	12.65
Increase / (decrease) in total equity as at the end of the reporting period	(6.08)	12.65
(Rs. In Lacs)		
If increase by 1%	Currency Impact JPY	
	As at 31st March, 2019	As at 31st March, 2018
Particulars		
Increase / (decrease) in profit or loss for the year	(0.02)	-
Increase / (decrease) in total equity as at the end of the reporting period	(0.02)	-
(Rs. In Lacs)		
If decrease by 1%	Currency Impact JPY	
	As at 31st March, 2019	As at 31st March, 2018
Particulars		
Increase / (decrease) in profit or loss for the year	0.02	-
Increase / (decrease) in total equity as at the end of the reporting period	0.02	-
(Rs. In Lacs)		
If increase by 1%	Currency Impact EURO	
	As at 31st March, 2019	As at 31st March, 2018
Particulars		
Increase / (decrease) in profit or loss for the year	-	(0.02)
Increase / (decrease) in total equity as at the end of the reporting period	-	(0.02)



Particulars	(Rs. In Lacs)	
	Currency Impact EURO	
	As at 31st March, 2019	As at 31st March, 2018
Increase / (decrease) in profit or loss for the year	-	0.02
Increase / (decrease) in total equity as at the end of the reporting period	-	0.02

**b) Interest Rate risk management**

The Company is exposed to interest rate risk because Company borrow funds at both fixed and floating interest rates. The risk is managed by the Company by maintaining an appropriate mix between fixed and floating rate borrowings.

The Company's exposures to interest rates on financial assets and financial liabilities are detailed in the liquidity risk management section of this note.

**Interest Rate sensitivity analysis**

The sensitivity analyses below have been determined based on the exposure to interest rates at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 100 basis point increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

Particulars	(Rs. In Lacs)	
	Interest Impact	
	As at 31st March, 2019	As at 31st March, 2018
Increase / (decrease) in profit or loss for the year	(76.31)	(90.90)
Increase / (decrease) in total equity as at the end of the reporting period	(76.31)	(90.90)

Particulars	(Rs. In Lacs)	
	Interest Impact	
	As at 31st March, 2019	As at 31st March, 2018
Increase / (decrease) in profit or loss for the year	76.31	90.90
Increase / (decrease) in total equity as at the end of the reporting period	76.31	90.90

**c) Other Price Risk**

The Company investment are in the group companies and are held for strategic purposes rather than for trading purposes.

**d) Credit Risk Management**

Credit risk refers to the risk that a counter party will default on its contractual obligations resulting in financial loss to the Company. The Company takes due care while extending any credit as per the approval matrix approved by Board of Directors.

**e) Liquidity risk management**

Ultimate responsibility for liquidity risk management rests with the board of directors, which has established an appropriate liquidity risk management framework for the management of the company's short-term, medium-term and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities. Note given below sets out details of additional undrawn facilities that the Company has at its disposal to further reduce liquidity risk.

**Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities

Particulars	(Rs. In Lacs)				
	Within 1 year	1 - 2 years	More than 2 years	Total	Carrying Amount (net of transaction cost)
<b>As at 31st March, 2019</b>					
Term Loan	2,152.68	2,112.94	3,236.44	7,502.06	7,498.56
Deferred payment liability	132.18	-	-	132.18	132.18
Trade Payables	7,369.55	-	-	7,369.55	7,369.55
Bank overdraft	3,787.60	-	-	3,787.60	3,787.60
Interest accrued but not due on borrowings	52.24	-	-	52.24	52.24
<b>Total</b>	<b>13,494.25</b>	<b>2,112.94</b>	<b>3,236.44</b>	<b>18,843.63</b>	<b>18,840.13</b>



Particulars	(Rs. In Lacs)				Carrying Amount (net of transaction cost)
	Within 1 year	1 - 2 years	More than 2 years	Total	
<b>As at 31st March, 2018</b>					
Term Loan	2,137.88	1,586.42	3,607.92	7,312.22	7,306.54
Deferred payment liability	1,728.00	56.95	-	1,783.95	1,783.95
Trade Payables	6,745.74	-	-	6,745.74	6,745.74
Interest accrued but not due on borrowings	50.48	-	-	50.48	50.48
<b>Total</b>	<b>10,662.10</b>	<b>1,622.37</b>	<b>3,607.92</b>	<b>15,892.39</b>	<b>15,886.71</b>

36 Disclosure u/s 186(4) of the Companies Act, 2013

(Rs. In Lacs)

Particulars	Amount Outstanding as at 31st March, 2019	Amount Outstanding as at 31st March, 2018
Investment in subsidiary company (Refer Note 3.1)	6.50	-

37 Disclosure under Ind AS - 115 (Revenue from contracts with customers)

(Rs. In Lacs)

a. Disaggregated revenue information	31st March, 2019
<b>Type of Services or goods</b>	
Revenue from Healthcare Services - Multi-Speciality Hospital & Others	53,535.39
Revenue from Sale of Pharmacy Drugs & Medical Consumables	1,114.70
<b>Total</b>	<b>54,650.09</b>
<b>Revenue from Contracts with Customers</b>	
Revenue from Customers based in India	33,340.79
Revenue from Customers based outside India	21,309.30
<b>Total</b>	<b>54,650.09</b>
<b>Timing of Revenue Recognition</b>	
Services transferred over time (Healthcare Services & Others)	53,521.72
Goods (Pharmacy & Scrap) transferred at a point in time	1,128.36
<b>Total</b>	<b>54,650.09</b>

(Rs. In Lacs)

b. Trade receivables and Contract Customers	31st March, 2019
Trade Receivables	7,814.06
Unbilled revenue	498.55
<b>Total</b>	<b>8,342.61</b>

Trade receivables are non-interest bearing and are generally on terms of 0- 90 days. Rs. 39.42 Lacs was recognised as provision for expected credit losses on trade receivables.

Trade receivables and unbilled revenue are presented net of impairment in the Balance sheet.

The Company classifies the right to consideration in exchange for deliverables as either a receivable or as unbilled revenue.

A receivables is right to consideration that is unconditional upon passage of time.

Revenue for ongoing services at the reporting date yet to be invoiced is recorded as unbilled revenue.

c. Performance obligation and remaining performance obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognized as at the end of the reporting period and an explanation as to when the Company expects to recognize these amounts in revenue. As on 31st March, 2019, there were no remaining performance obligation as the same is satisfied upon delivery of goods/services.

38 Contingent Liabilities

(Rs. In Lacs)

Particulars	31st March, 2019	31st March, 2018
-------------	------------------	------------------

A Claims against the company not acknowledged as debts

In respect of compensation demanded by the patient / their relatives, for negligence in treatment and are pending with various consumers disputes redressal forums. The company has been advised by its legal counsel that it is possible, the action may succeed after considering that insurance cover has also been taken by the company and the doctors, the company is of the view that is adequately insured to mitigate the possibility of any loss to that extent.

785.99



146(a)

B The status of completion of obligation as at the end on licensing years for the EPCG licenses obtained by the company is as under:

Obligation value	Licensing Year	Export Obligation to be completed till	Export Obligation completed in foreign currency
106.52	2018-2019	2024-2025	NIL
473.74	2018-2019	2024-2025	NIL

39 The Company carries a general provision for contingencies towards various claims against the company including claims raised by patients / vendors / government authorities, not acknowledged as debts.

Opening Balance as at 01.04.2018	Additional provision made during the year	Incurred / (reversed) against provision during the year	Closing Balance as at 31.03.2019
941.45	0.00	270.67	670.78

40 Capitalisation of Expenditure :

During the year, the Company has capitalised the following expenses to the cost of property, plant and equipment / capital work in progress (CWIP). Consequently, expenses disclosed under the respective notes are net of amount capitalised by the Company.

Particulars	As at 31st March, 2019 (Rs. in lacs)	As at 31st March, 2018 (Rs. in lacs)
Finance charges	65.92	138.59
Legal & professional consultancy Fees	14.52	131.31
Other expenses directly attributable	24.83	88.68
<b>Total</b>	<b>105.27</b>	<b>358.58</b>

41 Scheme of Arrangement and Amalgamation:

The Company and its holding company i.e. Artemis Health Sciences Ltd, its ultimate holding company i.e. Artemis Global Life Sciences Ltd and its fellow subsidiary company i.e. Athena Eduspark Limited have decided to merge and the proposed Composite Scheme of Amalgamation between the aforesaid Companies and their respective shareholders and creditors under section 230 to 232 and other applicable provisions of Companies Act, 2013 have been approved in the meeting of the Board of Directors held on 09th May, 2018. Subsequent to receipt of No- Objection of the Stock Exchanges to the Scheme and approval of the shareholders and Creditors of the Company at the meetings held on 27th Jan 2019, Petition(s) have been filed with the Delhi Bench of Hon'ble National Company Law Tribunal seeking its final approval of the Scheme. No effect of the Scheme has been given in these financial statement as the Approval is awaited till the date of signing of financial statements.

42 Suspension of Capitalisation :

The Company started its expansion plan of Hospital in 2017 by construction of building, which was temporarily suspended pursuant to issue of show cause by Haryana State Pollution Control Board (HSPCB) for not seeking permission from HSPCB prior to undertaking construction activity. The Company has been pursuing the matter with the Ministry of Environment and Forest for seeking approval. In this regard the company has submitted clarifications sought by the Ministry time to time. The Company has also represented in proceedings with Ministry of Environment and Forest and approval for the same is awaited.

Company has so far incurred Rs. 4441.38 Lacs on expansion which is pending capitalization.

43 Previous year figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date attached

For SCV & Co. LLP  
Chartered Accountants  
Firm Registration Number 000235N / N500089

(Rajiv Punj)  
Partner  
Membership No. 084318

Place : Gurugram  
Dated: 26th April, 2019



Signature to Note 1 to 43

For and on behalf of the Board of Directors  
of Artemis Medicare Services Limited

*Onkar S. Kanwar*

Onkar S. Kanwar  
[Chairman & Director]  
[DIN : 00930521]

*Kalari*

Sanjiv Kumar Kothari  
[Chief Financial Officer]



*Dr. Devlina Chakravarty*

Dr. Devlina Chakravarty  
[Executive Director]  
[DIN : 07107875]

*Rakesh Kaushik*

Rakesh Kaushik  
[Company Secretary]



146(b)



## XII. LEGAL AND OTHER INFORMATION

In terms of the ICDR Regulations, the Company is required to disclose in this Information Memorandum, (i) all criminal proceedings; (ii) all actions by statutory or regulatory authorities; (iii) all claims related to direct and indirect taxes; and (iv) all material litigation, in each case involving the Company, the Directors, the Subsidiaries and the Promoters.

Additionally, the Company is required to disclose: (a) all disciplinary action including penalty imposed by SEBI or the Stock Exchanges, against the Promoters in the last 5 financial years, including outstanding actions; and (b) any litigation involving the Company's Group Companies, which may have a material impact on the Company.

The Special Committee of Board, in its meeting held on:

- (I) 26<sup>th</sup> October 2019 determined that outstanding legal proceedings involving the Company, its Directors, Promoters and Group Companies where the aggregate amount involved, in such litigation exceeds 10% of net worth or turnover, whichever is higher, will be considered as material litigation ("**Material Litigation**"); and
- (II) 26<sup>th</sup> October 2019, determined that outstanding dues to creditors in excess of 10% of net worth or turnover, whichever is higher, shall be considered as material dues ("**Material Dues**").

All terms defined in a particular litigation disclosure below are for that particular litigation only.

### A. Outstanding Material Litigations and Material Developments

- (1) Outstanding Material Litigations
  - (I) Criminal Proceedings
    - (a) Criminal Proceedings involving the Company- NIL
    - (b) Criminal Proceedings involving the Directors

Name of the Director	Court / Authority	Case No.	Subject	Amount	Brief Details of Case	Present Status
Proceedings against the Director						
Dr. Nirmal Kumar Ganguly	PO Cum JMIC, Special Environment Court, Faridabad	29/2019	Environment Protection	Nil	For violation of section 15 of Environment Protection Act	Proceedings at JMIC, Special Environment Court, Faridabad was stayed by Punjab and Haryana High Court on 4/10/2019. Later, quashing petition was filed on behalf of other directors, which is listed on 26/02/2020 at Punjab & Haryana High Court. The complaint before JMIC, Faridabad is fixed up on 2/03/2020





- (c) Criminal Proceedings involving the Promoters - NIL
- (d) Criminal Proceedings involving the Subsidiaries  
As of the date of this Information Memorandum, the Company has only one subsidiary company i.e. ACCPL. There are no Criminal proceedings involving ACCPL.
- (II) Actions by Statutory / Regulatory Authorities
- (a) Actions by Statutory / Regulatory Authorities against the Company - NIL
- (b) Actions by Statutory / Regulatory Authorities against the Directors - NIL
- (c) Actions by Statutory / Regulatory Authorities against the Promoters

Name of the Promoter	Court / Authority	Case No.	Subject	Amount	Brief Details of Case	Present Status
Mr. Onkar S. Kanwar	High Court & FEMA	N.A.	Proceedings under FEMA	Rs. 25000/- & Rs. 1,00,000	Please Refer page 155 of this Information Memorandum	Hearing in due course

- (d) Actions by Statutory / Regulatory Authorities against the Subsidiaries  
As of the date of this Information Memorandum, the Company has only one subsidiary company i.e. ACCPL. There are no Actions by Statutory/ Regulatory Authorities against ACCPL.
- (III) Disciplinary Action / Penalty imposed by SEBI or Stock Exchanges against the Promoters in the last five financial years including outstanding action - NIL
- (IV) Claims relating to direct and indirect taxes, in a consolidated manner as on 31<sup>st</sup> March 2019
- (a) Claims relating to direct and indirect taxes against the Company

Claims	Total No	Amount Involved (Rs.)
Direct Tax	0	0
Indirect Tax	0	0

- (b) Claims relating to direct and indirect taxes against the Directors

Claims	Total No	Amount Involved (Rs.)
Direct Tax	0	0
Indirect Tax	0	0

- (c) Claims relating to direct and indirect taxes against the Promoters

Claims	Total No	Amount Involved (Rs.)
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Direct Tax	0	0
Indirect Tax	0	0

- (d) Claims relating to direct and indirect taxes against the Subsidiaries  
As of the date of this Information Memorandum, the Company has only one subsidiary company i.e. ACCPL.

Claims	Total No	Amount Involved (Rs.)
Direct Tax	0	0
Indirect Tax	0	0

(V) Other Pending Material Litigation

- (a) Material Litigation involving the Company - NIL  
(b) Material Litigation involving the Directors - NIL  
(c) Material Litigation involving the Promoters - NIL  
(d) Material Litigation involving the Subsidiaries

As of the date of this Information Memorandum, the Company has only one Subsidiary i.e. Artemis Cardiac Care Private Limited and no other material litigations is pending on subsidiary.

(2) Outstanding Dues to Creditors

a. Material Dues:

In relation to the Material Dues, as on 31<sup>st</sup> March 2019 the Company has only 01 creditors to whom a total amount of Rs. 7467.53 lacs are outstanding.

Type of Creditor	Name of Creditors	Amount outstanding as on 31 <sup>st</sup> March 2019 (Rs. in lacs)
Secured Creditor	HDFC Bank Ltd	7467.53
<b>Total</b>		7467.53

b. Outstanding dues To Small And Medium Undertaking

The total outstanding dues of the Company as on 31<sup>st</sup> March 2019 to Small And Medium Undertaking is Rs 62.81 lacs, details of which are as follows:

Name of Creditors	Amount outstanding as on 31 <sup>st</sup> March 2019 (Rs in Lacs)
AAA Pharmatrade Pvt. Ltd.	0.55
Alximix Waste Management Pvt. Ltd.	1.31
Amshee Sales	8.00
Apollo Laundry & Linen Services Private Ltd.	4.65
Clad Medical LLP	6.71
Dharamjeet Kitchen System	0.09



Name of Creditors	Amount outstanding as on 31st March 2019 (Rs in Lacs)
Electraspark Electricals	1.18
Eon Meditech Private Limited	0.48
Guvi Surge LLP	0.14
JV Pharma	0.65
Mittal Laboratories	1.66
Neurocare & Solution	10.81
Novomed Incorporation Private Limited	4.95
OSB Agencies Pvt. Ltd.	2.48
Ram Health Care Private Limited	0.73
Resolution	1.37
RX DISTRIBUTORS	0.20
RX Surgipharma Private Limited	11.51
Ved Med Software & Trading Pvt. Ltd	3.55
Sky Medicare Solution	1.81

(1) Material Developments

Save and except for the following, there have been no material developments since the date of the last audited Financial Statements i.e. as on 31<sup>st</sup> March 2019:

- (1) Merger of AGLSL, AHSL and AEL with the Company;
- (2) Allotment of Equity Shares of the Company against shares of AGLSL held by shareholders in AGLSL as on October 25, 2019.
- (3) Reconstitution of Board of Directors: Mr. Saurabh Srivastava had resigned from the Board of Company from 13<sup>th</sup> May 2019 and the Board appointed Mr. Ugar Sain Anand & Mr. Sunil Tandon as independent directors w.e.f. October 10, 2019

b. Government Approvals

The Company has obtained the following approvals / licenses:

S. No	Type of License / Approval	Licensing / Approving Authority	License/Approval/ Number	Date of Approval	Validity
1	Municipal corporation NOC for occupation from fire safety point of view	Assistant Divisional Fire Officer, Municipal Corporation, Gurugram	FS/2019/626	11-Mar-19	10-Mar-20
2	License to import & store Petroleum in installation	Jt. Chief Controller of Explosives, North circle, Faridabad	P/NC/HN/15/1312 (P184960)	10-Nov-16	31-Dec-19



S. No	Type of License / Approval	Licensing / Approving Authority	License/Approval/ Number	Date of Approval	Validity
3	Storage of Liquid Oxygen	Jt. Chief Controller of Explosives, North circle, Faridabad	S/HO/HN/03/319 (S41184)	30-Sep-19	30-Sep-22
4	Grant of consent to discharge water effluent	Haryana State Pollution Control Board	HSPCB/consent/313099719G UNOCTO5596073	6-Aug-19	30-Sep-20
5	Grant of consent to discharge air effluent				
6	Authorization for disposal of Hazardous waste	Haryana State Pollution Control Board	HWM/GUNO/2019/5554418	5-Aug-19	30-Sep-20
7	Environment Clearance for construction of Hospital complex and for expansion of Hospital complex	Ministry of Environment and Forests (I.A. Division)	21-292/2007-IA.III & 23-279/2018-IA.III(V)	7/19/2007; 9/27/2019	N.A.
8	Approval of Hospital & registration of doctors under Medical Termination of Pregnancy Act	Civil Surgeon, Gurgaon	FW/SA/07/1038	25-Jun-07	N.A.
9	Registration of Genetic Counselling Centre/Genetic Laboratory/Ultrasound Imaging Centre/IVF Centre under Pre-Natal Diagnostic Techniques (Regulation and Prevention of Misuse) Act, 1994	Civil Surgeon-cum-District Appropriate Authority, Gurgaon	AA/GGN/103	12-Jan-16	31-Jan-21
10	Registration under Transplantation of Human Organs Act for Kidney Transplantation	Pt. B.D. Sharma Postgraduate Institute of Medical Sciences, Rohtak	PGIMS/RTK/2019/68	11-Sep-19	10-Sep-24



S. No	Type of License / Approval	Licensing / Approving Authority	License/Approval/ Number	Date of Approval	Validity
11	Registration under Transplantation of Human Organs Act for Cornea Transplantation	Pt. B.D. Sharma Postgraduate Institute of Medical Sciences, Rohtak	PGIMS/RTK/2019/66	11-Sep-19	10-Sep-24
12	Registration under Transplantation of Human Organs Act for Live Donor Liver Transplantation	Pt. B.D. Sharma Postgraduate Institute of Medical Sciences, Rohtak	PGIMS/RTK/2016/42	13-Sep-11	7-Nov-21
13	Registration under Transplantation of Human Organs Act for Heart Transplantation	Pt. B.D. Sharma Postgraduate Institute of Medical Sciences, Rohtak	PGIMS/RTK/2019/60	27-Mar-19	28-Feb-23
14	Registration for Brain Stem Death in Hospital under Transplantation of Human Organs Act	Pt. B.D. Sharma Postgraduate Institute of Medical Sciences, Rohtak	PGIMS/RTK/16/44	22-Dec-16	21-Dec-21
15	Registration of Shops & Establishments Act	Inspector, Shops & Commercial Establishments, Gurugram Circle	PSA/REG/GGN/LI-GGN-4-10/0107339	6-Mar-19	31-Mar-22
16	License to sell Drugs	Senior Drugs Control Officer cum Licensing authority, FDA, Gurgaon Zone	HR-6600-489-OW/H, HR-6600-489-W/H	15-Dec-14	14-Dec-19
	License to sell Drugs	Senior Drugs Control Officer cum Licensing authority, FDA, Gurgaon Zone	2418-OB	15-Nov-18	23-Dec-22



S. No	Type of License / Approval	Licensing / Approving Authority	License/Approval/ Number	Date of Approval	Validity
	License to sell Drugs	Senior Drugs Control Officer cum Licensing authority, FDA, Gurgaon Zone	2418-B	15-Nov-18	23-Dec-22
	License to sell Drugs	Senior Drugs Control Officer cum Licensing authority, FDA, Gurgaon Zone	HR-6600-488-OW/H, HR-6600-488-W/H	15-Dec-14	14-Dec-19
	License to sell Drugs	Senior Drugs Control Officer cum Licensing authority, FDA, Gurgaon Zone	2930-X	27-Jan-15	21-Jan-20
	License to sell Drugs	Senior Drugs Control Officer cum Licensing authority, FDA, Gurgaon Zone	HR-6600-490-OW/H, HR-6600-490-W/H	15-Dec-14	14-Dec-19
	License to sell Drugs	Senior Drugs Control Officer cum Licensing authority, FDA, Gurgaon Zone	HR-6600-298-OW/H, HR-6600-298-W/H	19-Apr-18	23-Dec-22
	License to sell Drugs	Senior Drugs Control Officer cum Licensing authority, FDA, Gurgaon Zone	2945-B, 2945-OB	6-Feb-15	4-Feb-20



S. No	Type of License / Approval	Licensing / Approving Authority	License/Approval/ Number	Date of Approval	Validity
	License to sell Drugs	Senior Drugs Control Officer cum Licensing authority, FDA, Gurgaon Zone	3086-B, 3086-OB	7-Aug-15	6-Aug-20
	License to sell Drugs	Senior Drugs Control Officer cum Licensing authority, FDA, Gurgaon Zone	3290-B, 3290-OB	5-May-16	3-May-21
	License to sell Drugs	Senior Drugs Control Officer cum Licensing authority, FDA, Gurgaon Zone	0001-X	26-Apr-19	24-Apr-24
17	License to possess Narcotic Drug/Psychotropic substance	State Drugs Controller-cum-Licensing Authority, Food & Drugs Administration, Haryana	RMI-1Drug-II-2018/3823	31-May-18	31-Dec-19
18	Trade License under Haryana Municipal Corporation Act	Municipal Corporation, Gurugram	24	9-Aug-19	31-Mar-20

Further, Pursuant to the Composite Scheme, all the properties, estates, rights, title, interests, contracts, proceedings, employees and related retirement funds, taxes, approvals, consents, licenses and the entire business of each of AGLSL, AEL and AHSL has been transferred to and vested and deemed to be transferred to and vested in the Company as if the same were originally given or issued to or executed in favour of the Company, and the rights and benefits under the same shall be available to the Company.



### XIII. INFORMATION WITH RESPECT TO GROUP COMPANIES

(A) The following are the Group Companies with respect to the Company in terms of Regulation 2(1)(t) of ICDR Regulations

(i) **Apollo Tyres Limited**

Date of Incorporation: September 28, 1972

CIN: L25111KL1972PLC002449

Registered Office: 3<sup>rd</sup> Floor, Areekal Mansion, Panampilly Nagar, Kochi- 682036

Nature of Business / Objects / Activities: Manufacturing of Tyres (To manufacture, produce, prepare, press, vulcanise, repair, retread and generally to carry on business of manufacturer in tyres for different types of vehicles.)

Listed / Unlisted: Listed

Date of Listing: BSE- January 5, 1976; NSE-May 31, 1995

Financial Information: As per the audited financial statements for financial year ended March 31, 2019, March 31, 2018 and March 31, 2017 the material financial information for the group company is as follows:

(Rs. in Million)						
Financial Year	Equity Capital	Reserves (excluding revaluation reserves)	Sales	Profit after Tax	Earnings per Share / Diluted earnings per Share	Net Asset Value
2018-19	572.05	75,808.34	120,896	5,921	Basic & Diluted 10.35	1,09,998.39
2017-18	572.05	72,002.84	101,332	6,224	Basic & Diluted 11.55	1,00,709.07
2016-17	509.02	52,771.65	88,167	8,028	Basic & Diluted 15.77	69,998.18

\*Net assets value = Total Assets- Current Liabilities

Exchange related Information:

Highest Market Price of share in preceding 6 months: - Rs 227.65 (April, 2019)

Lowest Market Price of share in preceding 6 months: Rs144.05 (August, 2019)

Public Issues / Rights Issues:

Public Issue made during preceding 3 years: Qualified Institutional Buyers (QIB)

For details please refer to page 158 of this Information Memorandum

Rights Issue made during preceding 3 years: NA

Material Litigation: The following are the details of pending litigation involving ATL which have a material impact on the Company

Proceedings under FEMA





The Directorate of Enforcement issued show cause notices to ATL and certain officers of ATL, on the ground that ATL acquired and remitted foreign exchange for purposes of import but failed to submit bills of entry as evidence of import to the authorized dealer. The Directorate of Enforcement imposed penalties of an aggregate of Rs. 3.70 million on ATL, and Rs. 0.33 million on ATL. The Special Director, Directorate of Enforcement, New Delhi, by order dated October 22, 2003, reduced penalty to ₹ 0.10 million on ATL and imposing penalty of Rs. 25,000 each, on its Promoter and Managing Director, Mr. Onkar S. Kanwar and one of its employees, Mr. N. Raju. ATL, Mr. Onkar S. Kanwar and Mr. N. Raju filed separate appeals before the Appellate Tribunal for Foreign Exchange, which dismissed these appeals by order dated February 10, 2009. ATL Mr. Onkar S. Kanwar and Mr. N. Raju filed appeals in the High Court of Kerala, which stayed the Appellate Tribunal's order. Case pending at the High Court for final adjudication.

The Directorate of Enforcement, New Delhi, by order dated April 4, 2008, imposed penalty of ₹ 0.30 million on ATL and ₹ 0.10 million on ATL Promoter and Managing Director, Mr. Onkar S. Kanwar, for not producing evidence of import of goods. ATL and Mr. Onkar S. Kanwar filed separate appeals before the Appellate Tribunal for Foreign Exchange, which dismissed both appeals by order dated September 18, 2008. ATL and Mr. Onkar S. Kanwar filed appeals in the High Court of Kerala, which stayed the Appellate Tribunal's order. These matters are currently pending.

Proceedings under the Competition Act

The Assistant Director, CCI issued an order dated June 24, 2014 directing the Director General to investigate and determine whether there was any agreement or collusion among certain tyre manufacturing companies including ATL ("Tyre Manufacturers") and the role of ATMA in such alleged agreement or collusion. It was primarily alleged that an increase in the price of rubber over regular periods led to a corresponding increase in the price of tyres; however, a decrease in the price of rubber did not have a corresponding decrease in the price of tyres. The Tyre Manufacturers justified this on the basis that while the price of rubber decreased, the prices of other key raw materials significantly increased. The Additional Director General pursuant to the order of the CCI, thereafter issued certain notices to ATL Company requiring it to furnish certain details including among others, ATLs brief profile, ATL share prices from 2009 to 2014 and ATL market share in India from 2009 to 2014, to which ATL has responded from time to time. Final hearing completed and matter pending for final order which is subject to vacation of stay on pronouncing of order by CCI given by Division Bench of Madras High Court on an appeal filed by MRF Ltd.

(ii) **Premedium Pharmaceuticals Private Limited**

Date of Incorporation: 9<sup>th</sup> October 2018

CIN :- U24200DL2018PTC340319

Registered Office: Plot No. 14, Sector - 20, Dwarka Delhi South West Delhi DL 110075

Old: 207 suchet Chambers, 1224/5 Bank Street, Karol Bagh, New Delhi - 110005

Nature of Business / Objects / Activities: Manufacturing of Medicines

Listed / Unlisted: Unlisted

Date of Listing: NA

**Financial Information:**

As per the audited financial statements for financial year ended March 31, 2019, the material financial information for the group company is as follows:



(Rs in Lakh)

Financial Year	Equity Capital	Reserves (excluding revaluation reserves)	Sales	Profit after Tax	Earnings per Share / Diluted earnings per Share	Net Asset Value*
2018-19	1001.00	-114.16	44.76	-114.16	Basic & Diluted -3.02	889.03

\*Net assets value = Total Assets- Current Liabilities

Exchange related Information:

Highest Market Price of share in preceding 6 months: NA  
Lowest Market Price of share in preceding 6 months: NA

Public Issues / Rights Issues:

Public Issue made during preceding 3 years: Nil  
Rights Issue made during preceding 3 years: 06.02.2019 allotment of Equity shares - 10000000 to Classic Auto Tube Limited of Rs. 10/- each.

**(iii) Swaranganga Consultants Private Limited**

Date of Incorporation: 08/10/1998  
CIN: - U74140DL1998PTC096580  
Registered Office: Plot No. 14 Sector 20, Dwarka New Delhi South West Delhi -110075  
Nature of Business / Objects / Activities: Business Consultancy  
Listed / Unlisted: Unlisted Company  
Date of Listing: Not Applicable

Financial Information:

As per the audited financial statements for financial year ended March 31, 2019, March 31, 2018 and March 31, 2017 the material financial information for the group company is as follows:

(Rs in Million)

Financial Year	Equity Capital	Reserves (excluding revaluation reserves)	Sales	Profit after Tax	Earnings per Share / Diluted earnings per Share	Net Asset Value*
2018-19	58.02	263.03	-	17.03	2.94	537.85
2017-18	58.02	246.00	-	6.99	4.45	528.32
2016-17	58.02	239.00	-	19.155	3.30	536.85

\*Net assets value = Total Assets- Current Liabilities

Exchange related Information:

If the Group Company is a Listed Company to include the following as well  
Highest Market Price of share in preceding 6 months: N.A  
Lowest Market Price of share in preceding 6 months: N.A

Public Issues / Rights Issues:



Public Issue made during preceding 3 years: N.A / NIL

Rights Issue made during preceding 3 years: N.A

**Capital issue by Company / other listed Group Companies / Associates**

The following are the listed Group Companies and Associates of the Company who have made a capital issue during the last three years:

Name of Entity	Type of Issue	Year of Issue	Amount of Issue	Date of Closure of Issue	Date of allotment	Date of credit of securities to demat account	Date of completion of Project where object of issue was to finance the Project	Rate of dividend paid
Apollo Tyres Ltd	QIP	2017	Rs 15,000 Million	October 6, 2017	October 10, 2017	October 11, 2017	NA (The Net Proceeds of the Issue were not proposed to be utilized towards any specific project)	300% (for FY2017-18)

(B) Significant Adverse Factors

- (i) None of the Group Companies is a 'sick company' within the meaning of the Sick Industrial Companies (Special Provisions) Act, 1995 or is under winding up/insolvency proceedings.
- (ii) None of the Group Companies is a loss making entity in terms of its audited financial statements for the year ended March 31, 2019.

(C) Defunct Companies

None of the Group Companies is defunct and for which application has been made to the Registrar of Companies for striking its name off in the immediately preceding five years.

(D) Common Pursuits

The Company has entered into a transaction with Premedium Pharmaceuticals Private Limited for purchasing the medicine in the ordinary course of business and on arm length basis. Also, the Company has entered into a lease agreement with Swarnganga Consultants Private Limited for using its office as registered office of the Company.



#### XIV. REGULATORY AND STATUTORY DISCLOSURES

##### **Authority for the Scheme**

The NCLT, Delhi vide its order dated September 30, 2019 has approved the Composite Scheme between AHSL, AEL, AGLSL and the Company and their respective shareholders and creditors. Pursuant to the Composite Scheme, AHSL and AEL will merge into AGLSL which thereafter merges into the Company. The effective date of the Composite Scheme is October 14, 2019. The Company has vide the resolution passed by its Board of Directors on October 26, 2019 allotted 1 Equity Share of the Company against 5 equity shares of AGLSL to the shareholders of AGLSL as on the record date, October 25, 2019.

In accordance with the Composite Scheme, the Equity Shares of the Company issued pursuant to the Composite Scheme shall be listed and admitted to trading on BSE and NSE. Such admission and listing is not automatic and will be subject to fulfillment by the Company of the listing criteria of BSE and NSE for such issues and also subject to such other terms and conditions as may be prescribed by BSE and NSE at the time of the application by the Company seeking listing.

##### **Prohibition by SEBI**

The Company, its Promoters, Promoter Group Entities, Directors, Group Companies, or the natural persons behind the body corporate in the foregoing, are not prohibited from accessing the capital markets or debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any other jurisdiction or any other authority/court.

Further, none of the Directors or Promoters is a director or promoter of any other company which is currently debarred from accessing the capital markets by SEBI.

##### **Compliance with Companies (Significant Beneficial Ownership) Rules, 2018**

The Company, the Promoters and the members of the Company's Promoter Group are in compliance with the Companies (Significant Beneficial Ownership) Rules, 2018, to the extent applicable.

##### **Fugitive Economic Offences**

None of the Promoters or Directors is declared a fugitive economic offender under section 12 of the Fugitive Economic Offenders Act, 2018.

##### **Association with the Securities Market**

None of the Directors are associated with the securities market in any manner. No action has been initiated by SEBI against any of the Directors in the past 5 years preceding the date of this Information Memorandum.

##### **Identification as willful defaulter**

The Company, Promoters and Directors have not been identified as willful defaulters by any bank and/or financial institution in accordance with the guidelines on willful defaulters issued by the RBI.

##### **Eligibility Criteria**

There being no initial public offering or rights issue, the eligibility criteria of SEBI ICDR Regulations do not become applicable. The Company vide letter dated January 10, 2020 has been granted exemption from compliance with Rule 19(2)(b) of SCRR under Rule 19(7) of SCRR from SEBI.

The Company has submitted the draft information memorandum and this Information Memorandum, containing information about itself, making disclosures in line with the disclosure requirement for public issues, as applicable to BSE and NSE for making this Information Memorandum available to public through their websites viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

The Company has made this Information Memorandum available on its website viz. [www.artemishospitals.com](http://www.artemishospitals.com)



The Company has on January 15, 2020 published an advertisement in the newspapers containing its details in line with the SEBI Circular with the details required as in terms of Annexure A Part III(A) para 2(5) of the said circular. The advertisement has drawn specific reference to the availability of this Information Memorandum on the Company's website.

#### **Disclaimers**

IT IS TO BE DISTINCTLY UNDERSTOOD THAT THE SUBMISSION OF THIS INFORMATION MEMORANDUM TO SEBI SHOULD NOT IN ANY WAY BE DEEMED OR BE CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. THE EQUITY SHARES HAVE NOT BEEN RECOMMENDED OR APPROVED BY SEBI NOR DOES SEBI GUARANTEE THE ACCURACY OR ADEQUACY OF THIS INFORMATION MEMORANDUM, OR THE FINANCIAL SOUNDNESS OF THE INVESTMENT IN THE EQUITY SHARES OR THE CORRECTNESS OF ANY STATEMENTS SET OUT IN THIS INFORMATION MEMORANDUM.

#### **General Disclaimer of the Company**

The Company accepts no responsibility for statements made otherwise than in this Information Memorandum or in the advertisement published on January 15, 2020 in terms of SEBI Circular with the details required as in terms of Annexure A Part III(A) para 2(5) of the said circular or any other material issued by or at the instance of the Company and anyone placing reliance on any other source of information would be doing so at his or her own risk. All information shall be made available by the Company 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."

#### **Disclaimer in respect of Jurisdiction**

Exclusive jurisdiction for the purpose of this Information Memorandum is with the competent courts/authorities in New Delhi, India.

#### **Disclaimer Clause of the BSE**

BSE *vide* its letter dated September 5, 2018 approved the Composite Scheme under Regulation 37 of the LODR and by virtue of the said approval, BSE's name has been included in this Information Memorandum as one of the Stock Exchanges on which the Company's Equity Shares are proposed to be listed. As required, a copy of this Information Memorandum has been submitted to BSE.

#### **Disclaimer Clause of the NSE**

NSE has *vide* its letter dated September 14, 2018 approved the Composite Scheme under Regulation 37 of the LODR and by virtue of the said approval, NSE's name is included in this Information Memorandum as one of the stock exchanges on which this Company's Equity Shares are proposed to be listed. As required, a copy of this Information Memorandum has been submitted to NSE.

#### **Listing**

Application has been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares of the Company. The Company has nominated BSE Limited as the Designated Stock Exchange for the aforesaid listing of Equity Shares. The Company shall ensure that all steps for the completion of necessary formalities for listing and commencement of trading at BSE and NSE within such period as approved by SEBI.

#### **Listing Approval from BSE and NSE**

The Company has received in-principle listing approvals from BSE and NSE *vide* letter dated December 19, 2019 and December 09, 2019 respectively, and has also received *vide* letter dated January 10, 2020 [•] exemption from compliance with Rule 19(2)(b) of SCRR under Rule 19(7) of SCRR from SEBI.

#### **Demat Credit**



The Company has executed a Tripartite Agreement with the Depositories i.e. NSDL and CDSL dated 15<sup>th</sup> July 2014 and 16<sup>th</sup> October, 2019 for admitting its Equity Shares in demat form. The Company has been allotted the ISIN Number INE025R01013.

#### Expert Opinions

Save as stated elsewhere in this Information Memorandum, the Company has not obtained any expert opinions.

#### Dispatch of Share Certificates

In accordance with the Composite Scheme, new Equity Shares have been issued and allotted to the shareholders of AGLSL as on the Record Date i.e. October 25, 2019. The Company has dispatched the physical share certificates to such shareholders of AGLSL in physical form and credited the new Equity Shares to depository participant accounts of such shareholders of AGLSL on 30/10/2019.

#### Previous Rights and Public Issues

The Company has not made any public issue since its incorporation.

The Company has not made any rights issue in the past 5 (five) years.

#### Commission and Brokerage on previous issues

Since the Company has not issued shares to the public in the past, no sum has been paid or has been payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the past 5 years.

#### Capital issue by Company / other listed Group Companies / Associates

The following are the listed Group Companies and Associates of the Company who have made a capital issue during the last three years:

Name of Entity	Type of Issue	Year of Issue	Amount of Issue	Date of Closure of Issue	Date of allotment	Date of credit of securities to demat account	Date of completion of Project where object of issue was to finance the Project	Rate of dividend paid
Apollo Tyres Ltd	QIP	2017	Rs 15,000 Million	October 6, 2017	October 10, 2017	October 11, 2017	NA (The Net Proceeds of the Issue were not proposed to be utilized towards any specific project)	300% (for FY2017-18)

#### Promise vis-à-vis Performance - Company

This is for the first time the Company is getting listed on any Stock Exchange.

#### Promise vis-à-vis Performance – Listed Subsidiaries and Listed Promoters

Not Applicable as only private placement.



### Outstanding Debenture or Bonds and Redeemable Preference Shares and Other Instruments Issued by the Company

Type of Securities	Number of Securities	Holder of Securities	Terms of Securities
Nil	Nil	Nil	Nil

### Stock Market Data for Equity Shares of the Company

Equity Shares of the Company are not listed on any Stock Exchange. The Company is seeking approval for listing of its Equity Shares through this Information Memorandum.

### Redressal of Investor Grievances

The Company has the following platforms for addressing investors' grievances:

- Email id: investor@artemishospitals.com
- SCORES: Shareholders can express their grievances by sending mails to above mail id or raise complaints in SCORES (Common Portal introduced by SEBI)

Shareholders can express their grievances by sending mails to above e-mail id or raise complaints in SCORES (common portal introduced by SEBI). The Company is currently in the process of activating its SCORES portal, and hence submitted the requisite application modalities with SEBI. Further, the Shareholders can also raise their grievances with the Company Secretary and Compliance Officer.

### Company Secretary and Compliance Officer

Mr. Rakesh Kumar Kaushik is the Company Secretary and Compliance Officer the Company. His contact details are as follows:

Address: Artemis Hospital, Sector-51, Gurugram-122001, Haryana

Tel: 0124 4807180

E-mail: rakesh.kaushik@artemishospitals.com

As on the date of this Information Memorandum, the Company has not received any investor complaints since incorporation.

### Auditors

The auditors of the Company are M/s SCV & Co. LLP, Chartered Accountants, New Delhi (FRN: 000235N/N500089). The following changes in the auditors have been made during the last three years.



Name	Date of Appointment	Date of Removal	Reasons for Removal
M/s S.P. Puri & Co. Chartered Accountants, New Delhi (FRN:001152N) ("SPP")	12 <sup>th</sup> September 2014	SPP ceased to exist w.e.f 01 <sup>st</sup> April 2018	Merger of SPP with and into M/s SCV & Co., Chartered Accountants, New Delhi (FRN:000235N)
M/s SCV & Co., Chartered Accountants, New Delhi (FRN:000235N)	25 <sup>th</sup> April 2018 to hold office till conclusion of 14 <sup>th</sup> AGM which was held on 03 <sup>rd</sup> August 2018	On conclusion of 14 <sup>th</sup> AGM which was held on 03 <sup>rd</sup> August 2018	Expiry of tenure of appointment in Casual vacancy
M/s SCV & Co. LLP, Chartered Accountants, New Delhi, (FRN:000235N/N500089)	03 <sup>rd</sup> August 2018	-	-

\*\*Note: Members of the Company at their 10<sup>th</sup> AGM held on 12<sup>th</sup> September 2014 appointed SPP to hold the office until the conclusion of the 15<sup>th</sup> AGM.

SPP informed the Company vide a letter dated 18<sup>th</sup> April 2018 that consequent to a merger of SPP with and into M/s SCV & Co., Chartered Accountants, New Delhi (FRN:000235N), SPP ceased to exist w.e.f. 01<sup>st</sup> April 2018 and thereafter a casual vacancy arose in the office of Auditor of the Company which was filled by the Board of Directors on 25<sup>th</sup> April 2018 through the appointment of M/s SCV & Co., Chartered Accountants, New Delhi as Statutory Auditors of the Company to hold the office till the conclusion of 14<sup>th</sup> AGM which was to be conducted in year 2018.

Members of the Company at their 14<sup>th</sup> AGM held on 03<sup>rd</sup> August 2018 appointed M/s SCV & Co., Chartered Accountants, New Delhi and now presently known as M/s SCV & Co. LLP, Chartered Accountants, New Delhi, (FRN:000235N/N500089) as Statutory Auditor for a period of three consecutive years i.e, till the conclusion of 17<sup>th</sup> AGM of the Company.

#### Capitalisation of Reserves / Profits

The Company has not capitalised any profits / reserves during the last five years.

#### Revaluation of Assets

During FY 2015-16, the Company has revalued its land based on the then current market price determined by an approved valuer. This has resulted in increase in the book value of fixed assets by Rs 6,58,90,000/-.





XV. **MAIN PROVISIONS OF ARTICLES OF ASSOCIATION**

The important provisions of the articles of association of the Company are reproduced below:

**ARTICLES OF ASSOCIATION**  
**OF**  
**ARTEMIS MEDICARE SERVICES LIMITED**  
**(COMPANY LIMITED BY SHARES)**  
**(Incorporated under the Companies Act, 1956)**

The Regulations comprised in these Articles of Association were adopted pursuant to special resolution passed by the members in their 12<sup>th</sup> Annual General Meeting of the Company dated 5th August, 2016, in substitution for, and to the entire exclusion of, the earlier Regulations comprised in the existing Articles of Association of the Company.

1.	The Regulations contained in Table "F" in the Schedule I of the Companies Act, 2013, shall not apply to the Company, except in so far as the same are repeated, contained, or expressly made applicable in these Articles or by the said Act.  The marginal notes used in these Articles shall not affect the construction thereof.		Table F not to apply
2.	In the Interpretation of these Articles, the following words and expressions shall have the following meanings assigned there under, unless repugnant to the subject matter or context thereof and the Companies Act for the time being in force and as may be amended from time to time.  <b>INTERPRETATION</b>		Definitions
1.	"Act" means the Companies Act, 2013, and includes where the context so admits any re-enactment or statutory modification thereof for the time being in force.		"Act"
II.	"Articles" means the Articles of Association as originally framed or as altered from time to time in accordance with the provisions of the Act.		"Articles"
III.	"Applicable Law" means the Act, and as appropriate, includes any statute, law, regulation, ordinance, rule, judgment, order, decree, bye-law, clearance, directive, guideline, policy, requirement, notifications and clarifications or other		"Applicable Law"



	governmental instruction or any similar form of decision of, or determination by, or any interpretation or administration having the force of law of any of the foregoing, by any governmental authority having jurisdiction over the matter in question or mandatory standards as may be applicable from time to time.		
IV.	"Board of Directors" or "The Board" means the collective body of the directors of the Company as defined under section 2(10) of the Companies Act, 2013.		"Board of Directors" or "The Board"
V.	"Chairperson" or "Chairman" shall mean the Person who acts as chair to any meeting of the Company or the Chairman of the Company, named as such.		"Chairperson" or "Chairman"
VI.	"Committee" means any committee of the Board of Directors of the Company formed as per the requirements of Applicable Law or for any other purpose as the Board may deem fit.		"Committee"
VII.	"CEO" means an officer of a Company, who has been designated as such by the Company		"CEO"
VIII.	"Company" means ARTEMIS MEDICARE SERVICES LIMITED.		"Company"
IX.	"Dividend" includes interim dividend.		"Dividend"
X.	"Financial Controller" or "CFO" means a person designated as the Financial Controller or the Chief Financial Officer of the Company.		"Financial Controller" or "CFO"
XI.	"Financial Year" - period ending on the 31 <sup>st</sup> day of March every year, and where it has been incorporated on or after the 1st day of January of a year, the period ending on the 31 <sup>st</sup> day of March of the following year.		"Financial Year"
XII.	"In writing or written" means and include printing, typing, lithographing, computer mode and other modes of reproducing words in visible form.		"In writing or written"
XIII.	"Month" means a calendar month.		"Month"
XIV.	"Persons" means and includes any artificial juridical person, corporations or such other entities as are entitled to hold property in their own name.		"Persons"
XV.	"Register of Members" means the register of members to be kept and maintained in such form and such manner as may be prescribed by the Act.		"Register of Members"
XVI.	"Rules" means the applicable rules for the time being in force as prescribed under relevant sections of the Act.		"Rules"



XVII.	"Seal" means the Common Seal of the Company.	"Seal"
XVIII.	"Secretary" or "Company Secretary" shall have the same meaning assigned to such term under Section 2(24) of the Act and means the Secretary for the time being of the Company and includes an Acting Secretary.	"Secretary" or "Company Secretary"
XIX.	"Section" means the relevant section of the Act; and shall, in case of any modification or re-enactment of the Act shall be deemed to refer to any corresponding provision of the Act as so modified or re-enacted.	"Section"
XX.	"Total Strength" means the total strength of the Board of Directors of the Company as determined in pursuance of the Act after deducting, if any, those whose places may be vacant at the time.	"Total Strength"
XXI.	"Year" means the English calendar year.	"Year"
XXII.	Words importing the singular number include the plural number and vice versa and words importing the masculine gender also include feminine gender. Words importing persons include Corporations as well as individuals. .  In the interpretation of these Articles, the following expressions shall have meaning written hereunder, unless repugnant to the subject or context.  Save as defined in these Articles, any word(s) or expression(s) defined in the Act shall, if not inconsistent with the subject or context, bear the same meaning so far as these Articles are concerned.	"Singular"
3.	The intention of these Articles is to be in consonance with the contemporary rules and regulations prevailing in India. If there is an amendment in any Act, rules and regulations allowing what were not previously allowed under the statute, the Articles herein shall be deemed to have been amended to the extent that Articles will not be capable of restricting what has been allowed by the Act by virtue of an amendment subsequent to registration of the Articles.	Articles to be Contemporary in nature.
<b>SHARE CAPITAL</b>		
4.	A)The Authorised Share Capital of the Company is as mentioned in Clause V of the Memorandum of Association of the Company including amendments thereto, if any, with power to increase or reduce the Share capital with the rights, privileges and conditions, attaching thereto as are provided by the Articles of Association of the Company for the time being, with power to divide the Share in the capital for the	Share Capital



	<p>time being into such preferential, qualified to special rights, privileges or conditions as may be determined by or in accordance with the Articles of Association of the Company for the time being and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may be permitted by Act or statutory modification thereof or provided by the Articles of Association of the Company for the time being.</p> <p>The Company shall be entitled to dematerialize its existing shares, reconvert its shares held by the Depositories electronically to physical form and/or to offer its fresh shares in physical form or electronic form pursuant to the Depositories Act, 1996 and the rules framed thereunder, if any.</p> <p>B) Subject to the provisions of the Act and of these Articles, the shares in the subscribed capital of the Company for the time being (including any shares forming part of any increased Capital of the Company) and other securities of the Company shall be under the control of the Directors who may allot or otherwise dispose of the same or any of them to such persons, in such proportion and on such terms and conditions and either at a premium or at par and at such time as they may from time to time think fit and proper and with full power to give to any person the option to be allotted shares of the Company either at par or at a premium, such option being exercisable at such times and for such consideration as the Directors may think fit. Provided that the option or right for the allotment of shares shall not be given to any person or persons without the sanction of Company in General Meeting.</p>		<p>Shares under the control of the Directors</p>
<p>5.</p>	<p>Subject to the provisions of the Act and other applicable laws, the further issue of shares by the Board or the Company, as the case may be, shall be made to:-</p> <ul style="list-style-type: none"> <li>(a) persons who, at the date of offer, are holders of equity shares of the Company; such offer 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; or</li> <li>(b) employees under any scheme of employees' stock option; or</li> <li>(c) any persons, whether or not those persons include the persons referred to in clause (a) or clause (b) above.</li> </ul>		<p>Further issue of Capital</p>
<p>6.</p>	<p>The rights conferred upon the holders of the shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the shares of that class, be deemed to be varied by the creation or issue of further shares ranking <i>pari-passu</i> therewith.</p>		<p>Further Issue of Shares rank <i>pari-passu</i> unless otherwise specified.</p>



7.	Subject to and in accordance with the Act and other applicable laws, the Company may issue further shares and other securities including depository receipts in any manner whatsoever as the Board may determine including by way of preferential offer or private placement or any other permitted manner.	Mode of further issue of shares and other securities
8.	Subject to the provisions of the Act and these Articles, the Directors may allot and issue shares in the capital of the Company as payment or part- payment for any property or assets of any kind whatsoever, sold or to be sold or transferred or to be transferred, or for goods or machinery supplied or to be supplied or for services rendered or to be rendered or for technical assistance or know-how made or to be made available to the Company or for the conduct of its business and shares which may be so allotted may be issued as fully or partly paid-up otherwise than in cash and if so issued, shall be deemed to be fully or partly paid as the case may be.	Allotment otherwise than for cash
9.	The share capital of the company shall comprise of the following kinds of shares in accordance with these Articles, the Act and other applicable laws:- a) Equity share capital with voting rights and / or with differential rights as regards dividend, voting or otherwise as per applicable provisions b) Preference Share Capital.	Kinds of Share Capital
10.	Subject to the provisions of the Act, the Board shall have the power to issue/re-issue preference shares of one or more classes which are liable to be redeemed or converted to equity shares, on such terms and conditions and in such manner as may be determined by the Board.	Power to issue Redeemable Preference Shares
11.	Such shares shall be redeemed shares only on the terms on which they were issued or as varied after due approval of preference shareholders under Section 48 of the Act and in due compliance with section 55 of the Act and other Applicable Law, if any.	Redemption of Preference Shares
12.	If at any time the share capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of Sections 106 and 107 of Companies Act, 1956 or corresponding Section 48 as may be applicable, and whether or not the company is being wound-up, 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 a special resolution passed at a separate meeting of the holders of the Shares of that class.	Rights of shareholders when shares are divided into different classes
13.	A person subscribing to shares offered by the Company shall have the option either to receive certificates for such shares or hold the shares in a dematerialized state with a depository. Where a person opts to hold any share with the depository, the Company shall intimate such depository the details of	Share certificate or Demat account



	allotment of the share to enable the depository to enter in its records the name of such person as the beneficial owner of that share.		
14.	(1) Every person whose name is entered as a member in the register of members shall be entitled to receive within two months after allotment or within one month from the date of receipt by the Company of the application for the registration of transfer or transmission or within such other period as the terms of issue shall provide –  a) one certificate for all his shares without payment of any charges; or b) several certificates, each for one or more of his shares, upon payment of such charges as may be fixed by the Board for each certificate after the first.		Issue of certificate
	(2) Every certificate shall be under the seal and shall specify the shares to which it relates and the amount paid-up thereon.		Certificate to bear seal
	(3) In respect of any 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 for a share to one of several joint holders shall be sufficient delivery to all such holders.		One certificate for shares held jointly
15.	If any share certificate be worn out, defaced, mutilated or torn or if there be no further space on the back 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 Board deems adequate, a new certificate in lieu thereof shall be given. Every certificate under this Article shall be issued on payment of fees for each certificate as may be fixed by the Board, subject to the provisions of Act.		Issue of new certificate in place of one defaced, lost or destroyed
16.	Subject to the provisions of the Act (as may be applicable from time to time), the foregoing provisions as regard issue of certificate shall mutatis mutandis apply to issue of certificates for any other Securities including debentures, preference share etc. of the Company		Provisions as to issue of share certificate for any other Securities to apply mutatis mutandis
17.	Except as required by law or pursuant to order of Court having competent jurisdiction, the Company shall be entitled to treat the person 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 recognize (even when having notice		Company not bound to recognize any interest



	thereof) any benami, trust or equity or equitable, contingent, future or partial interest in any share, or any interest in any fractional part of share, 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.		
	UNDERWRITING AND BROKERAGE		
18.	<p>The Company may subject to the provisions of Section 40(6) of the Act read with The Companies (Prospectus and Allotment of Securities) Rules, 2014 and subject to the applicable SEBI guidelines and subject to the terms of issue of the security, as defined in the Securities Contract (Regulations) Act, 1956 and other Applicable Law, the Company may at any time pay a commission to any person in consideration of his subscribing or agreeing to subscribe or his procuring or agreeing to procure subscriptions, whether absolutely or conditionally, for any shares in or debentures of the Company but so that the amount or rate of commission does not exceed in the case of shares five per cent of the price at which the shares are issued and in the case of debentures two and a half per cent of the price at which the debentures are issued. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid shares or debentures or partly in the one way and partly in the other.</p> <p>The Company may, subject to Applicable Law, pay a reasonable and lawful sum for brokerage to any person for subscribing or procuring subscription for any Securities, at such rate as sanctioned by the Board.</p>		Commission for placing shares, debentures, securities.
	SERVICE OF NOTICES AND DOCUMENTS		
19.	<p>A notice or other document may be served or given by the company on any member either personally or sending it by post to him to his registered address or (if he has no registered address in India) to the address, if any, in India supplied by him to the Company for serving documents or notices on him or by way of any electronic transmission in accordance with Section 20 of the Act and Applicable Law made thereunder.</p> <p>A document may be served on any member by the Company by sending it to him by post or by registered post or by speed post or by courier or by delivery to his registered address or by such electronic or other mode as may be prescribed under Applicable Laws or where the shareholder has made a special request for delivery of the document through a particular mode of services, then the member shall be charged in advance equivalent to the estimated actual expenses for delivery of the documents as may be determined by the Company Secretary or any other person as may be authorised by the Board and such requisite fee shall be payable by the member to the Company at least one week in advance of the despatch of the document</p>		Notices to be given to members



	and thereafter no such request shall be entertained by the Company.		
	MODIFICATION/VARIATION OF RIGHTS		
20.	If at any time the share capital is divided into different classes the rights attached to any class of shares (unless otherwise provided by the terms of issue of the shares of that class) may, subject to the provisions of Section 48 of the Companies Act 2013 , be modified, commuted, affected, abrogated or varied (whether or not the Company is being wound up) with the consent in writing of such number of the holders of the issued shares of that class, or with the sanction of a resolution passed at a separate meeting of the holders of that class of shares as prescribed by the Act.		Variation of rights of any class of shares
21.	To every such separate meeting, all the provisions hereinafter contained as to General Meetings shall <i>mutatis mutandis</i> apply to every such meeting.		Provisions of General Meeting to be applicable to separate meetings
	LIEN		
22.	<p>i) The Company shall have a first and paramount lien—</p> <p>(a) on every share (not being a fully paid share), for all monies (whether presently payable or not) called, or payable at a fixed time, in respect of that share; and</p> <p>(b) on all shares (not being fully paid shares) standing registered in the name of a single person, for all monies presently payable by him or his estate to the company:</p> <p>Provided that the Board of directors may at any time declare any share to be wholly or in part exempt from the provisions of this clause.</p>		Lien on Shares
23.	The Company's lien, if any, on a share shall extend to all dividends or interests, as the case may be, payable and bonuses declared from time to time in respect of such shares for any money owed to the Company.		Additional Lien on Dividend, Bonus etc.
24.	Unless otherwise agreed by the Board, the registration of a transfer of shares shall operate as a waiver of the Company's lien.		Waiver of Lien
25.	For the purpose of enforcing such lien, the Board of Directors may sell the shares subject thereto in such manner as they think fit and for that purpose may cause to be issued a duplicate certificate in respect of such shares and authorize one of the Directors or some other person to execute a transfer thereof on behalf of and in the name of such member. No such sale shall be made until such time as the moneys in respect of which such lien exists or some part thereof is presently payable or the		Enforcement of Lien





	liability in respect of which such lien exists is liable to be presently fulfilled or discharged and until notice in writing of the intention to sell shall have been served on such Member, or his heirs, executors, administrators, or other representatives or upon the persons (if any) entitled by transmission to the shares of any one or more of such heirs, executors, administrators, representatives or persons and default shall have been made by him or them in payment, fulfillment or discharge of such debts, liabilities or engagements for fourteen (14) days after such notice.		
26.	The net proceeds of any such sale after payment of the costs of such sale shall be applied in or towards the satisfaction of such debts, liabilities or engagements of such Member and 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 such member or the person, if any, entitled by transmission to the shares so sold.		Application of proceeds of sale
27.	The person to whom such share is sold or disposed off, may be registered as the holder of the share(s) and he shall not be bound to see to the application of the consideration, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings with reference to the sale or other disposal of the share and after his name has been entered in the Register of Members in respect of such share, the validity of the sale shall not be impeached by any person.		Title of Purchaser
28.	In exercising its lien, the Company shall be entitled to treat the registered holder of any share as the absolute owner thereof and accordingly shall not (except as ordered by a court of competent jurisdiction or unless required by any statute) be bound to recognize any equitable or other claim to, or interest in, such share on the part of any other person, whether a creditor of the registered holder or otherwise. The Company's lien shall prevail notwithstanding that it has received notice of any such claim.		Company Lien to paramount
29.	Unless otherwise provided under the Act, the provisions of these Articles shall mutatis mutandis apply to the lien on other Securities including debentures of the Company.		Provisions as regard lien on other securities
	CALLS ON SHARES		
30.	The Board may, from time to time, make calls upon the members in respect of any monies unpaid on their shares (whether on account of the nominal value of the shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.		Board may make calls
31.	Subject to the provision of the Act, atleast a fourteen (14) days notice in writing of any calls shall be given by the		Notice of Call



	Company specifying the time and place of payment and the person(s) to whom such call be paid.		
32.	A call may be revoked or postponed at the discretion of the Board.		Calls may be revoked or Postponed.
33.	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 payment for all or any of the Members as it may deem appropriate in any circumstance.		Board may extend time for payment of Call
34.	A call shall be deemed to have been made at the time when the resolution of the Board authorizing such call was passed and may be required to be paid by way of installments.		Calls to date from resolution
35.	The joint holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.		Liability of joint holders
36.	If the sum payable in respect of any call or installment be not paid on or before the day appointed for payment thereof, the holder for the time being or allottee of the Security in respect of which a call shall have been made or the installment shall be due shall pay interest on the same, at such rate as determined by the Board subject to the provisions of the Act.		When interest on call or installment payable
37.	The Board shall be at liberty to waive payment of any such interest wholly or in part.		Board may waive interest
38.	Any sum which by the terms of issue of a share becomes payable on allotment or at any fixed date or by installments at 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 such sum becomes payable by the registered holder of the share or the legal representative of a deceased registered holder.		Sum payable in installments or at fixed date deemed Calls
39.	In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.		Case of Non-Payment of Sums
40.	No Member shall be entitled to exercise any voting rights either personally or by proxy at any meeting of the Company 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.		No Voting right when calls in arrears



41.	<p>The Board -</p> <p>a) may, if it thinks fit, receive from any member willing to advance the same, all or any part of the monies uncalled and unpaid upon any shares held by him; and</p> <p>b) upon all or any of the monies so advanced, may (until the same would, but for such advance, become presently payable) pay interest at such rate as may be fixed by the Board.</p> <p>c) Nothing contained in this clause shall confer on the member (a) any right to participate in profits or dividends or (b) any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable by him.</p>	Prepayment of Calls, interest and rights thereof
42.	<p>Neither a judgment nor a decree in favour of the Company for calls or other moneys due in respect of any shares 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 Member in respect of any shares either by way of principal or interest nor any indulgence granted by the Company in respect of the payment of any money shall preclude the forfeiture of such shares as hereinafter provided.</p>	Judgment, decree or partial payment not to preclude forfeiture
43.	<p>On the trial or hearing of any action or suit brought by the Company against any Member or his 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 Member in respect of whose shares the money is sought to be recovered, appears /entered on the Register of Members as the holder, at or subsequently to the date at which the money sought to be recovered is alleged to have become due, of the shares in respect of which such money is sought to be recovered; that the resolution making the call is duly recorded in the minute book; and that notice of such call was duly given to the Member or his representatives issued in pursuance of these presents; and the proof of the matters aforesaid shall be conclusive evidence of the debt. 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 as made was duly convened or constituted nor any other matter whatsoever.</p>	Proof on trial of suit
44.	<p>The foregoing provisions of Articles as regard calls shall mutatis mutandis apply to other securities including debentures of the Company.</p>	Provisions as regard calls on other securities



TRANSFER OF SHARES			
45.	The instrument of transfer of any share and other securities in the Company shall be in such form as prescribed under the Act. The aforesaid securities transfer form shall be executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain the holder of such shares until the name of the transferee is entered in the Register of Members in respect thereof. 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 and fungible form in a Depository, the provisions of the Depositories Act shall apply.		Instrument of Transfer
46.	The Board may, subject to the right of appeal conferred by the Act and other Applicable Laws, decline to register - (a) the transfer of a share, not being a fully paid share, to a person of whom they do not approve; or (b) any transfer of shares on which the Company has a lien.		Refusal by Board to register transfer
47.	In case of shares held in physical form, the Board may decline to recognize any instrument of transfer unless - (a) the instrument of transfer is duly executed and is in the form as prescribed under the Act; (b) the instrument of transfer is accompanied by the certificate of the shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and (c) the instrument of transfer is in respect of only one class of shares.		Instrument of Transfer
47A	*Provided that the registration of a transfer shall not be refused on the grounds of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever.		
48.	On giving of previous notice of at least seven days or such period as may be prescribed under the Act, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine.  Provided that such registration shall not be suspended for more than thirty days at any one time or for more than forty five days in the aggregate in any year.		Closure of register of members or record date.
49.	The foregoing provisions of Articles as regard transfers of shares shall, mutatis mutandis, apply to other securities including debentures of the Company.		Provisions as regard transfer on other securities
NOMINATION			



50.	<p>a) Every security holder of the Company, may at any time, nominate, in the prescribed manner, a person to whom his securities of the Company shall vest in the event of his death.</p> <p>b) Where the securities of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner, a person to whom all the rights in the securities of the Company shall vest in the event of death of all the joint holders.</p> <p>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 such securities of the company, where a nomination made in the prescribed manner purports to confer on any person the right to vest the securities of the Company, the nominee shall, on the death of the security-holder or joint security-holders, become entitled to all the rights in such security in relation to such security, to the exclusion of all other persons, unless the nomination is varied, cancelled in the prescribed manner.</p>		Nomination
<i>*Amended by the Members in the Annual General Meeting held on 26<sup>th</sup> August 2019</i>			
	<p>d) Where the nominee is a minor, it shall be lawful for the holder of the security, to make the nomination to appoint in the prescribed manner, any person to become entitled to security of the Company, in the event of his death, during the minority.</p>		
TRANSMISSION OF SHARES			
51.	<p>On the death of a member, the survivor or survivors where the member was a joint holder, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only persons recognized by the Company as having any title to his interest in the shares.</p>		Title to shares on death of a member
52.	<p>(i) Any person becoming entitled to a share in consequence of the death or insolvency of a member may, upon such evidence being produced as may from time to time properly be required by the Board and subject as hereinafter provided, elect, either—</p> <p>(a) to be registered himself as holder of the share; or</p> <p>(b) to make such transfer of the share as the deceased or insolvent member could have made.</p> <p>ii) The Board shall, in either case, have the same right to</p>		Transmission of Shares



	decline or suspend registration as it would have had, if the deceased or insolvent member had transferred the share before his death or insolvency.		Board's right unaffected
53.	The Company shall be fully indemnified by such person from all liability, if any, by actions taken by the Board to give effect to such registration or transfer.		Indemnity to the Company
54.	The Company shall incur no liability or responsibility whatsoever as a consequence of it 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 persons having or claiming any equitable right, title or interest to or in the said shares, notwithstanding that the Company may have had notice of such equitable right, title or interest or may have received a notice prohibiting registration of such transfer and may have entered such notice or referred such notice 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. The Company shall nevertheless be at liberty to regard and attend to any such notice and give effect thereto, if the Directors shall so think fit.		Company not liable for notice prohibiting registration of transfer
55.	<p>a) If the person so becoming entitled shall elect to be registered as holder of the share himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects.</p> <p>b) If the person aforesaid shall elect to transfer the share, he shall testify his election by executing a transfer of the share.</p> <p>c) All the limitations, restrictions and provisions of these regulations relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the member had not occurred and the notice or transfer were a transfer signed by that member.</p>		<p>Right of Election to be registered as holder of share</p> <p>Testifying Election</p> <p>Limitations to be applicable</p>
56.	A person becoming entitled to a share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share, except that he shall not, before being registered as a member in respect of the share, be entitled in respect of it to exercise any right		Entitlements of claimant



	conferred by membership in relation to meetings of the Company. Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share, and if the notice is not complied with within ninety days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the share, until the requirements of the notice have been complied with.		
57.	The foregoing provisions of Articles as regard transmission of shares shall mutatis mutandis apply to other securities including debentures of the Company.		Provisions as regard transmission of other securities
	FORFEITURE OF SHARES		
58.	If any Member fails to pay the whole or any part of any call or installment 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, the Board may at any time thereafter during such time as the call or installment or any part thereof and other moneys remain unpaid or a judgment or decree in respect thereof remains unsatisfied in whole or in part, serve a notice on such Member or on the person, if any, entitled to the share by transmission requiring him to pay such call or installment or such part thereof or other moneys as remain unpaid together with any interest that may have accrued and all expenses (legal or otherwise) that may have been incurred by the Company by reason of such non-payment.		If call or installment not paid, notice may be given
59.	The notice shall name a day (not less than fourteen (14) days from the date of service of the notice) on or before which and the place or places at which such call, installment or such part thereof and other moneys as aforesaid and such interest and expenses as aforesaid are to be paid, and if payable to any person other than the Company, the person to whom such payment is to be made. The notice shall also state that in the event of non-payment on or before the time and if payable to any person other than the Company, at the place appointed, the shares in respect of which the call was made or installment is payable will be liable to be forfeited.		Term and Form of Notice
60.	If the requirement of any such notice as aforesaid shall not be complied with, every or any of the shares in respect of which such notice has been given, may at any time thereafter but before payment of all calls or installment, interest and expenses and other moneys due in respect thereof, 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 shares and not actually paid before the forfeiture.		In default of payment shares to be forfeited



61.	Neither the receipt by the Company for a portion of any money which may from time to time be due from any member in respect of his shares, nor any indulgence that may be granted by the Company in respect of payment of any such money, shall preclude the Company from thereafter proceeding to enforce a forfeiture in respect of such shares as herein provided. Such forfeiture shall include all dividends declared or any other moneys payable in respect of the forfeited shares and not actually paid before the forfeiture.	Receipt of part amount or grant of indulgence not to affect forfeiture
62.	When any shares shall have been so forfeited, an entry of the forfeiture with the date thereof, shall be made in the Register of Members and notice of the forfeiture shall be given to the Member in whose name it stood immediately prior to the forfeiture but no forfeiture shall be, in any manner invalidated by any omission or neglect to give such notice or to make any entry as aforesaid.	Entry of Forfeiture in Register of Members
63.	The forfeiture of a share shall involve extinction at the time of the forfeiture, of all interest in and all claims of and demands against the Company, in respect of the share and all other rights incidental to the share except only such of those rights as by these presents are expressly saved.	Effect of forfeiture
64.	Any share so forfeited shall be deemed to be the property of the Company and may be sold 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.	Forfeited shares to be property of the Company & may be sold etc.
65.	The Board may at any time before any share so forfeited shall have been sold or otherwise disposed of or re-allotted, annul the forfeiture thereof upon such conditions as they think fit.	Board may annul forfeiture
66.	A person whose shares have been forfeited shall cease to be a Member in respect of the forfeited shares but such a person shall notwithstanding such forfeiture, be liable to pay and shall forthwith pay to the Company all calls, installments, interest, 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 the payment of the whole or a portion thereof as if it were a new call made at the date of the forfeiture but shall not be under any obligation to do so.	Shareholder still liable to pay money owing at the time of forfeiture and interest
67.	The liability of such person shall cease if and when the company shall have received payment in full of all such monies in respect of the shares.	Cessation of liability
68.	a) A duly verified declaration in writing that the declarant is a	Conclusive





	<p>director, the manager or the secretary of the Company, and that a share in the Company has been duly forfeited 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 share;</p> <p>b) The Company may receive the consideration, if any, given for the share on any sale, re-allotment or disposal thereof and may execute a transfer of the share in favour of the person to whom the share is sold or disposed of;</p> <p>c) The transferee shall thereupon be registered as the holder of the share; and</p> <p>d) The transferee shall not be bound to see to the application of the purchase money, if any, nor shall his title to the share be affected by any irregularity or invalidity in the proceedings in reference to the forfeiture, sale, re-allotment or disposal of the share.</p>	<p>Evidence of forfeiture</p> <p>Title of purchaser and transferee of forfeited shares</p> <p>Transferee to be registered as holder</p> <p>Transferee not affected</p>
69.	<p>Upon any sale, re-allotment or other disposal under the provisions of the preceding Articles, the certificate(s), if any, originally issued in respect of the relative shares shall (unless the same shall on demand by the Company has been previously surrendered to it by the defaulting member) stand cancelled and become null and void and be of no effect, and the Board shall be entitled to issue a duplicate certificate(s) in respect of the said shares to the person(s) entitled thereto.</p>	<p>Cancellation of Certificate</p>
70.	<p>The Board may subject to the provisions of the Act, accept a surrender of any share from or by any member desirous of surrendering the share on such terms as they think fit.</p>	<p>Surrender of Shares</p>
71.	<p>The provisions of these foregoing regulations as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a share, becomes payable at a fixed time, whether on account of the nominal value of the share or by way of premium, as if the same had been payable by virtue of a call duly made and notified.</p>	<p>Forfeiture to apply on non- payment of any sum.</p>
72.	<p>The foregoing provisions of Articles as regard forfeiture of shares shall, mutatis mutandis, apply to other securities including debentures of the Company.</p>	<p>Provisions as regard forfeiture of other Securities.</p>
<b>ALTERATION OF CAPITAL</b>		
73.	<p>The Company may, from time to time, by ordinary resolution increase the share capital by such sum, to be divided into shares of such amount, as may be specified in the resolution. Subject to the provisions of the Act, the shares shall be issued upon such terms and conditions and with such rights and</p>	<p>Increase in Share Capital</p>



	privileges annexed thereto as the General Meeting creating the same shall direct and if no direction be given, as the Board shall determine.		
74.	<p>Subject to the provisions of the Act, the Company may, by ordinary resolution:-</p> <p>a) Increase the share capital by such sum, to be divided into shares of such amount as it think expedient;</p> <p>b) Sub-divide and consolidate and all or any of its shares into shares of larger amount than its existing shares:  Provided that any consolidation and division which results in changes in the voting percentage of members shall require applicable approvals under the Act;</p> <p>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;</p> <p>d) sub-divide its existing 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;</p> <p>e) cancel any shares which, at the date of the passing of the resolution, 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, provided that any such cancellation shall not deemed to be any reduction of capital under the Act.</p>		Power to alter Share Capital
75.	The holders of stock may transfer the same or any part thereof in the same manner as and subject to the same regulations under which the shares from which the stock arose might before the conversion have been transferred or as near thereto as circumstances admit, provided that, the Board may, from time to time fix the minimum amount of stock transferable, so however, that Board may, from time to time, fix the minimum amount of stock transferable and such minimum shall not exceed the nominal amount of shares from which the stock arose.		Transfer of stock
76.	The holders of stock shall according to the amount of stock held by them have the same rights, privileges and advantages as regards dividends, participation in profits, voting at meetings of the Company and other matters as if they held the shares from which the stock arose but no such privilege or		Rights of stockholders



	<p>advantage (except as to dividends, participation in the 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.</p>		
77.	<p>Such of the regulations of the Company as are applicable to paid-up shares shall apply to stock and the words 'Share', 'Shareholder' and 'Member' in those regulations shall include 'stock' and 'stockholder' respectively.</p>		Regulation to apply to stock
78.	<p>The Company may from time to time in accordance with the provisions of the Act by resolution as specified in the Act, reduce</p> <p>a) its share capital; and/or, b) any capital redemption reserve account; and/or, c) securities premium account; and/or d) any other reserve in the nature of share capital.</p> <p>and in particular may pay off any paid-up share capital upon the footing that it may be called up again or otherwise and may, if and so far as is necessary, alter its Memorandum by reducing the amount of its share capital and of its shares accordingly.</p>		Reduction of Capital
	<p>CAPITALIZATION OF PROFITS</p>		
79.	<p>(1)(i) Subject to the provisions of the Act and applicable laws, the Company may, with the approval of the Members by way of an ordinary resolution, upon the recommendation of the Board, resolve—</p> <p>(a) that it is desirable to capitalise 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 Statement of profit and loss, or otherwise available for distribution; and</p> <p>(b) that such sum be accordingly set free for distribution in the manner specified in clause (ii) amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.</p> <p>(ii) The sum aforesaid shall not be paid in cash but shall be applied, subject to the provision contained herein in these Articles and subject to in compliance with the provisions of Act, either in or towards—</p> <p>(a) paying up any amounts for the time being unpaid on any shares held by such members respectively;</p> <p>(b) paying up in full, unissued shares of the Company to be allotted and distributed, credited as fully paid-up,</p>		Capitalization of Profits



	<p>to and amongst such members in the proportions aforesaid;</p> <p>(c) partly in the way specified in sub-clause (a) and partly in that specified in sub-clause (b);</p> <p>(d) A securities premium account and a capital redemption reserve account may, for the purposes of this regulation, be applied in the paying up of unissued shares to be issued to members of the Company as fully paid bonus share</p> <p>(e) The Board shall give effect to the resolution passed by the Company in pursuance of this regulation.</p>	
	<p>(2) Whenever such a resolution as aforesaid shall have been passed, the Board shall—</p> <p>(a) make all appropriations and applications of the undivided profits resolved to be capitalized thereby, and all allotments and issues of fully paid shares if any;</p> <p>(b) make such provisions, by the issue of fractional certificates/ coupons or by payment in cash or otherwise as it thinks fit, for the case of shares becoming distributable in fractions; and</p> <p>(c) generally do all acts and things required to give effect thereto.</p>	
	BUY BACK OF SHARES	
80.	Notwithstanding anything contained in these Articles but subject to the provisions of Sections 67, 68, 69 and 70 of the Act and Applicable Law for the time being in force, the Company shall have the power to purchase/ buy-back its own shares and/or other Securities, subject to the limits and upon such terms and conditions and subject to such approvals as may be required under the applicable sections of the Act and other provisions, rules, guidelines, regulations, byelaws and any amendment and modifications thereto.	Purchase of its own shares/ securities
	GENERAL MEETING	
81.	All general meetings other than Annual General Meeting shall be called extraordinary general meeting.	Extraordinary General Meeting
82.	The Board may, whenever it thinks fit, call an extraordinary general meeting. If at any time directors capable of acting who are sufficient in number to form a quorum are not within India, any director or any two members of the company may call an extraordinary	Power of Board to call Extra ordinary General Meeting



	general meeting in the same manner, as nearly as possible, as that in which such a meeting may be called by the Board.		
83.	The Chairman/ of the Board and in his absence the Vice-chairman of the Board shall be entitled to take the Chair at every General Meeting. If there be no Chairman or if at any meeting he shall not be present within fifteen (15) minutes after the time appointed for holding such meeting or is unwilling to act, the Directors present may choose a Chairman and in default of their doing so, the members present shall choose one of the Directors to be the Chairman and if no Director present be willing to take the Chair, the members present shall choose one of their members to be the Chairman of the Meeting.		Chairman of General Meeting
	PROCEEDINGS AT GENERAL MEETING		
84.	The quorum for a General Meeting shall be in accordance with the provisions of the Act and no business shall be transacted at any General Meeting unless the quorum be present at the time when the meeting proceeds to business.		Quorum
85.	A body corporate being a member shall be deemed to be personally present if it is represented in accordance with Section 113 of Companies Act, 2013.		Body corporate deemed to be personally present
86.	(a) No business shall be discussed at any General Meeting except the election of a Chairman whilst the Chair is vacant. (b) If a poll is demanded on the election of the Chairman it shall be taken forthwith in accordance with the provisions of the Act and these Articles and the Chairman so elected on the show of hands will exercise all the powers of the Chairman under the Act and these Articles. (c) If some other person is elected Chairman as a result of the poll, he shall be the Chairman for the rest of the meeting		Business confined to election of Chairman whilst Chair vacant
87.	Any business other than that upon which a poll has been demanded may be preceded with, pending the taking of the poll.		Demand for poll not to prevent transaction of other business
88.	At any General Meeting, unless a poll is (before or on the declaration of the result of the show of hands) demanded in accordance with the provisions of Section 109 of the Act, a declaration by the Chairman that the resolution has or has not been carried either unanimously or by a particular majority, and an entry to that effect in the book containing the minutes of the proceedings of the Company shall be conclusive evidence of the fact, without proof of the number or proportion of the votes cast in favour of, or against the resolution.		Evidence of the Passing of resolution
89.	In case of an equality of votes, whether on a show of hands or on a poll, the Chairman/Vice-Chairman of the meeting at which the show of hands takes place, or at which the poll is demanded, shall be entitled to a casting vote or second vote in addition to his own vote or votes to which he may be entitled		Resolution how decided in case equality of votes



	as a member.		
90.	Subject to the provisions of the Act and all other applicable laws for the time being in force, the Company may from time to time pass any resolution by means of postal ballot, instead of transacting the business in General Meeting of the Company and if such resolution is assented to by a requisite majority of the Members by means of postal ballot, it shall be deemed to have been duly passed at a General Meeting.		Postal Ballot
91.	The Company shall cause minutes of all proceedings of every General Meeting and every resolution passed by postal ballot to be kept in accordance with the provisions of the Act, by making, within thirty (30) days of the conclusion of such meeting, entries thereof in books kept for that purpose with their pages consecutively numbered. Each page of every such book shall be initialed or signed and the last page of the record of proceedings of each meeting shall be dated and signed by the Chairman of the same meeting within the aforesaid period of 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 the purpose. In no case the minutes of the proceedings of a meeting shall be attached to any such book as aforesaid by pasting or otherwise. Any such minutes kept as aforesaid shall be evidence of the proceedings recorded therein.		Minutes of General Meeting
92.	There shall not be included in the minutes any matter which, in the opinion of the Chairman of the meeting - (a) is, or could reasonably be regarded, as defamatory of any person; or (b) is irrelevant or immaterial to the proceedings; or (c) is detrimental to the interests of the Company.		Certain matters not to be included in Minutes
93.	The Chairman shall exercise an absolute discretion in regard to the inclusion or non-inclusion of any matter in the minutes on the grounds specified in the aforesaid clause.		Discretion of Chairman in relation to Minutes
94.	The books containing the aforesaid minutes shall a) be kept at the Registered Office, and b) be kept open during business hours to the inspection of any member without charge subject to such reasonable restrictions as the Board may impose from time to time.  Any member shall be entitled to be furnished within seven (7) working days after he has made a request in that behalf to the Company with a copy of the minutes on payment of such amount as may be fixed by the Board.		Inspection & Copy of minutes books of General Meetings



95.	The Board, and also any person(s) authorized by it, may take any action before the commencement of any general meeting, or any meeting of a class of members in the Company, which they may think fit to ensure the security of the meeting, the safety of people attending the meeting, and the future orderly conduct of the meeting. Any decision made in good faith under this Article shall be final, and rights to attend and participate in the meeting concerned shall be subject to such decision.	Security Meetings	at
	VOTING RIGHTS		
96.	Subject to any rights or restrictions for the time being attached to any class or classes of shares,— a) on a show of hands, every member present in person shall have one vote; i.e. One person-One Vote; and b) on a poll, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company; i.e. One Fully Paid up share – One Vote; and c) on e-voting, the voting rights of members shall be in proportion to his share in the paid-up equity share capital of the company; i.e. One Fully Paid up share – One Vote	Voting Rights	
97.	Subject to the provisions of the Act, no member shall be entitled to be present or to vote at any General Meeting or meeting of a class of shareholders either personally or by proxy either upon a show of hands or upon a poll or be reckoned in a quorum whilst any call or other sum shall be due and presently payable to the Company in respect of any of the shares of such member or in regard to which the Company, has exercised, any right or lien.	No member to vote unless calls are paid up	
98.	No member shall be prohibited from exercising his voting on the ground that he has not held his share or other interest in the Company for any specified period preceding the date on which the vote is taken, or any other ground not being a ground set out in the preceding Article.	Restriction on exercise of voting rights in other cases to be void.	
99.	A member may exercise his vote either at a meeting or by electronic means in accordance with section 108 and shall vote only once.	E-voting	
	a) In the case of joint holders, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders. b) For this purpose, seniority shall be determined by the order in which the names stand in the register of members.	Vote of joint-holders	
100.	Subject to the conditions provided under the Act and other provisions of these Articles, any person entitled under the Transmission Clause to any shares may vote at any General Meeting in respect thereof as if he were the registered holder of such shares; provided that at least forty-eight (48) hours before the time of holding of the meeting or adjourned meeting, as the case may be, at which he proposes to vote he shall satisfy the	Votes in respect of shares of deceased & insolvent members	



	Director/ Authorized Person, of his right of such shares and give such indemnity, if any, as the Director/Authorized Person may require, unless the Directors shall have previously admitted his right to vote at such meeting in respect thereof.		
	PROXY		
101.	(1) Any member entitled to attend and vote at a general meeting may do so either personally or through his constituted attorney or through another person as a proxy on his behalf, for that meeting.		Member may vote in person or otherwise
	(2) The instrument appointing a proxy and the power-of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office of the Company not less than 48 hours before the time for holding the meeting or adjourned 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.		Proxies when to be deposited
102.	An instrument appointing a proxy shall be in the form as prescribed under the Act.		Form of proxy
103.	A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the shares in respect of which the proxy is given. Provided that no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or adjourned meeting at which the proxy is used.		Proxy to be valid notwithstanding death of the principal.
	<b>JOINT HOLDERS</b>		
104.	The joint holders of any shares shall be deemed to hold the shares as joint-tenants with benefits of survivorship subject to the following and other provisions contained in these Articles:		Joint Holders
	a) Subject to applicable laws, not more than 3 (three) persons shall be registered as joint holder of any Shares.		Maximum No. of Joint Holder
	b) The joint holders of any shares shall be liable severally as well as jointly for and in respect of all calls and other payments, which ought to be made in respect of such shares.		Joint Holders to be jointly & severally liable
	c) Any one of such of joint holders of any shares, may give effectual receipts for any dividends, interests or other moneys payable in respect of such share.		Receipt by anyone to be sufficient
	d) Only the person whose name stands first in the register of members as one of the joint-holders of any share shall be entitled to the delivery of certificate, if any, relating to such share or to receive notice (which term shall be deemed to include all relevant documents) and any notice served on or sent to such person shall be deemed service on all the joint-holders.		Documents to first named joint holder
	e) Any one of two or more joint-holders may vote at any meeting either personally or by attorney or by proxy in respect of such shares as if he were solely entitled thereto and if more than one of such joint holders be present at any		Voting by Joint Holders





	meeting personally or by proxy or by attorney then that one of such persons so present whose name stands first or higher (as the case may be) on the register in respect of such shares shall alone be entitled to vote in respect thereof.		
	f) Several executors or administrators of a deceased member in whose (deceased member) sole name any share stands, shall for the purpose of this clause be deemed joint-holders.		Voting by Joint Holders
	g) The foregoing provisions of Articles as regard joint holders shall <i>mutatis mutandis</i> apply to other securities including debentures of the Company.		Provisions as regard joint holders of other securities
<b>BOARD OF DIRECTORS</b>			
105.	Subject to the provisions of the Act and unless otherwise determined by the Company in its General Meeting, the number of Directors shall not be less than three 3 (Three) and shall not be more than 15 (Fifteen).		Number of Directors
106.	The following shall be the first directors of the Company:-  1. Dr. Kushagra Katariya  2. Dr. Yogesh Kumar Trikha.		First Directors
107.	Not less than two –thirds of the total number of Directors of the Company shall be persons whose period of office is liable to determination by the retirement of Director by rotation.  The remaining Directors shall be appointed in accordance with the provisions of these Articles.		Retirement by rotation
108.	At the Annual General Meeting in each year, one-third of the Directors for the time being as are liable to retire by rotation or, if their number is not three or multiple of three then the number nearest to one-third shall retire from office. The Chairman, Vice Chairman, Managing Director, shall not be liable to retire by rotation within the meaning of this Article.		Directors to retire annually how determined.
109.	Subject to the provisions of the Act and these Articles, the Directors to retire by rotation under the foregoing Article at every Annual General Meeting shall be those who have longest in the office since their last appointment, but as between persons who become Directors on the same day, those who are to retire shall, in default of and subject to any agreement among themselves, be determined by lot.  Subject to the provisions of the Act, a retiring Director shall retain office until the dissolution of the meeting at which his re-appointment is decided or his successor is appointed.  Subject to the provisions of the Act and these Articles, a retiring Director shall be eligible for re-appointment.		Ascertainment of Directors retiring by rotation  Eligibility for re-appointment
110.	(a)The Board of Directors may also appoint one or more whole-time Directors to look after and carry on the day to		Appointment of Whole-Time



	<p>day business operations of the Company and their remuneration shall also be fixed by the Board, subject to provisions of the Companies Act, 2013.</p> <p>(b)The whole-time Directors shall work under the control and supervision of the Board of Directors and shall exercise such powers as may be determined by the Board, However, in case the Board does not appoint a Managing Director, the whole-time Director or Directors shall have such powers as are conferred by these Articles on the Managing Director.</p>	Director
111.	The remuneration payable (whether by way of monthly, quarterly, half yearly or commission etc) to the directors, including any managing or whole-time director or manager, if any, shall be determined in accordance with and subject to the provisions of the Act, by a resolution passed by the Company in general meeting.	Remuneration to Directors
112.	Any Director who performs extra services or make any special exertions for any of the purposes of the Company then subject to the provisions of the Act, the Board may remunerate such Director either by a fixed sum or by a percentage of profits or otherwise and such remuneration may be either in addition to or in substitution for any other remuneration to which he may be entitled to.	Payment towards extra Services
113.	In addition to the remuneration payable to them in pursuance of the Act, the Directors may be paid all travelling, hotel and other expenses properly incurred by them— in attending and returning from meetings of the Board of Directors or any committee thereof or general meetings of the Company; or in connection with the business of the Company.	Travelling and Other Expenses
114.	<p>Without prejudice to the general powers and to any other powers or authorities conferred by these Articles and subject to the provisions of the Act, the Managing Director or the Executive Chairman shall have the following powers exercisable under the superintendence and control of the Board of Directors until otherwise decided by the Board or by the Company in General Meeting.</p> <p>(i) To purchase or otherwise acquire for the Company any property, rights or privileges which the Company is authorized to acquire and to sell, let, exchange or otherwise dispose of or deal with all or any part of the property, rights or privileges of the Company at such price and for such consideration and on such terms and conditions as he may deem expedient.</p> <p>(ii) To enter into, carry out, rescind or vary all financial arrangement with bank's officials, companies, corporations or other bodies for or in connection with the business of the Company.</p> <p>(iii) Subject to the limit laid down by the Board of Directors under Section 179 of the Act to raise or borrow, from time to time and at his direction any sum</p>	Powers of Managing Director or the Executive Chairman



	<p>or sums of money or make any arrangements for getting funds for the purpose of the Company and to secure the payment of such sum or sums in such manner and upon such terms and conditions in all respects as he may think fit and in particular by making, drawing, accepting or endorsing on behalf of the Company any promissory notes or bills of exchange or by issuing receipts of the Company or by giving any security of the Company or by creating mortgage or charge over all or any part of the property of the company.</p> <p>(iv) To appoint managers, secretaries, agents, experts, other officers, clerks, servants and other employees of the Company on such terms and conditions as he may deem expedient and to determine their powers and duties and to terminate the service of any one or more of them, as he may deem expedient in the interest of the Company.</p> <p>(v) To institute, prosecute, defend, compromise, withdraw or abandon any legal proceedings by or against the Company or otherwise concerning the affairs of the Company and to act on behalf of the Company in all matters relating to any Government Agency or Authority including those relating to taxation, licensing, excise and customs and in matters pertaining to the insolvencies or liquidations and to apply for and obtain Letters of administration, with or without a will, to the estate or persons with whom the Company shall have dealings.</p> <p>(vi) To make, draw, sign, accept, endorse, negotiate and otherwise execute on behalf of the Company all cheques, promissory notes, drafts, pay orders, bills of exchange, bills of lading and other documents of titles and securities, including securities of Government of India and other promissory notes, contracts, transfer deeds and other instruments as shall be necessary in his opinion for carrying on the business of the Company.</p> <p>(vii) Subject to the overall limit fixed by the Board of Directors under Section 179 of the Act, to invest and deal with the monies of the Company not immediately required for the purposes thereof upon such securities or investments and in such manner as he thinks fit and, from time to time, to vary or realize or otherwise deal with such securities and investments.</p> <p>(viii) To negotiate and enter into any contracts and execute, rescind or vary all such contracts and do all such acts, deeds and things in the name and on behalf of the Company.</p>		
115.	Subject to the provisions of the Act, the Board shall have the power to appoint a person as an additional director, provided		Additional Director



	that the number of the directors and additional directors together shall not at any time exceed the maximum strength fixed for the Board by the articles. Such person shall hold office only up to the date of the next Annual General Meeting of the Company but shall be eligible for appointment by the Company as a director at that meeting subject to the provisions of the Act.		
116.	The Board may appoint a person, not being a person holding any alternate directorship for any other director in the Company, to act as an alternate director for a director during his absence for a period of not less than three months from India. Provided that no person shall be appointed as an alternate director for an Independent Director, unless he is qualified to be appointed as an Independent Director under the provisions of the Act. An alternate director shall not hold office for a period longer than that permissible to the director in whose place he has been appointed and shall vacate office if and when the director in whose place he has been appointed returns to India. If the term of office of original director is determined before he so returns to India, any provision in the Act, or in these Articles for the automatic re- appointment of the retiring directors in default of another appointment shall apply to the original director and not to the alternate director.		Alternate Director
117.	Subject to the provision of the Act, the Board shall have power at any time to appoint another person to be a director to fill a casual vacancy. Any person so appointed shall hold office only upto the date upto which the director in whose place he is appointed would have held office if it had not been vacated by him.		Director's Power to fill casual vacancy
118.	No Director of the Company is required to hold any qualification share of the Company.		Qualification of Directors
	PROCEEDINGS OF THE BOARD		
119.	The Board of Directors may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit.		Convening of Meeting of Board
120.	The Chairman/Vice-Chairman or any one Director with the previous consent of the Chairman/Vice-Chairman may, or the company secretary on the direction of the Chairman/Vice-Chairman shall, at any time, summon a meeting of the Board.		Summoning of Board meeting
121.	(a) Subject to provisions of the Act, the quorum for a meeting of the Board shall be one-third of its total strength (any fraction contained in one- third be rounded up as one) or two Directors whichever is higher,  (b) the participation of the directors by video conferencing or by other audio visual means shall also be counted for the purposes of quorum under this sub-section.  (c) Where at any time the number of interested directors		Quorum of Board Meeting



	<p>exceeds or is equal to two-thirds of the total strength of the Board of Directors, the number of directors who are not interested directors and present at the meeting, being not less than two, shall be the quorum during such time.</p> <p>(d) A meeting of the Board for the time being at which a quorum is present shall be competent to exercise all or any of the authorities, powers and discretion by or under the Act or the Articles of the Company, for the time being vested in or exercisable by the Board of Directors generally.</p>		
122.	<p>Shri Onkar S.Kanwar, the present Chairman of the Board, shall be the Chairman of the Company and shall not be liable to retire by rotation.</p> <p>The Directors may elect a Vice Chairman and determine the period for which he shall hold office.</p>		Appointment of Chairman/ Vice-Chairman.
123.	<p>The participation of directors in a meeting of the Board may be either in person or through video conferencing or audio visual means or as may be prescribed by the Rules or permitted under applicable laws.</p>		Participation at Board Meetings
124.	<p>Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.</p> <p>In case of an equality of votes, the Chairman/Vice-Chairman of the Board, if any, shall have a second or casting vote.</p>		Decisions at Board Meeting Casting Vote of Chairman/Vice-chairman
125.	<p>The continuing directors may act notwithstanding any vacancy in the Board; but, if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing directors or director may act for the purpose of increasing the number of directors to that fixed for the quorum, or of summoning a general meeting of the Company and for no other purpose.</p>		Directors not to act in case the number gets reduced below quorum
126.	<p>a) The Chairman of the Company shall be the Chairman at meetings of the Board. In absence of Chairman, Vice-Chairman elected by the Board shall automatically Chair the meeting.</p>		Presiding over the Meetings of Board
	<p>b) If at any meeting the Chairman/Vice-Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the directors present may choose one of them to be Chairman of the meeting.</p>		Directors to elect a Chairman
127.	<p>a) The Board may, subject to the provisions of the Act, delegate any of its powers to Committees consisting of such member or members of its body as it thinks fit.</p>		Delegation of Power to Committee
	<p>b) Any Committee so formed shall, in the exercise of the</p>		Committee to



	powers so delegated, conform to any regulations that may be imposed on it by the Board.		abide regulations by Board
	c) The participation of directors in a meeting of the Committee may be either in person or through video conferencing or audio visual means or any other mode as may be prescribed.		Participation at meetings of Committee
	d) Subject to the provisions of the Act, the Board may from time to time fix the remuneration to be paid to any member or members of their body constituting a Committee appointed under this Article and may pay the same.		Remuneration of Committee Members
128.	a) A Committee may elect a Chairman of its meetings unless the Board, while constituting a Committee, has appointed a Chairman of such Committee.		Presiding over Committee Meeting
	b) If no such Chairman is elected, or if at any meeting the Chairman is not present within fifteen minutes after the time appointed for holding the meeting, the members present may choose one of their members to be Chairman of the meeting.		
129.	a) A committee may meet and adjourn as it thinks fit. b) Questions arising at any meeting of a committee shall be determined by a majority of votes of the members present. c) In case of an equality of votes, the Chairman/Vice-Chairman shall have a second or casting vote.		Meeting of Committee and Decisions thereof Casting Vote of Chairman /Vice-Chairman
130.	All acts done by any meeting of the Board or by a Committee of Board or by any person acting as a Director, shall notwithstanding that it shall afterwards be discovered that there was some defect in the appointment of such Director or person acting as aforesaid, or that they or any of them were or was disqualified or had vacated office or that the appointment of any of them had been terminated by virtue of any provisions or 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 acts done by the Directors after their appointment had been shown to the Company to be invalid or to have been terminated.		Validity of acts of Board and Committee
131.	The Minutes duly signed by the Chairman and duly confirmed by the Directors shall be conclusive evidence of the conduct of business and presence of directors at the Board Meeting.		Minutes to be conclusive evidence
132.	There shall not be included in the minutes any matter which, in the opinion of the Chairman of the meeting - (d) is, or could reasonably be regarded, as defamatory of any person; or		Certain matters not to be included in Minutes



	(e) is irrelevant or immaterial to the proceedings; or (f) is detrimental to the interests of the Company.		
133.	Save as otherwise expressly provided in the Act, a resolution in writing, signed, whether manually or by secure electronic mode, by a majority of the members of the Board or of a Committee thereof, for the time being entitled to receive notice of a meeting of the Board or Committee, shall be valid and effective as if it had been passed at a meeting of the Board or Committee, duly convened and held.	Resolution Circulation	by
134.	Subject to the applicability of the relevant provisions of the Act and other applicable laws, the Board shall constitute relevant committees of Board including audit committee, nomination & remuneration committee, corporate social responsibility committee or such other committee of Board as required to be constituted under the Act and their constitution and other related matters shall be governed in accordance with the Act and other applicable laws.	Constitution Committees	of
	POWERS OF BOARD		
135.	A) Subject to the provisions of Sections 179 and 180(1)(C) of the Companies Act, 2013, and Rules made there under, the Board may, from time to time and at its discretion, borrow or raise any sum or sums of money for the purposes of the Company in such manner and on such terms and conditions in all respects as it may think fit, with or without security or on security of all or any part of the movable and/or immovable properties of the Company or in particular by the issue of bonds, debentures or debenture stock or any other security of the Company charged upon the whole or any part of the undertaking of the Company or upon any assets of the Company, both present and future, including its uncalled capital for the time being.  B) Bonds, Debentures, Debenture-stock or other securities may be issued at par, discount or premium and with any special privileges and conditions as to redemption, appointment of Directors, conversion into shares and otherwise.	Borrowing powers	
136.	The management of the business of the Company shall be vested in the Board and the Board may exercise all such powers, and do all such acts and things, as the Company is by the memorandum of association or otherwise authorized to exercise and do, and, not hereby or by the statute or otherwise directed or required to be exercised or done by the Company in general meeting but subject nevertheless to the provisions of the Act and other laws and of the memorandum of association	Board vested with General Powers of the Company	



	and these Articles and to any regulations, not being inconsistent with the memorandum of association and these Articles or the Act, from time to time made by the Company in general meeting provided that no such regulation shall invalidate any prior act of the Board which would have been valid if such regulation had not been made.		
	<b>KEY MANAGERIAL PERSONNEL</b>		
137.	Subject to the provisions of the Act,—A managing director, whole-time director, chief executive officer, manager, company secretary and chief financial officer may be appointed by the Board as key managerial personnel for such term, at such remuneration and upon such conditions as it may think fit; and any managing director, whole-time director, chief executive officer, manager, company secretary and chief financial officer so appointed may be removed by means of a resolution of the Board; the Board may appoint one or more chief executive officers for its multiple businesses.		Appointment of KMPs and their removal by Resolution of Board
138.	A director may be appointed as managing director, whole-time director, chief executive officer, manager, company secretary or chief financial officer.		Director may act as KMP
	<b>SEAL</b>		
139.	The Board shall provide for the safe custody of the seal.		The seal and its custody
140.	The seal of the Company shall not be affixed to any instrument except by the authority of a resolution of the Board or of a Committee of the Board authorized by it in that behalf, and except in the presence of at least one director or the secretary or such other person as the Board may authorize for the purpose; and such director or the secretary or other person aforesaid shall sign every instrument to which the seal of the Company is so affixed in his presence.		Affixation of Seal
	<b>DIVIDENDS AND RESERVE</b>		
141.	The Company in general meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board but the Company in general meeting may declare a lesser dividend.		Company in General Meeting may declare dividends
142.	Subject to the provisions of the Act, the Board may from time to time pay to the members such interim dividends of such amount on such class of shares and at such times as it may think fit.		Interim Dividend
143.	The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applied for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalizing dividends; and pending		Transfer Reserves to

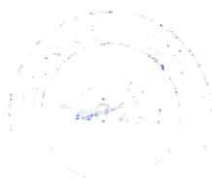




	such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than shares of the Company) as the Board may, from time to time, think fit.		
144.	The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.		Profits may be carried forward
145.	<p>a. Subject to the rights of persons, if any, entitled to shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the shares in the Company, dividends may be declared and paid according to the amounts of the shares.</p> <p>b. No amount paid or credited as paid on a share in advance of calls shall be treated for the purposes of this regulation as paid on the share.</p> <p>c. 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 share is issued on terms providing that it shall rank for dividend as from a particular date such share shall rank for dividend accordingly.</p>		<p>Dividend as per amount of shares</p> <p>No dividend on advance payment</p> <p>Apportioning of dividend</p>
146.	<p>a) The Board may deduct from any dividend payable to any member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the shares of the Company.</p> <p>b) The Board may retain dividends payable upon shares in respect of which any person is, under the Transmission Clause hereinbefore contained, entitled to become a member, until such person shall become a member in respect of such shares.</p>		<p>Deduction from Dividend</p> <p>Retention of Dividend</p>
147.	<p>a) Any dividend, interest or other monies payable in cash in respect of shares may be paid by electronic mode or by cheque or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of members, or to such person and to such address as the holder or joint holders may in writing direct.</p> <p>b) Every such cheque or warrant shall be made payable to the order of the person to whom it is sent.</p>		<p>Dividend how remitted</p> <p>Instrument of payment</p>



	<p>c) Payment in any way whatsoever shall be made at the risk of the person entitled to the money paid or to be paid. The Company will not be responsible for a payment which is lost or delayed. The Company will be deemed to having made a payment and received a good discharge for it if a payment using any of the foregoing permissible means is made.</p> <p>d) **All unclaimed dividend along with interest accrued shall not be forfeited but shall be credited to a special bank account as per Section 124 of the Act, and after a period of seven (7) years transferred to Investor Education and Protection Fund established by the Central Government in terms of Section 125 of the Act.</p>		Discharge to Company
148.	Any one of two or more joint holders of a share may give effective receipts for any dividends, bonuses or other monies payable in respect of such share.		Receipt in case of joint holders
149.	No dividend shall bear interest against the Company.		No interest on Dividends
<b>**Amended by the Members in the Annual General Meeting held on 26<sup>th</sup> August 2019</b>			
150.	The waiver in whole or in part of any dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Board.		Waiver of Dividends
<b>ACCOUNTS</b>			
151.	<p>a) The books of account and books and papers of the Company, or any of them, shall be open to the inspection of directors in accordance with the applicable provisions of the Act.</p> <p>b) No member (not being a director) shall have any right of inspecting any books of account or books and papers or document of the Company except as conferred by law or authorised by the Board.</p>		Inspection by Directors
<b>REGISTERS</b>			
152.	The Company shall keep and maintain at its registered office all statutory registers which, <i>inter alia</i> , includes register of charges, register of members, register of debenture holders, (if any), register of any other security holders (if any), the register and index of beneficial owners and annual return, register of loans, guarantees, security and acquisitions, register of		Statutory Registers & their Inspection



	<p>investments not held in its own name and register of contracts and arrangements for such duration as the Board may, unless otherwise prescribed, decide, and in such manner and containing such particulars as prescribed by the Act.</p> <p>The registers and copies of annual return shall be open for inspection during 11.00 a.m. to 1.00 p.m. on all working days, other than Saturdays, at the registered office of the Company by the persons entitled thereto on payment, where required, of such fees as may be prescribed by the Act.</p> <p>Subject to the provisions of the Act and upon receipt of the request, the extract of such registers and returns may be obtained by such persons who are so permitted under the Act, on the payment of such fees as may be prescribed under the Act in this regard.</p>	
153.	<p>a) The Company may exercise the powers conferred on it by the Act with regard to the keeping of a foreign register; and the Board may (subject to the provisions of the Act) make and vary such regulations as it may think fit respecting the keeping of any such register.</p> <p>b) The foreign register shall be open for inspection and may be closed, and extracts may be taken there from and copies thereof may be required, in the same manner, <i>mutatis mutandis</i>, as is applicable to the register of members.</p>	Foreign Register
	WINDING UP	
154.	<p>Subject to the applicable provisions of the Act made thereunder –</p> <p>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 members, 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.</p> <p>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 members or different classes of members.</p> <p>c) The liquidator may, with the like sanction, vest the whole or any part of such assets in trustees upon such trusts for the benefit of the contributories if he considers necessary, but so that no member shall be compelled to accept any shares or other securities whereon there is any</p>	Winding Up of the Company



	liability.		
	INDEMNITY & RESPONSIBILITY		
155.	<p>(a) Subject to the provisions of the Act, every Director of the Company, Secretary and other Officer or Employee of the Company and the Trustees (if any) for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified by the Company out of the funds of the Company to pay all costs, losses and expenses (including travelling expenses) which any such Director, Secretary, Officer or Employee and the Trustees, if any, for the time being acting in relation to any of the affairs of the Company may incur or become liable to by reason of any contract entered into or any act or deed done by him as such Director, officer or servant or in any way in the discharge of his duties.</p> <p>(b) Subject to as aforesaid every Director, Secretary or other Officer or Employees of the Company or the Trustees, if any, for the time being acting in relation to any of the affairs of the Company and every one of them shall be indemnified against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in connection with any application under the applicable provisions of the Act in which relief is given to him by the court or Tribunal.</p>		Director's to be indemnified
156.	Subject to the provision of the Act, no Director or other Officer of the Company shall be liable for the acts, omissions, neglects, defaults of any other Director or Officer or for joining in any omissions or other act for conformity, or for any loss or expenses suffered by the Company through insufficiency of title to any property acquired by the order of the Directors for or on behalf of the Company, or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency, or tortuous act of any person, company or corporation, with whom any moneys, securities or effects of the Company shall be entrusted or deposited, or for any loss occasioned by any error of judgement or oversight on his part or for any other loss or damage or misfortune whatever shall happen in the execution of the duties of his office or in relation thereto, unless the same happen through his own dishonesty, willful neglect or default.		Not responsible for acts of others
157.	The Company may take and maintain any insurance as the Board may think fit on behalf of its present and/or former directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly and reasonably.		D&O Liability Insurance



	GENERAL POWER OF THE COMPANY		
158.	Wherever in the Act, it has been provided that the Company or its Director shall have any right privilege or authority or that the Company or Director could carry out any transaction only if the Company or Director is so authorised by its articles, then and in that case this regulation hereto authorizes and empowers the Company or Director to have such rights, privileges or authority and to carry such transactions as have been permitted by the Act, without there being any specific regulation in that behalf herein provided.		General Power of the Company
	MISCELLANEOUS		
159.	<p>a) Subject to the provisions of these Articles and the Act no member or other person (other than a Director) shall be entitled to enter the property of the Company or to inspect or examine the Company's premises or properties of the Company without the permission of the Board or the Managing Director or to require discovery of or any information respecting any detail of the Company's trading or any matter which is or may be in the nature of a trade secret, mystery or trade, or secret process or of any matter whatsoever which may relate to the conduct of the business of the Company and which in the opinion of the Directors it will be inexpedient in the interests of the Company to communicate.</p> <p>b) Any confidential information disclosed to a Member or Director shall not be used by him for any purpose other than for the exercise of rights or performance of obligation as a Member or Director of the Company and shall not be disclosed by him to any person, firm or Company.</p>		No Shareholder to enter the Premises of Company without permission
	SECRECY		
160.	Subject to the provisions of the Act, any Director or Officer of the company shall be entitled to, if he thinks fit, decline to answer any question concerning the business of the company on the ground that the answer to such question would disclose or tend to disclose the secrets of the company.		Secrecy
	ARBITRATION AND GOVERNING LAWS		
161.	Whenever any difference or dispute arises between the company on the one hand and any of the member of their heirs, executors, administrators, nominees or assignees on the other hand or between the members inter-se or their respective heirs, executors, administrators, nominees or assigns inter-se touching the true intent, construction or incidents or consequences of these Articles or touching anything done, executed, omitted or suffered in pursuance thereof or to any affairs of the company, every such dispute or difference shall be referred to the sole arbitration of the Chairman for the time		Arbitration



	being of the company or to some person appointed by both parties and it will be no objection that he is an Officer of the company or that he had to deal with such disputes or differences and it is only after an Award is given by such Arbitrator that the parties will be entitled to take any other proceedings relating to such disputes, differences and the award. The Award made by such Arbitrator shall be final and binding on the parties. The arbitration shall be conducted according to the provisions of the Arbitration and Conciliation Act, 1996 as amended from time to time. The seat of Arbitrator shall be at New Delhi.		
162.	Subject to the Arbitration clause, any dispute, controversy or claim between the parties arising out of or in connection with or relating to the enforcement, performance of the terms and conditions of Articles shall be construed in accordance with Laws of India excluding its conflict of law provisions. The jurisdiction for any dispute arising under Articles of Company shall be only at New Delhi, India.		Governing Law & Jurisdiction.
163.	Every Member and other Security holder will use rights of such Member/ security holder as conferred by Applicable Law or these Articles bonafide, in best interest of the Company or for protection of any of the proprietary interest of such Member/security holder, and not for extraneous, vexatious or frivolous purposes. The Board shall have the right to take appropriate measures, and in case of persistent abuse of powers, expulsion of such Member or other Security holder, in case any Member/Security holder abusively makes use of any powers for extraneous, vexatious or frivolous purposes		Bonafide exercise of membership rights

#### XVI. MATERIAL DOCUMENTS FOR INSPECTION

The following documents will be open for inspection at the corporate office of the Company situated at Artemis Hospital, Sector-51, Gurugram-122001 (Haryana) between 10 A.M and 5 P.M on any working day (Monday to Friday, and not being a bank holiday):

- (a) Certified copies of Memorandum and Articles of Association of the Company, as amended up to date.
- (b) Certificate of Incorporation of the Company dated May 18, 2004.
- (c) Resolution of the Board of Directors of the Company dated May 09, 2018 approving the Scheme.
- (d) Observation letter for the Composite Scheme from BSE and NSE dated September 05, 2018 and September 14, 2018
- (e) Statement of special tax benefits dated October 12, 2019 issued by the M/s AKCJ & Associates, Chartered Accountants, along with the certificate dated October 12, 2019

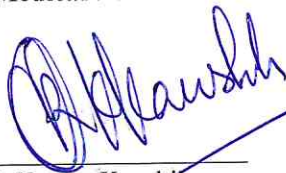


- (f) Certified copy of the Order of the NCLT, Delhi dated October 1, 2019 and its filing with the ROC, Delhi.
- (g) SEBI's letter dated January 10, 2020 , granting relaxation of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957 as per the SEBI.
- (h) BSE letter dated December 19, 2019, granting in□principle approval for listing.
- (i) NSE letter dated December 07, 2019, granting in□principle approval for listing.
- (j) Composite Scheme of Amalgamation.
- (k) Tripartite Agreement dated July 15, 2014 with NSDL, Registrar and Transfer Agent and the Company,
- (l) Tripartite Agreement dated October 16, 2019 with CDSL, Registrar and Transfer Agent and the Company.

### DECLARATION

We hereby declare that all relevant applicable provisions of the Companies Act, 2013 and the guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the Securities and Exchange Board of India, established under section 3 of the Securities and Exchange Board of India Act, 1992, as the case may be, have been complied with and no statement made in this Information Memorandum is contrary to the provisions of the Companies Act, 2013, the Securities and Exchange Board of India Act, 1992 or rules made or guidelines or regulations issued there under, as the case may be. We further certify that all statements made in this Information Memorandum are true and correct.

On behalf of Board of Directors  
For **Artemis Medicare Services Limited**



Name: Rakesh Kumar Kaushik  
Designation: Company Secretary & Compliance Officer  
Date:  
Place: Gurugram

