



June 1, 2020

| | |
|---|--|
| The Secretary Listing Department, BSE Limited, 1 st Floor, Phiroze Jeejeebhoy Towers Dalal Street, Mumbai 400001 Scrip Code: 540975 | The Manager, Listing Department, The National Stock Exchange of India Ltd Exchange Plaza, C-1, Block G Bandra Kurla Complex Bandra (East), Mumbai 400051 Scrip Symbol: ASTERDM |
|---|--|

Dear Sir/ Madam,

Sub: Disclosure of material impact of COVID- 19 pandemic on the Business and Operations of the Company

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, please find below the impact of COVID-19 on the business and operations of the Company.

1. Impact of the COVID-19 pandemic on the business

The COVID-19 pandemic has caused havoc on world economy and on several businesses in various magnitude. During this trying time, healthcare providers like us are expected to support various initiatives to prevent the ill-effects of the pandemic and maintain uninterrupted services to the patients. But the current unexpected situation has even impacted our regular business operations. Though the impact on occupancy level and in revenue varies differently for different hospital units but on a consolidated basis, we have witnessed the below mentioned impacts on our business operations:

- Lockdown restrictions in India and GCC countries along with restrictions to undertake elective procedures have impacted occupancy level for the month of April'20. The occupancy rate for GCC hospitals were 52% and for India hospitals were 38% for the month of April'20. We have observed improvement in occupancy rate for both India and GCC hospitals in the month of May'20.
- For the month of April'20, we have observed approximately 35% reduction of revenue for both our GCC and India business as compared to same month last year. For the month of May'20, GCC continue to maintain same revenue trend as April'20 in spite of Eid holidays whereas in India revenue has improved by approximately 23% as compared with April'20 but still down by approximately 20% compared with May'19.
- Considering the widespread outbreak of the virus, the patients are also generally sceptical to walk into the clinics and thus negative impact of pandemic on Clinics business was higher as compared to hospital vertical.

Aster DM Healthcare Limited
CIN- L85110KL2008PLC021703
IX/475L, Aster Medcity, Kuttisahib Road
Near Kothad Bridge, South Chittoor PO
Cheranalloor, Kochi- 682027, Kerala, India
Tel: +91 484 6699999, Fax: +91 484 6699862
Email: cs@asterdmhealthcare.com



- At the beginning of the outbreak, we have also observed disruption in the supply chain which then led to shortages of medical devices, PPEs, medicines and other essential supplies, but now it is getting normalised.
- Shut down of international travel has impacted Medical Value Tourism business in India. Medical Travel contributes around 6% of consolidated India revenue, which is primarily serviced through our CMI hospital in Bangalore, Medcity in Kochi and MIMS hospital in Calicut.
- All planned CAPEX have been postponed, except for projects which are near completion such as the Sonapur Hospital in Dubai.
- Large portions of the GCC business are Insurance driven and our collection for the month of April has improved due to UAE government's instruction to the insurance companies to settle all agreed outstanding claims. But, collection for the month of May is lesser than the monthly average rate and thus we are in constant touch with insurance companies to ensure timely recovery of the receivables.

2. Ability to maintain operations including the factories/units/office spaces functioning and closed down

- We have initiated a series of drills amongst our staff to manage the emerging COVID-19 pandemic within India.
- All due precautions for safety at the workplace have been adopted, which includes compulsory wearing of masks for everyone entering our facilities, mandatory temperature screening for all staff and visitors, social distancing measures and usage of hand sanitizers and PPE's in the indicated zones.
- We have adopted Telehealth as a new mean to deliver and facilitate health and health-related services such as remote medical care, teleconsultation, home care services, and eICU with the help of telecommunications and digital communication technologies.
- The new business vertical in India, Aster Labs has been seeing increased volumes month on month. Aster labs, a NABL accredited lab, had received ICMR approval for RT-PCR testing for COVID-19.

3. Schedule, if any, for restarting the operations

- All our hospitals were operational during this phase but witnessed lesser occupancies.
- In GCC, a few of our clinics and pharmacies which are located at malls were closed due to restrictions at malls on account of lockdown, but now they are functional.
- In India, Fever Clinics and Emergency Services were functional, with limited inpatient and outpatient services. Subsequently, based on the guidance provided by the respective District Administrations, we have started providing OP services and elective surgeries for non-COVID cases, while fully following ICMR guidelines.

4. Steps taken to ensure smooth functioning of operations

Aster DM Healthcare Limited
CIN- L85110KL2008PLC021703
IX/475L, Aster Medcity, Kuttisahib Road
Near Kothad Bridge, South Chittoor PO
Cheranallor, Kochi- 682027, Kerala, India
Tel: +91 484 6699999, Fax: +91 484 6699862
Email:cs@asterdmhealthcare.com



This period is a very unsettling time for everyone, and we sincerely believe it is important that we are proactive in our approach to bring sustainability in providing healthcare services to the society. The need of the hour is to ensure smooth functioning of our existing business operations and thus we are solely focusing on business continuity by taking below steps.

- In Dubai, there has been an overflow of COVID patients from the government healthcare centres to Private healthcare providers. To address this requirement, we have converted some of our facilities into COVID specific hospitals. We have also taken some additional Hotels on short term basis to accommodate and cater to the needs of Covid patients.
- We have adopted the best practices and formulated guidelines through virtual meetings and developing SOP's that are standardized and evidence based.
- We are conducting online courses for upskilling nurses and doctors of non-core disciplines for possible deployment in COVID-19 units.
- We have critically analyzed some of our overheads and non-essential expenditures and wherever possible, have either paused or stopped them. We have also taken initiatives for reduction of the payroll cost for both GCC and India employees.
- We have initiated continuous efforts to negotiate better payment terms with our vendors.
- We have sought and secured some rent payment waiver and deferment for our leased facilities in GCC and in India
- We have decongested out hostels and dormitories to ensure there is no sharing of the premises.
- Management have encouraged employee to work-from-home and frequent use of video conferencing tools to reduce contamination risk yet maintaining enhanced level of services.

5. Estimation of the future impact of CoVID-19 on its operations

The situation is still unpredictable and volatile. We are continuously monitoring the present circumstances and taking adequate initiatives to address the situation. The business operation of April'20 was impacted significantly due to COVID. Improvements in performance are expected to start by Q2 of FY 2021 and we hope to cover up lost ground and achieve near normalcy by H2 of FY 2021.

6. Details of impact of CoVID-19 on listed entity's capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, assets, internal financial reporting and control, supply chain, demand for its products/services

- We have started witnessing the reduction of business after March 15, 2020, and the maximum reduction of revenue was in the month of April 2020. There has been a significant reduction in both revenue and profitability for all three verticals. But there has been a recovery of revenue on a consolidated basis for the month of May 2020 due to easing of lockdown restrictions.
- To mitigate the impact of COVID-19 on our business, we have taken the highest importance towards maintaining a strict watch on all capex and operating costs which are even more critical

Aster DM Healthcare Limited
CIN- L85110KL2008PLC021703
IX/475L, Aster Medcity, Kuttisahib Road
Near Kothad Bridge, South Chittoor PO
Cheranallor, Kochi- 682027, Kerala, India
Tel: +91 484 6699999, Fax: +91 484 6699862
Email: cs@asterdmhealthcare.com



in this environment. To conserve cash, we have put on hold most of our existing projects till the overall business environment go back to normalcy.

- Material costs have gone up due to higher consumption of PPE kits, sanitizers, gloves, masks etc.
- We are continuously servicing our existing debt and we have sufficient unutilised working Capital limits to support operation. Request is being raised to the banks for additional working capital limits, over and above the current limits to address any future contingency.

For **Aster DM Healthcare Limited**

Puja Aggarwal
Company Secretary & Compliance Officer

Aster DM Healthcare Limited
CIN- L85110KL2008PLC021703
IX/475L, Aster Medcity, Kuttisahib Road
Near Kothad Bridge, South Chittoor PO
Cheranallor, Kochi- 682027, Kerala, India
Tel: +91 484 6699999, Fax: +91 484 6699862
Email: cs@asterdmhealthcare.com