



Somerset Indus Healthcare Fund

Sustainability and
Impact Report

March 2022



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Statement on Environment, Social and Governance (ESG) Principles

Somerset Indus believes in playing its part in the growing need of private capital through responsible investing to overcome the challenges to quality access and affordable healthcare. Somerset Indus aims to make a life-changing impact to its portfolio network, their local communities, and the nation end masse. The Fund aims to achieve sustainable and long-term impact by ultimately improving the lives of all its stakeholders.



About the Fund.

Somerset Indus Healthcare Fund was founded in 2011 by Mr. Avinash Kenkare and Mr. Mayur Sirdesai. Mr. Avinash Kenkare is a Private Equity professional who has successfully led fund raising, fund management, identifying and evaluating investment opportunities, monitoring and value addition efforts in the Healthcare sector for over 20+ years. Mr. Mayur Sirdesai brings 25+ years of experience in the Indian Healthcare and Pharmaceuticals Industry across Private Equity, Strategy, Advisory Services, Operations, Manufacturing and Marketing. In 2018, Somerset Indus setup its second fund. The team was strengthened by bringing onboard two new partners. Mr. Ramesh Kannan with over 25 years of experience in healthcare delivery and fundraising, and Mr. Sharad Ladha with 20 years of experience in private equity, consulting and insurance. The team has raised \$100 Million across its two healthcare focused funds to invest in 11 companies across Healthcare Delivery, Nutrition, Diagnostics, Instruments etc.

The team uses its successful private equity investment experience, healthcare systems' knowledge, in depth India specific healthcare experience and knowledge base to make investments in Indian healthcare companies. Their experience in working with companies in areas of innovation to expand benefits to healthcare consumers and provide requisite solutions for healthcare interventions has aided in growing businesses and increasing profitability.

Message from the Fund

Somerset Indus follows responsible and sustainable investing principles by providing quality, affordable and accessible healthcare across India.

Somerset Indus follows responsible and sustainable investing principles by providing quality, affordable and accessible healthcare across India, especially in the lower tier markets and invests in companies run by experienced healthcare entrepreneurs that address the market opportunity and improve health outcomes through innovation and technological tools.

Fund focuses on investing in small & mid-sized Indian companies in healthcare services & products. The firm believes in following a disciplined approach towards investing and makes all efforts to support the portfolio companies as well as potential investee companies in terms of operational support, accesses to Fund's healthcare networks, talent acquisition and support on strategic and execution related matters of the companies.

The impact of Somerset Indus's portfolio is accentuated further in the present post-Covid environment.

Almost the entire Fund portfolio has been able to contribute towards the Covid environment in a positive and significant way. Fund's portfolio has been adding capacities across healthcare sub-segments and continues to play a significant role in adding to the specific requirements in the current situation through intervention and innovation.

“Sustainable and Responsible Investing” is Somerset Indus's key area of focus, and we ensure that the companies we invest in behave responsibly towards the environment and society.”*

ESG Lead

Message from ESG Lead

ESG principles are an integral part of Somerset Indus's investment philosophy and our intention of investing responsibly is strongly reflected through our robust ESG screening process which has been defined in line with internationally accepted reference frameworks.

We strongly believe that adhering to ESG principles would benefit environment and climate initiatives, support livelihoods, and create a positive impact on the society through improved systems and procedures, technological advancement and robust governance mechanisms. By specifying and implementing ESG considerations in our investments, we have been able to empower our portfolio companies with enhanced regulatory compliances, better risk management strategies, framing policies around diversity & inclusion and creating long-term positive impact on the society.



The fund's commitment to ESG

Somerset Indus is an ESG opportunity seeker and has incorporated ESG principles in its investment strategy since 2017. We are committed to identify, mitigate and manage ESG risks and enhance opportunities within the larger sustainability context of its existing and prospective portfolio companies. All our investments follow an ESG theme investing approach throughout the investment life cycle right from investment selection, portfolio management, shareholder advocacy to exit management. We reflect this belief through our sustainable investing strategy which is supported by a formal Environment and Social Management System (ESMS) and a dedicated ESG team which ensures an overall long-term sustainable ownership structure of the investment. Our partner companies are also required to develop, adopt and implement an ESG policy which is implemented, overseen and complied by dedicated ESG resources.

Somerset Indus actively engages with its portfolio companies throughout the investment life cycle to make the businesses sustainable, adopt best industry practices, manage the risks better and create impact for the nearby communities.

Vision

“ To become the preferred strategic, operational and financial partner of choice in the healthcare sector in India and to enable growth in size and scale predominantly in tier II, tier III markets ”

Mission

“ To partner with healthcare entrepreneurs and help in providing the right impetus operationally and financially, to increase availability, accessibility, affordability and provide quality healthcare to the underserved and underprivileged India while using technology as an enabler.”





Somerset At A Glance

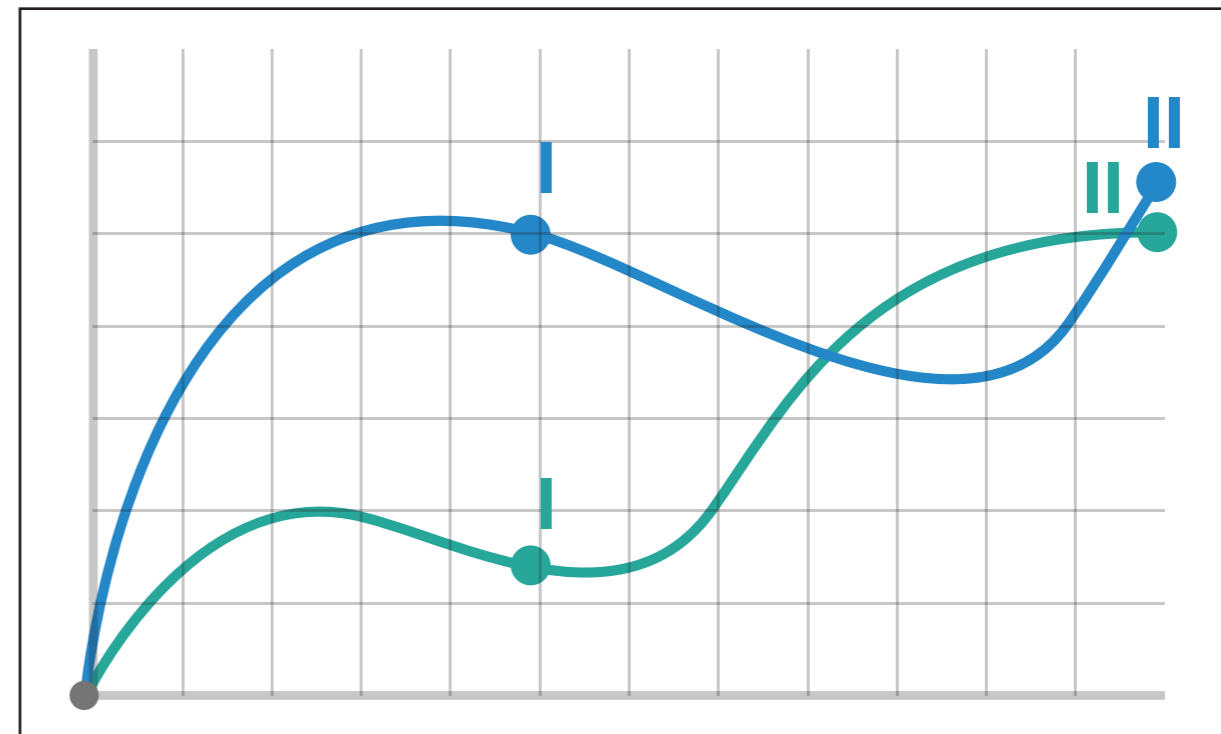
Since its inception in 2011, Somerset Indus is working towards making quality healthcare accessible and affordable for everyone.

With our portfolio companies' efforts, we have achieved contactless 24*7 patient monitoring, reduced mortality, zero wait time and more importantly tertiary healthcare to underserved communities by specialized doctors. We have successfully provided quality care with NABH (National Accreditation Board for Hospitals) and NABL (National Accreditation Board for Testing and Calibration Laboratories) accredited hospitals and labs; products delivered through advanced US FDA (Food and Drug Administration) approved equipment. Our portfolio companies have provided for affordable Enteral Nutrition products which also helps faster recovery of patients in the hospital ICUs (Intensive Care Units) and wards, with products that are ISO (International Organization for Standardization), GMP (Good manufacturing practice), NDA (New Drug Application) and FSSAI (Food Safety and Standard Authority of India) certified.

The Covid-19 pandemic has been a greatly challenging and transformative time for the healthcare sector like no other. It put immense pressure on hospitals and healthcare workers, which made accessibility and affordability of healthcare facilities as the key theme for this period. With this, we realized the importance of innovation and well-being of our employees all over again.

By taking a proactive approach to ESG principles and actively strengthening our efforts to address themes important to us, we believe the Fund will contribute to society by improving the quality of healthcare and play an essential role in creating a sustainable society.

Financial Growth Summary



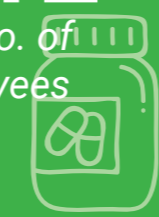
	Fund I	Fund II
Turnover Growth (CAGR till date)	34.8%	57.6%
EBIDTA Growth	64.9%	98.9%

Somerset's Snapshot


2071
No. of diagnostic centers



9412
Total No. of employees



2
No. of Funds



90+
Years of Combined experience



12
SDGs Served



11
Companies Funded



2317
No. of Hospital Beds Managed




17Mn+
No. of diagnostic tests run annually



\$60 Mn
Capital Invested across all the portfolio Companies



125 Mn
No. of Patients Served till date



23
No. of Hospitals



30%
% Of female employees




11
Total Investments (Fund I & II)



2
Full Exits



1
Substantial Exits



1
Partial Exit



7
Current

Somerset's Portfolio Fund I

 <p>Distributor of specialty pharmaceuticals & medical devices in the critical care segment</p>	 <p>Provides affordable quality primary care such as general, specialist & super specialist consultation, pathology, etc.</p>	 <p>Multi-specialty hospital chain, currently operates 15 hospitals</p>	 <p>Operates diagnostics centers that offer a combination of radiology and pathology services</p>	 <p>Medical imaging equipment manufacturer focused on developing, manufacturing, and marketing digital radiology equipment</p>
 <p>A sister concern of Prognosis which focuses on medical imaging consumables distribution</p>	 <p>A manufacturer and distributor of renal care consumables</p>	 <p>Nutritional company present in micro nutrients premixes segment and in Clinical Nutrition and OTC brands</p>	 <p>Makes dialysis treatment accessible to kidney failure patients across India and South East Asia.</p>	 <p>A Tele-Medicine Solutions' Company which provides tools that integrate medical devices with cloud-based technologies. Solutions provided are M-health, E-pathology, E-OPD, E-clinic, Kiosk, telemedicine, and others</p>



Somerset's Portfolio Fund II



A long existing Doctor family promoted tertiary care hospital group in Rajasthan. Apex offers advanced care in Cardiac; Neuro; Gastro; Uro; Nephro; Critical Care; Oncology Radiology; etc.



An initiative of GE Healthcare in India . It is a digitally powered largest pan India medtech distribution platform offering products, services; solutions in areas of Maternal; New Born Care; Imaging; Cardiology; OT; Critical Care; Oncology; IVD.



A Surat-based CDMO player offering formulations across multiple therapeutic areas (TAs) including oncology, anti-infectives, gastro, CVS, etc. Sales presence across 32 countries in 4 major regions – South East Asia, Africa, Central & South America and Middle East. Plans to enter API segment and expand into other geographies



Somerset's Team



+
Avinash
Kenkare
(Founding
Partner)



+
Ashwin
Shenoy
(Investment
Associate)



+
Mayur
Sirdesai
(Founding
Partner)



+
Dhaval
Desai
(Investment
Associate)



+
Ramesh
Kannan
(Partner)



+
Vivek
Iyer
(Operations
Associate)



+
Sharad
Ladha
(Partner)



+
Currently being
managed by Envint
Services LLP



+
Zulfikar
Trivedi
(CFO and E&S
Coordinator)

Our Approach for Mapping Impact

We at Somerset Indus firmly believe that Environmental, Social and Governance (ESG) pillars are integral decision-making pillars as an investor. Integrating ESG factors in investment decisions is vital in determining risks & opportunities, ensuring long-term sustainable value creation for the fund, and its portfolio companies. Which further trickles down to impact created on the management of resources, employees, environment, and the surrounding community. As a healthcare focused fund straddling across subsectors to bring healthcare to the underserved, Somerset Indus aims to make a life-changing impact to its portfolio network, and the nation en masse.

Somerset Indus has a robust reporting framework including ESG reporting under its Environmental and social management policy (ESMS) which is based on IFC and other Development Finance Institutions' (DFI) ESG guidelines. Somerset Indus is also a signatory to Ethical Principles in Health Care (EPIHC) since June 2021 and ensures that the businesses we invest in promotes ethical decision making and behavior. The E&S Policy Statement has been developed with reference to the applicable Indian laws on environmental and social issues and other international standards:

The investment principles are concurrently implemented along with two supporting policy commitments which are "Human Resources (including Gender Development)" and "Sustainability Innovations".

Somerset Indus actively seeks to make a positive contribution to the United Nations' Sustainable Development Goals (UN SDGs) and has made an impact on the following 12 out of 17 SDGs:



ESG Integration in Investment Cycle



Theme 1 Accessibility and Affordability



Why is this important for us?

Health is the foremost priority of any human being and yet not everyone is fortunate enough to access quality healthcare. India continues to be underserved in healthcare in terms of healthcare delivery, diagnostics, supply chain, nutrition & wellness and tertiary care especially in lower tier towns. Despite progress in improving access to health care, inequalities by socioeconomic status, geography and gender continue to persist.

The Fund aims to provide everyone access to the health services they need, when and where they need at an affordable price. Making health for all a reality, by enabling patients to access the treatments they need to live healthy and productive lives.

Impact created

Majority of the portfolio companies have Tier II/Tier III markets as their target markets. The stakeholders from these markets are from lower socio-economic strata. Our portfolio companies create an impact in these markets by providing access to affordable and quality healthcare.



Apex Hospitals is a chain of multi-specialty hospitals and provides affordable treatment especially in the underserved Tier II and Tier III cities such as Sawai Madhopur and Jhunjhunu districts of Rajasthan. The hospital chain provides low-cost tertiary care coverage thereby contributing towards affordable healthcare. The hospital chain also provides treatment under various non-cash government schemes such as - Ayushman Bharat, Central Govt. Health Scheme, Ex-servicemen Contributory Health Scheme, ESIC, and State Govt. Health Schemes.



Genworks Health provides access to quality healthcare through its med-tech distribution platform across > 600 tier I, II & III districts of India. Company's coverage has increased from 450 districts to 600+ districts predominantly in Tier II & Tier III markets. It has launched tele-medicine related digital solutions to further the Governments' efforts to provide quality care in Tier II & Tier III markets of the country. Company's Direct to Customer (D2C) distribution as well as opex model helps achieve and further advance affordable rates to its customers.



Browndove has set up an e-store for Business-to-Business market where dealers can register themselves online to buy products. The company has a network of 100+ dealers across India who supply dialysis consumable to Tier II & Tier III markets.



Krsnaa Diagnostics is the largest player in Public-Private Partnership in CT (Computed Tomography), MRI (Magnetic Resonance Imaging), tele-radiology and pathology across 70+ centers in India catering to lower income population in metros and Tier II & Tier III towns in India. Almost 90% of the patients coming to the hospitals are under various government sponsored schemes catering to the lower strata of the population. It also partners with state government-run hospitals, private medical colleges and large private hospitals to offer diagnostic services at affordable price which is ~60% lower as compared to its peers, thereby increasing access and affordability of teleradiology services in lower and middle income groups. The company also provides zero cost services to the certified Below Poverty Line (BPL) population. It has become the 3rd largest Covid testing and communicable diseases testing provider in India, providing affordable diagnostics scans and has also become a preferred partner for most state governments in India.



Cygnus Hospital is a multispecialty hospital chain which provides emergency care and tertiary care services through its NABH (National Accreditation Board for Hospitals) accredited hospitals focused on delivering affordable and quality tertiary healthcare to underserved communities in smaller towns of India. Company's model provides affordable and quality healthcare in areas where such services were earlier not available through decentralization and technology initiatives such as Sehat clinics, Medpho, and Stepone. They have also conducted surgeries under the Ayushman Bharat Scheme, Govt of India's flagship health coverage scheme and is one of the few corporate hospital chain that has been a part of the Ayushman Bharat scheme from its inception.



Globela Pharma exercises its belief that important drugs can be manufactured at competitive price as per region's requirement while maintaining global standards. The prices are set after looking at various factors like competitors' price, region, product durability and production cost, thus giving importance to the economic viability of their end consumers. Company's products are distributed in government hospitals at lower rates and are available to the underprivileged or low-income groups and BPL families at concessional prices. Product quality is routinely checked as per standard operating procedures, quality manual and BMR of various stages of product manufacturing i.e., granulation, coating, compression, packing etc.

Somerset here aims to provide everyone access to the health services they need, when and where they need at an affordable price. Making health for all a reality, by enabling patients to access the treatments they need to live healthy and productive lives



E-ICU Model of Apex Hospitals

In India, ICU care is mostly concentrated in urban areas. The fact that there are only 6.8 beds per 100,000 population and less than 5,000 trained intensivists, health for all cannot really be achieved with the current model.

With the initiative of Apex Hospitals, the Health Outcome Focused Prevention and Evaluation System (HOPES) 365*24*7 was launched to provide accessible healthcare in Tier II and Tier III cities, which was otherwise not available due to lack of infrastructure and expertise to deliver critical care. This project aims to provide access to tertiary level medical expertise to remote locations by networking with partner hospitals to provide Right Care to the Right Patient at the Right Time through HOPES command centers where technology maximizes healthcare resources. This model is a fusion of critical care skills, technology, and innovation to address critical care staff shortage in the peripheries which enables remote unit doctors to manage critically ill patients at site instead of transferring them to metros. With this model, the partner hospitals can treat critical patients locally within their own community thereby enhancing the socio-economic ecosystem.

**Total No.
of E-ICU Centers**

18

**Total Patients
Served (Nos.)**

8792

**Reduction in hospital
acquired Infection Cases (%)**

10

**Reduction in
Length of Stay (%)**

17

**Reduction in
Ventilator Days (%)**

18

**Reduction in
ICU Mortality (%)**

32

**Annualized gains
from Tele ICU adoption (%)**

15

**Reduction in
transfer Cases (%)**

27





1,92,000
No. of Beneficiaries



14,98,000
No. of Beneficiaries



30+
Presence in Countries (No.)



446
Total No. of products registered



14
Presence in Low middle Income & low-income countries (No.)



890
Total units Sold under all therapeutic area (Mn)





2310

No. of Covid Consumables sold



31%

Sales to Nursing Homes & Small Hospitals (%)



4070

Total Customer Served



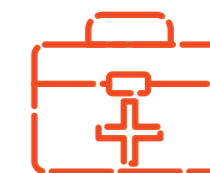
3749

Customers in Tier II & III Cities



357

No. of devices sold to govt. hospitals



2023

Devices sold under early screening and prevention category



110315

No. of Covid Devices Sold

Promoter's Message



“ We created a differentiated model with PPP (Public Private Partnership) and started going to the people instead of people coming to us. We have created 5-star facilities at subsidized prices in areas where there were no diagnostic services available. Now these facilities run 24*7. Free X-Ray services are being implemented in 130 health facilities in the districts of the State of Assam in PPP mode. We are very happy to join hands with Government of Himachal Pradesh for the diagnostics and lab services. With this, we will be able to ensure that facilities reach the remotest parts of the country. Gradually we have reached every class of people, there are people coming from BPL section, government employees, prisoners, middle class households, corporates and film stars

–Ms. Pallavi Jain (Krsnaa Diagnostics)



“ We wanted to set up hospitals near the people who need them the most, so that they don't have to sell themselves just to receive basic healthcare in metro cities. Even now more than 6 crore people slip below the poverty line just due to out-of-pocket healthcare expenditure. Healthcare is under served and under accessed. India's hospitalization rate is one of the lowest in the world, but it is not because we are the healthiest beings but it's just because we don't have access. Our surgeries are less than 10% of what happens in higher income countries because there is no acceptance, accessibility, affordability, accountability, accreditation especially in lower tier areas. Currently 80% of the doctors are treating 20% of India

–Dr. Shuchin Bajaj, Founder Director of Ujala Cygnus Hospital



Theme 2 Integrating Quality, Technology & Innovations



Why is this important for us?

In today's world, new technologies are revolutionizing patient care which means being innovative is not just desirable but necessary. Innovations in healthcare are essential for improving efficiency and increasing productivity, as well as optimizing patient outcomes.

The World Health Organization Health Innovation Group (WHIG) states that innovation "responds to unmet public health needs by creating new ways of thinking and learning" and "aims to add value in the form of improved efficiency, effectiveness, quality, sustainability and/or affordability".

Somerset Indus believes innovation has the potential to streamline workflows leading to increased efficiency and productivity. The Fund also believes that technology will play a big role in healthcare in the medium to long run and new Artificial Intelligence, Machine Learning and Virtual Reality based products and services will start making an impact in the market, as the model in healthcare is shifting towards a more collaborative solutions model. We can also see digital healthcare and tele-medicines growing as a major segment amid the pandemic. The Fund has been working with its technology partners to create solutions which allow for better availability, accessibility and affordability of healthcare. For us, innovation in the health sector should always have the end goal of improving people's health and lives.

APEX HOSPITALS

APEX HOSPITALS

TELE-ICU

COMMUNITY

RE

CU360

Impact created



+

Apex Hospitals is a NABH accredited hospital chain and ensures quality healthcare for all. Apex initiated digital solutions like E-ICU, Tele Oncology, Tele (Electrocardiogram) ECG, Tele Pathology and Tele-Medicine to provide accessible healthcare. It set up 1st Cath Lab in Sawai Madhopur which is a Tier III district of Rajasthan. It is also working with various Information Technology (IT) companies with the help of Artificial Intelligence (AI) to provide quick solutions in screening and treatment in remote areas.



+

Cygnus Hospitals is a NABH accredited multi-specialty hospital chain and has facilities including ICUs, Ots (Operation Theatres), Cath Labs, Neurology and Orthopedic Surgery. Cygnus through its 100% tele-medicine subsidiary Medpho, provides accessible, affordable and hassle-free healthcare services by bridging the gap between doctors and patients. The platform facilitates essential solutions like diagnostics, teleconsultation services, and online pharmacies, to everyone across the country, including those in the rural areas.



+

Globela Pharma is an established ISO (International Organisation for Standardisation), FDCA-India and WHO GMP accredited formulations manufacturing company with multiple therapeutic areas including oncology, anti-infectives, gastro, CVS (Chorionic Villus Sampling), etc. and sales presence across 30+ countries. It is an experienced manufacturer for high quality semi-finished, finished dosages formulation and active pharmaceutical ingredient products. It has an in-house fully equipped R&D center accredited by DSIR (Department of Scientific and Industrial Research). The Company has received UBM India Pharma Exporter of the Year Award for 2015 and 2017. The company is also a certified Star Export House by the Directorate General of Foreign Trade (DGFT) and is classified as a preferred exporter by Dun and Bradstreet (D&B). Additionally, the Company has incorporated use of lean fuels such as natural gas in boilers at their manufacturing units, which has significantly lesser GHG emissions compared to standard fuel usage.



+

Genworks Health is the largest digitally powered Pan-India medical technology (med-tech) distribution platform. They launched India's first dedicated online healthcare portal. The company connects best in class manufacturers with customers for solutions across screening, diagnosis, treatment and digital health ecosystem thereby providing complete care solutions. Through these tech-enabled care or connected care, a nurse or a trained paramedic can save the life of a patient undergoing a chest pain, who is living in some remote town even at midnight, if the patient can be connected with a specialist doctor through technology, irrespective of the doctor's location. The Company has partnered with renowned equipment providers such as General Electric (GE) and Perkin Elmer. Genworks also utilizes its partnership with 5C Tele Radiology platform. The platform helps to scan images which are transmitted to a remotely located radiologist who in turn does the interpretation and sends back reports to the primary source where the scan was performed. This helps in providing proper clinical support at the right time and improve health outcomes. The Company aims to leverage available technology and provide affordable solutions with a focus on early health i.e., early screening, early treatment and early diagnosis so that preventive care can be given, and cost of total healthcare can be reduced, thereby making health for all a reality.



+

Browndove is an ISO 9001, 13485, 14001, 45001 and WHO (World Health Organisation) GMP (Good Manufacturing Practices) certified facility, which offers renal care, critical care, cardiology and diagnostics products under the brand name of Pristine and Curum and is "India's 1st Exclusive Dialysis Devices Manufacturer". It has become a preferred OEM (Original Equipment Manufacturer) partner for various large MNCs (Multinational Corporations) for their sourcing for emerging markets due to its quality and affordability of its products. It has become a No. 3 Company in the dialysis consumable space in terms of sales and brand recall in the country.





+ The most appreciated innovation **Krsnaa Diagnostics**, who pioneered during this pandemic was to establish a fleet of Covid-19 test buses with AI at various locations to provide testing services on the go to the densely populated urban areas and remote areas where healthcare services are not easily accessible. This mobile facility is based on indigenous technology and is the first vehicle of its kind in the country and across the globe. Company mobilized equipment from renowned equipment makers like Wipro GE, Philips, Thermofischer for providing its services with no added cost premium.



+ Hexagon's Domestic Brands Business has 14 brands and 22 SKUs (Stock Keeping Unit). The team is regularly trained on food safety and FSSAI (Food Safety and Standards Authority of India) regulations along with 12 FOSTAC (Food Safety Training and Certification) and 2 FSSC (Food Safety System Certification Scheme) 22000 certifications. The company also has initiated solar panel installation at various sites to reduce energy consumption.



NABH Accredited Hospitals

3



18



Number of new hospitals/care centers added during the reporting period:

2



5



Number of Product/ services added:

4



6



Promoter's Message



" Our approach is a solution approach. While we have equipment of diagnostics and technology for treatment in the diagnostics stage, for us, screening and connecting screening to a specialist or to AI which can detect early incidents and thereby impact early intervention is the way to improve care.

–Mr. Ganesh Prasad (Genworks health)



" Innovation is the cornerstone of sustained growth. We have our own DSIR (Department of Scientific and Industrial Research) approved R&D (Research and Development) center. We produce in house API (Application programming interface) formulations. Many of the formulations developed by our R&D are first of their kind. Our approach is innovative, cost effective and eco-friendly. By using less excipients in medicines and avoiding fillers, we not only bring the cost down but also reduce the consumption of any toxic substances by the patients. We use aqueous coating on medicines and undertake dry granules compression method to manufacture medicines in an eco-friendly manner. To decrease dependency on China, as a part of the Production Linked Incentive Scheme (PLI) that was started by the Government of India supporting the vision of Atma Nirbhar Bharat, we developed our own API formulations.

–Dr. Bhanu Vaghashia (Globela Pharma Pvt. Ltd.)



Theme 3 Response to Covid-19



Why is this important for us?

On 11 March 2020, WHO declared Novel Coronavirus Disease (Covid-19) outbreak as a pandemic and called for immediate scale up to treat, detect and reduce transmission to save people’s lives. Coronavirus brought both opportunities and challenges to the Indian healthcare system. The Covid-19 crisis demonstrates the importance of placing focus on health care at the core of health systems. Some sectors including healthcare products, technology, e-commerce etc. saw increased demand and increased utilization levels.

New innovations were introduced as a response to Covid-19. The Government of India also notified Telemedicine rules which allows for large-scale use of digital health technologies to treat patients remotely. The Covid-19 pandemic has physically, mentally, economically and socially damaged the lives of many people and put immense pressure on health systems. Our portfolio companies have been active participants in taking action to serve the community in as many ways as possible.



Impact created



Krsnaa Diagnostics led the fight against this pandemic by launching India's 1st Covid Testing Mobile Unit, which is capable of conducting 5 million tests per month. The Covid-19 test bus facilitates access to the cheapest alternative and rapid testing to people in dense urban areas whilst isolating doctors and also do large scale testing during the monsoons. The company now has become the 3rd largest Covid-testing and communicable diseases' testing provider in India, providing affordable diagnostics scans and has also become preferred partner for most state governments in India. Krsnaa has a seamless pan India service coverage at even harder to operate areas like Jammu & Kashmir and North-East India.



Genworks Health as part of its Community Reach Out Initiative, interacted with CSR team members of various multinational companies during the 2nd wave of Covid-19 to supply oxygen concentrators in low prices. These MNC's donated lifesaving O2C to various Government and NGO- run hospitals across India providing Covid care treatment at an affordable price. More than 5,000+ oxygen concentrators were supplied as part of this initiative.



Ujala Cygnus dedicated 1650+ beds across 15 units in 4 states viz. Delhi, Haryana, Uttar Pradesh and Uttarakhand. All the hospitals of Ujala Cygnus were converted into Covid centers. At its Covid Care Center, Burari, Cygnus hospital provided a 1,000+ beds facility free of cost equipped with oxygen support, ventilators, 24x7 medical and nursing care in collaboration with Delhi Government and Sant Nirankari Mission. Cygnus healthcare services ensured that not even one life was lost during the Covid-19 period. It continues to serve as the largest on-field ICU in the country with 300 fully equipped ICU beds. Hospital chain also supplied free food, medicines, lab and pathology services, along with raising money for relief efforts through social media and corporates.



Apex Hospitals initiated the process of providing tele - consultations via digital tools and virtual primary care during Covid-19. Expanding home-based programs improved access to health care for all patients during the crisis, leveraging digital tools and systems such as e-Health and telemedicine came as a result of this. Digital tools help maintain continuity of care for people with chronic conditions and prioritize, support and treat patients remotely, thereby containing the spread of the virus.

Covid Beds 

111

1650



1761

Total





Browndove was part of the program for public distribution of PPE kits and setting up of sanitizer stations. Masks were distributed to all staff and to customers. Transport to pick up and drop customers was also arranged due to the constraints of the Covid-19 lockdown.



Globela Pharma has made contributions through donations and upward of Rs. 22,00,000 to the PM Care Fund to support the public welfare needs during Covid-19.

Another challenge that Covid-19 brought to the fore was unpreparedness of health care workers for such an outbreak. Training was needed not just for doctors dealing with Covid-19 but also worker-based training to prevent and reduce exposure of hospital employees, emergency first responders, and other workers who are at risk of exposure to coronavirus through their work duties. Apex Hospital trained around 350 community workers for Covid-19 management and Cygnus trained close to 200 community workers. Our companies gave specific Covid-19 related staff training with Apex hospital dedicating a total of 389 hours, Hexagon Nutrition dedicating 184 hours and Cygnus Hospital dedicating a total of 246.5 hours on this training period.





110,315

No. of Covid Devices Sold

2,310

No. of Covid Consumables sold

No. of Covid Patients Treated



15,000+

Apex Hospitals



1.6 million

Cygnus Hospital

Number of covid vaccines administered



1,481



2,595



Approx 10,000

Average No. of Samples processed/day



Promoter's Message



"Technology has been our priority; it has not just helped us but the industry in its growth and prosperity. During the Covid -19 when there was a shortage of RT PCR testing kits, our team suggested the use of scans and x-ray images as a tool of monitoring in areas of Dharavi, Assam etc. We were India's first RTPCR lab in a government hospital which was not run by a municipal corporation. We processed 10000+ samples every day which came from more than 2,000+ labs located across India.

–Ms. Pallavi Jain (Krsnaa Diagnostics)



"Covid-19 imposed restrictions and limited people's mobility to a great extent. People living in small towns, even those who were financially well-off, could no longer travel to cities for treatment and had to rely on local doctors. This has helped them instill confidence in the capabilities of their local doctor, a trait which was absent erstwhile. Today, owing to the advancement in medical science, healthcare is at every doorstep and has moved much closer to everyone's homes, including beyond metro cities. This has resulted in people opting for local medical treatment instead of traveling to overcrowded healthcare facilities in cities.

–Dr. Ganesh Prasad (Genworks health)



"As a part of our Covid initiatives we have donated to the PM care fund and provided all the medical support to our employees and their families. At the time of shortage of medicines, we provided medicines to Bombay Municipal Corporation and to the state of Telangana and Kerala.

*–Dr. Bhanu Vaghashia
(Globela Pharma Pvt. Ltd.)*



Globela Pharma Pvt. Ltd.

Theme 4 Fostering Community Development & Responsibility:

11 SUSTAINABLE CITIES
AND COMMUNITIES



Why is this important for us?

We as a Fund and through our portfolio investments are committed to enriching the communities where we work and live. We believe that if our surroundings grow, so do we in the long run. Improving quality of life in communities is an essential part of the healthcare sector. Somerset Indus's vision is strongly aligned with community-building activities. As a healthcare focused Fund operating in a highly underserved region, Somerset Indus's aim is to make a life-changing impact to its portfolio network, their local communities. Our portfolio companies are committed to making our society and our environment a better place to live with our innovative and environmental governance policies.



Impact created



Hexagon Nutrition, our wellness and nutrition portfolio partner, is focused on creating solutions aimed at eliminating malnutrition in both developing and developed economies, by actively partnering with leading multilateral organizations and NGOs across the world. It develops and produces nutritional supplements for customers not just in India but also internationally. It is a partner of the Global Alliance for Improved Nutrition (GAIN) launched at the United Nations in 2002 to tackle the human suffering caused by malnutrition. It also has a technical collaboration with Sprinkles Global Health Initiative of Canada, enhancing the lives of children of many third world countries, where iron deficiency anemia and malnutrition is predominantly prevalent. They support and participate by supplying micronutrients products for several food programs operating in India and globally for food fortification and fighting malnutrition. Its presence has increased from 40 to 70+ countries for their micronutrient products and provides employment across 3 manufacturing units and head office in India. It very actively organizes nutrition camps as a part of their CSR activities in lower tier towns in India and has partnered with NGOs, governments, multilateral organizations like UNICEF, GAIN Alliance, etc. with an aim to alleviate malnutrition.



To reach out to the larger community, **Genworks Health** sold 357 medical equipment to government hospitals in remote locations. It's consumer base in Tier II and Tier III cities forms ~92% of total consumer base, thus ensuring accessibility and affordability of good healthcare facilities to the community which remains Company's foremost priority. Company also supported the Rotary Club of Madras East's initiative by donating ECG Machine and a split AC unit to the Institute of Child Health (ICH) and Hospital for Children, and more. ICH has about 560 beds in Block E where their ECG machine is used.



To ensure that all sectors are given equal access, donations were made by **Browndove** to non-profit organizations



Cygnus Hospitals in Collaboration with a local NGO SIDDHI, conducted multiple wellness activities viz. Zumba, Yoga, Dance, Spiritual sessions etc. for Covid-19 patients on a daily basis. Free mental health consultation was provided to all patients in partnership with Project StepOne. As a part of community outreach initiative, also known as Sehat Chaupals, Cygnus Hospital conducts free medical health checkup camps in villages through their hospital network. The company also invested Rs.0.5 Mn. for education of customers and patients.



For any consumer of healthcare services which is a larger community, it is essential to develop basic understanding of the system and their rights under it. This makes the process of navigating the health system much more efficient. One can easily observe that penetration of health education among the lower socio-economic strata tends to be lower, which also correlates with poor health conditions. Unfortunately, consumer health education while important is difficult to access for the people who need it most. To aid this, **Apex Hospitals spent Rs. 0.3 million and Cygnus Hospital spent Rs. 0.5 million on education of customers and patients.**



As a part of responsible sourcing, our portfolio companies endeavor to buy equipment, medical devices and medicines from micro, small and medium enterprises.

Proportion of total purchase from micro, small and medium enterprises?

20%

 Browndove

26%

 Ujala Cygnus
HEALTHCARE SERVICES
An Amara Ujala Group

Promoter's Message



" In Assam where people had to travel lengths for a basic CT scan and had to wait 4-5 days for a basic x-ray, through our innovation of tele-consultation we have reduced this waiting time to 4-5 hours. In areas such as Himachal Pradesh where CT scan is not even available in private hospitals, Krsnaa has delivered quality diagnostics through its PPP initiatives. We have also provided consultancy services within 15 minutes in case of accidents and trauma in areas of Jammu."

-Ms. Pallavi Jain (Krsnaa Diagnostics)



" We are of the firm belief that if we are treating the poor that doesn't mean we provide poor quality, we have NABH accreditations. The ethos of the company is very clear that we will treat each and every person coming through the hospital door. We have been the champion of Ayushman Bharat ever since its commencement. We'll be the first corporation to set up a chain of hospitals in Srinagar. We'll be the first in the country to provide cancer facilities in Uttarakhand region, still now there are no such facilities in the hilly areas. We set up Sehat Chaupal in communities to spread awareness about good health care practices and engage with all the communities near our 17 hospitals. We are reaching out to 3000+ people every single day. So, diseases such as diabetes can be well detected beforehand."

-Dr. Shuchin Bajaj, (Ujala Cygnus Hospital)



Theme 5 Being Water Conscious



Why is this important for us?

Commercial and institutional buildings use a large portion of groundwater. With water being used in such large quantities there are ways to reduce water consumption and use this resource efficiently. Water conservation includes all the policies, strategies and activities undertaken by the company to sustainably manage water and reduce the consumption of water. Water conservation in simple terms refers to reducing the usage of water and recycling wastewater. Any reduction in water loss, water use, and water waste can be classified as water conservation.

The largest uses of water in the healthcare sector are cooling equipment, plumbing fixtures, landscaping, and medical process rinses.

Impact created

As a Fund, we ensure that our portfolio companies use water resources as efficiently as they can and at the same time create a water conserving mindset in the community. All our portfolio companies go through periodical checks for any leaking taps, pipes, overflowing tanks, dysfunctional cisterns etc. Along with these basic steps, our partners have gone an extra mile to ensure water conservation.



Cygnus Hospital has installed push button taps along with posters about water conservation at all locations.



Browndove has a rainwater harvesting system and installed a Sewage Treatment plant (STP) for water recycling and is using gray water for gardening and flushing. Wastewater from wash basins is treated in-house using media and is then used for flush tanks and gardening. They have started using water aerator taps for all water outlets in the organization. To educate everyone, signage on effective hand washing has been put up at key places.



Apex Hospitals is now using low flush toilets. Company has installed rainwater harvesting system where rainwater is collected and stored at the surface before it is lost as surface runoff. This reduces dependence on groundwater. All the Apex group hospitals have Effluent Treatment Plants (ETPs) where the treated water is reused for mopping and gardening.



Hexagon has an ETP which consists of an oil & grease removal system, primary, secondary & tertiary treatment system. It is operated by qualified staff. The wastewater generated from the product manufacturing units at Globela Pharma are processed using Effluent Treatment Plant (ETP) installed in its premises which ensures zero liquid discharge.



Theme 6 Diversity, Equity & Inclusion



Why is this important for us?

We strive to be an inclusive workplace where our employees reflect our community. Our employees are our most valuable assets, and we provide them with facilities to ensure that they grow at their full potential. Diversity and inclusion are important not just for current employees but also for the next generation employees. Currently we are focused on higher women participation in all levels of management.








Impact created

Krsnaa Diagnostics, a listed diagnostics services provider player in India is helmed by Ms. Pallavi Jain as the solo woman entrepreneur.

All our Portfolio Companies have an elaborate POSH (Prevention of Sexual Harassment) policies along with a dedicated committee to hear any such grievances and provide a suitable resolution for the same.



Portfolio Companies	Proportion of men among contract workers	Proportion of women among contract workers	Proportion of men in workforce	Proportion of women in workforce	Proportion of women among new hires	Proportion of women founders
 Ujala Cygnus HEALTHCARE SERVICES <small>an Amur Ujala Group collaboration</small>	77%	23%	63%	33%	42%	-
 Browndove	37%	63%	35%	56%	64%	-
 GEN WORKS <small>A WIPRO™ GE™ INVESTED COMPANY</small>	77%	23%	83%	17%	20%	-
 krsnaa DIAGNOSTICS <small>LET'S DO GOOD...</small>	70%	30%	72%	28%	-	33%
 Globela Pharma Pvt. Ltd.	-	-	76%	24%	-	33%

Theme 7 Human Capital **Health & Safety**

8 DECENT WORK AND
ECONOMIC GROWTH



Why is this important for us?

For any business to succeed, its people need to be both physically and mentally healthy. A mentally and physically healthy individual is more willing to do work in a much more efficient and smooth manner. Being a healthcare fund, the health of our patients is in the health of employees and their health is in our hands. Factors affecting workplace safety include unsafe working conditions, environmental hazards, substance abuse, and workplace violence.



Impact created



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Cygnus Hospital routinely imparts training on disaster management to the staff & implements the disaster management plan of the organization including fire safety and mock drills. Every month, the organization trains the entire staff for customer safety policies, such as keeping the security personnel normal in dealing with the patient, giving first priority to the hospital staff to the patients. In this way the organization makes all the employees aware of the security policies. They regularly train their staff on emergency response systems, emergency codes and occupational safety.



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Apex Hospitals provides for premedical examination, first aid and emergency services, health education to the staff and supervision over sanitation. Company also has a data privacy policy and fire safety measure in line with regulatory requirements when it comes to consumer safety policies. Company provides emergency response systems, fire prevention and mock drills.



+






Globela provides a periodical health checkup to its employees. Training is provided on emergency response system (ERP), OHS, fire emergency and preparedness. Company has implemented US FDA, WHO & GMP guidelines for safety of its people. First Aid Box is provided at each section with necessary items.






+

Hexagon Nutrition provides annual medical health checkups once in a year. It conducts training and workshops as a part of safety week celebration. It has provided Mediclaim and group personal accident policy for its employees. It also conducts regular mock drill & fire extinguisher training from time to time for employees' safety.

At Somerset Indus, we ensure that all of our portfolio companies follow the safety guidelines. Our portfolio companies reported zero injuries, zero number of incidents of non-compliance with extant regulations and voluntary codes relating to products and services information. During the Financial year 2021, none of our partner companies have carried out any significant layoffs nor had any labor unrest in the form of strikes or like. Our Companies conduct surveys to measure employees' satisfaction relating to their roles, work environment and management quality on a regular basis. All our partner companies have an employee grievance redressal policy in place. We believe that providing employees with healthcare and other benefits goes a long way in increasing loyalty to the organization, recruiting quality workforce and increasing overall productivity while creating a great organization culture. Our companies provide various other benefits including health insurance, subsidized canteen, uniforms, attendance bonus and salary advances.

Portfolio Company	Proportion of employees given health and safety training
 APEX HOSPITALS <i>Empathy. Expertise. Experience.</i>	100%
 Ujala Cygnus <small>HEALTHCARE SERVICES (An Amara Ujala Group collaboration)</small>	97%
 GEN WORKS <small>A WIPRO™ GE™ INVESTED COMPANY</small>	18%
 Globela Pharma Pvt. Ltd.	100%
 Browndove	100%



Portfolio Company	Employee work-related injury incident rate	Employee work-related fatality incident rate
 APEX HOSPITALS <i>Empathy. Expertise. Experience.</i>	NIL	NIL
 GEN WORKS <small>A WIPRO™ GE™ INVESTED COMPANY</small>	NIL	NIL
 Globela Pharma Pvt. Ltd.	NIL	NIL

Promoter's Message



" Our cloud-based platform and 5,000 sq. feet hub in Pune is providing services pan-India.

We have best in class equipment, NABL accreditation, NABH certification, ISO certification and all other required mandates. Our team has over 220 radiologists and 100 well qualified pathologists. We follow an internal operating standard procedure where everything is aligned to maintain quality standards.

–Ms. Pallavi Jain (Krsnaa Diagnostics)







Theme 8: Governance, risks and controls








We believe strong transparency and accountability mechanisms will lead to improved management of ESG risks and opportunities. The Fund plays a vital role in improving corporate governance practices and supporting anti-corruption measures. Somerset Indus adheres to various policies including Anti Bribery Anti-Corruption, Anti Money Laundering, Conflict of Interest, Human Resource and Staff Insider Trading policy. Fund adheres to high standards of corporate governance which ensures professionalism, integrity and sustainable business practices. Our portfolio companies follow employee code of conduct, cyber security policy and policies to protect customers' data privacy and integrity. Code of conduct upholds the best practices with respect to integrity, trustworthiness and ethical behavior that our companies incorporate into all their business dealings. All our Portfolio Companies function under iron clad grievance redressal mechanisms, internally as well as to us as their investors, and other external stakeholders..

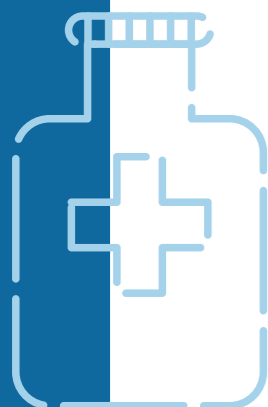
Companies have in place a policy framework for anti-corruption, anti-bribery, whistle blower as well as a maker-checker mechanism through internal audit processes. Being a healthcare Fund, protection of data of all our stakeholders, especially the patients is important for us. Krsnaa Diagnostics, a listed company, has demonstrated that a high degree of risk management mechanisms and controls are in place to protect internal and external stakeholders' interests.

We assist our Companies to have a robust risk management and governance framework along with highly competitive and experienced team of professionals. All the Companies ensure high discipline in, timely payment of statutory dues, timely reporting and quality disclosures to stakeholders, disclosure of related party transactions etc.

Portfolio Companies	Proportion of women on Board of Directors
 Globela Pharma Pvt. Ltd.	20%
 HEXAGON NUTRITION <i>Nutritionally Yours....</i>	20%
 APEX HOSPITALS <i>Empathy. Expertise. Experience.</i>	20%
 Krsnad DIAGNOSTICS <small>LET'S DO GOOD.</small>	25%

Portfolio Companies	Proportion of employees trained on Code of Conduct
 Ujala Cygnus <small>HEALTHCARE SERVICES (An Amar Ujala Group collaboration)</small>	74%
 GEN WORKS <small>A WIPRO™ GE™ INVESTED COMPANY</small>	100%

Portfolio Companies	Proportion of independent directors on Board of Directors
 HEXAGON NUTRITION <i>Nutritionally Yours....</i>	50%
 Globela Pharma Pvt. Ltd.	20%
 GEN WORKS <small>A WIPRO™ GE™ INVESTED COMPANY</small>	67%



Awards

Genworks Health Private Limited

Genworks Health received recognition from Economic Times as "Best Healthcare Brand 2021" and "India's Greatest Brands 2021-2022" as well as recognized as an Impact Torchbearer by the India Today Group.



Globela Pharma Private Limited

Received an Award for "Excellence in Export Promotion" at India Pharma Awards 2021.



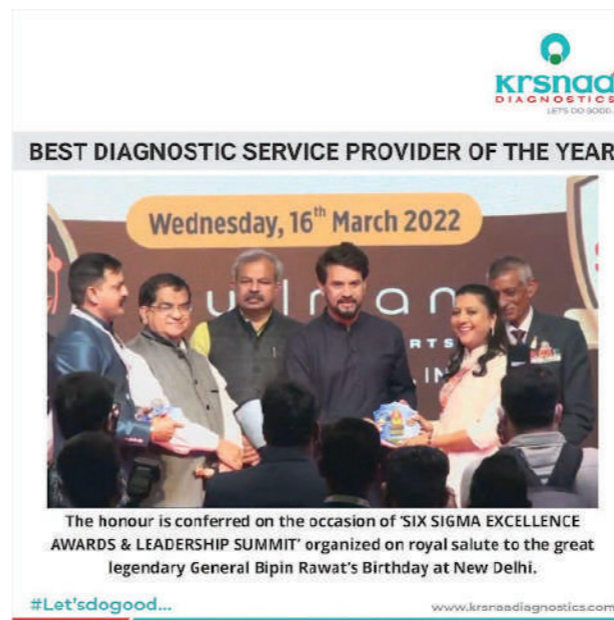
Krsnaa Diagnostics:

Received an Award for "Best Diagnostic Service Provider of the Year"



Cygnus Hospital:

Dr. Shuchin Bajaj was conferred Best Worker Award by Delhi Medical Association for his contribution to provide medical service during Covid – 19.



About this report

To better classify Somerset Indus's commitments, achievements, and values, we have aligned the content of this report with several sets of reporting standards. This report has references from 2016 Global Reporting Initiative (GRI) Standards as well as the UN SDGs.

Somerset Indus aligns with selected GRI and SASB (Sustainability Accounting Standards Board) Standards, or parts of these standards, which are referred to in this report. Through this integration of global standards for sustainability reporting into its future ESG and Impact Report frameworks, Somerset Indus aims to improve comparability, reliability, and transparency.

For this report, we have identified 12 out of 17 SDGs applicable for our focus sector and sub-sectors with a rationale. Each of the SDGs were then mapped across the eight themes covered in this report and depicts the role of our portfolio companies. The data presented in this report is based on accumulated data of 300+ Key Performance Indicators (KPIs) received from our portfolio companies. The data reported reflects across the Financial year ending March 2022.

Acknowledgement

This report is one of the ways that we fulfill our commitment to remain transparent in our business practices and accountable to you. The data presented in this report has been collected, reviewed, and internally validated to ensure completeness and accuracy, with the most current information at the time of publication, however, there will always be a room for human error. We would like to extend our gratitude towards our portfolio companies for their contribution to this report.

Concluding Message

According to a survey on social consumption, conducted by the National Sample Survey Office of the Ministry of Statistics and Program, only 14% of the rural population and 19% of the urban population has any kind of health expenditure coverage. This lack of coverage means that they are forced to consume their savings or borrow resulting in delayed treatment and poor-quality care. This also leads to millions of deaths every year, many of them could be prevented with proper medical care. Currently, India accounts for around 20% of the global disease burden with a high infant mortality rate of 40 deaths per 1,000 live births. More Indians die of poor-quality care than due to a lack of access to healthcare. Even now almost 75% of healthcare expenditure comes from the pockets of households and healthcare facilities are still focused primarily on big cities.

Affordability and accessibility still remain the foremost hurdle Indian healthcare faces. The portfolio companies mentioned in this report with the help of Somerset Indus are giving their best in pulling India out of these challenges by setting up high quality facilities in Tier 2 & Tier 3 cities, by bringing in new technologies and reaching the last mile.

Somerset Indus's ESG efforts have also developed rapidly and positively over the past years. We are encouraged by our progress with respect to our portfolio composition and positive stakeholder's impact. We also recognize that our efforts are still underway to meet the changing dynamics of healthcare globally, and we are gradually progressing in our mission.

Going forward, we are looking for energy saving mechanisms and will soon come up with a holistic plan. Some of our portfolio companies have moved to solar powered energy in a limited way, thereby reducing dependency on non-renewable resources.

Every single day, we are encouraged to focus on sustainable impact by the increasingly evident and relevant links between sustainable strategy, environmental and social impact, and long-term business fundamentals. One key takeaway from this report is that all our goals will require better integration and enhanced partnership with our stakeholders.



Somerset Healthcare Investment Advisors Pvt. Ltd.

CORPORATE ADDRESS

**401, 4th Floor, Pharma Search House,
72/73, Worli Hill Estate, Dr. B. G. Kher Road,
Worli, Mumbai 400 018**

 : https://twitter.com/Somerset_Indus

 : <https://www.linkedin.com/company/somerset-indus-capital-partners>

 : info@somersetinduscap.com