



ASTER DM HEALTHCARE LIMITED

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

Corporate Identification Number (CIN): L85110KL2008PLC021703

Phone: +91 080 22585845; Email: cs@asterdmhealthcare.com

Website: www.asterdmhealthcare.com; Company Secretary and Compliance Officer: Ms. Puja Aggarwal

PUBLIC ANNOUNCEMENT FOR THE ATTENTION OF EQUITY SHAREHOLDERS/BENEFICIAL OWNERS OF EQUITY SHARES OF ASTER DM HEALTHCARE LIMITED FOR THE BUYBACK OF EQUITY SHARES THROUGH TENDER OFFER ROUTE UNDER THE SECURITIES AND EXCHANGE BOARD OF INDIA (BUY-BACK OF SECURITIES) REGULATIONS, 2018, AS AMENDED.

This public announcement ("Public Announcement") is being made in relation to the buyback of equity shares each having a face value of ₹ 10 each (the "Equity Shares") by Aster DM Healthcare Limited (the "Company") from the shareholders/beneficial owners of the Company through a tender offer route through the Stock Exchange Mechanism pursuant to the provisions of Regulation 7(i) of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018 (the "Buy-Back Regulations") for the time being in force, including any statutory modifications and amendments from time to time and contains the disclosures as specified in Schedule II of the Buy-Back Regulations.

The Company is in the process of shifting its registered office from the State of Kerala to the State of Karnataka and has, in this regard, obtained the approval of the jurisdictional Regional Director on December 24, 2019. In the event the registered office of the Company is shifted during the buyback period, the Company will issue and publish appropriate corrigenda.

OFFER FOR BUYBACK OF UP TO 57,14,285 (FIFTY SEVEN LAKHS FOURTEEN THOUSAND TWO HUNDRED AND EIGHTY FIVE ONLY) FULLY PAID UP EQUITY SHARES OF THE COMPANY AT A PRICE OF ₹ 210/- (RUPEES TWO HUNDRED AND TEN ONLY) PER EQUITY SHARE ON A PROPORTIONATE BASIS THROUGH THE TENDER OFFER ROUTE.

Certain figures contained in this Public Announcement, including financial information, have been subject to rounding-off adjustments. All decimals have been rounded off to two decimal points. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

1. DETAILS OF THE BUYBACK OFFER AND OFFER PRICE

1.1 The Board of Directors of Aster DM Healthcare Limited (the "Company") (the board of directors of the Company hereinafter referred to as the "Board", which expression includes any committee constituted and authorized by the Board to exercise its powers), at its meeting held on Thursday, January 09, 2020 (the "Board Meeting") and such date the "Board Meeting Date"), pursuant to the provisions of Article 12 of the Articles of Association of the Company, Sections 68, 69 and 70 and all other applicable provisions, if any, of the Companies Act, 2013, as amended (the "Companies Act"), the Companies (Share Capital and Debentures) Rules, 2014, to the extent applicable, and in compliance with the Buyback Regulations and subject to such approvals of statutory, regulatory or governmental authorities as may be required under applicable laws, approved the buyback by the Company of up to 57,14,285 equity shares (Fifty seven lakhs fourteen thousand two hundred and eighty five only) fully paid-up equity shares of ₹ 10/- (Rupees Ten only) each of the Company ("Equity Shares") representing up to 1.13% of the total paid-up Equity Share capital of the Company at a price of ₹ 210/- (Rupees Two hundred and ten only) per Equity Share ("Buyback Price") payable in cash for an aggregate amount of up to ₹ 120,00,00,000/- (Rupees One hundred and twenty crores only) ("Buyback Size"), which is 4.69% of the fully paid-up Equity Share capital and free reserves as per the latest audited standalone financial statements of the Company as at March 31, 2019 and 5.42% of the fully paid-up Equity Share capital and free reserves as per the latest audited consolidated financial statements of the Company as at March 31, 2019, on a proportionate basis through the "tender offer" route as prescribed under the Buyback Regulations, from all of the shareholders of the Company who hold Equity Shares as of the Record Date (as defined below) (the "Buyback").

1.2 The Buyback Size does not include any transaction costs viz. brokerage, applicable taxes such as buyback tax, securities transaction tax, GST, stamp duty, expenses incurred or to be incurred for the Buyback like filing fees payable to Securities and Exchange Board of India ("SEBI"), advisors/legal fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses, etc.

1.3 The Buyback is subject to receipt of approvals, permissions and sanctions as may be necessary and subject to such conditions and modifications, if any, as may be prescribed or imposed by statutory, regulatory or governmental authorities under applicable laws, including the Reserve Bank of India, the SEBI, National Stock Exchange of India Limited ("NSE") and the BSE Limited ("BSE") (together with the NSE the "Stock Exchanges").

1.4 The Equity Shares are listed on the Stock Exchanges. The Buyback shall be undertaken on a proportionate basis from the equity shareholders of the Company as on January 24, 2020 (the "Record Date") ("Eligible Shareholders") through the tender offer process prescribed under Regulation 4(iv)(a) of the Buyback Regulations. Additionally, the Buyback shall be, subject to applicable laws, implemented by tendering of Equity Shares by Eligible Shareholders and settlement of the same through the stock exchange mechanism as specified by SEBI in its circular bearing reference number CIR/CFD/POLICYCELL/1/2015 dated April 13, 2015 read with the circular bearing reference number CFD/DCR2/CIR/P/2016/131 dated December 9, 2016, as amended from time to time ("SEBI Circulars"). In this regard, the Company will request the Stock Exchanges to provide the acquisition window for facilitating tendering of Equity Shares under the Buyback. For the purposes of this Buyback, BSE will be the designated stock exchange.

1.5 Further, under the Companies Act, the number of equity shares that can be bought back in any financial year cannot exceed 25% of the total paid-up equity capital of the Company in that financial year. Accordingly, the maximum number of Equity Shares that can be bought back in the current financial year is 12,63,06,836 (Twelve crores sixty three lakhs six thousand eight hundred and thirty six) Equity Shares (calculated on the basis of the total paid-up equity share capital of the Company as on March 31, 2019). Since the Company proposes to buy back up to 57,14,285 Equity Shares, the same is within the aforesaid 25% limit. The maximum number of shares proposed to be bought back by the Company represents 1.13% of the paid-up equity share capital of the Company as of March 31, 2019.

1.6 Participation in the Buyback by Eligible Shareholders may trigger tax implications in India and in their country of residence. The transaction of Buyback would also be chargeable to securities transaction tax in India. In due course, Eligible Shareholders will receive a letter of offer, which will contain a more detailed note on taxation. However, in view of the particularized nature of tax consequences, Eligible Shareholders are advised to consult their own legal, financial and tax advisors prior to participating in the Buyback.

1.7 A copy of this Public Announcement is available on the website of the Company at www.asterdmhealthcare.com and is expected to be available on the website of the SEBI at www.sebi.gov.in during the period of Buyback and on the website of the Stock Exchanges at www1.nseindia.com and www.bseindia.com, respectively.

2. NECESSITY OF THE BUYBACK

2.1 The Buyback is being undertaken by the Company to return surplus funds to its equity shareholders, which are over and above its ordinary capital requirements and in excess of any current investment plans, in an expedient, effective and cost-efficient manner. The Buyback is being undertaken for the following reasons:

- The Buyback will help the Company to distribute surplus cash to its shareholders holding Equity Shares broadly in proportion to their shareholding, thereby enhancing the overall return to shareholders;
- The Buyback, which is being implemented through the tender offer route as prescribed under the Buyback Regulations, would involve a reservation of upto 15% of the Buyback Size for "small shareholders" (as defined below). The Company believes that this reservation of upto 15% for small shareholders would benefit a large number of the Company's public shareholders, who would be classified as "small shareholders";
- The Buyback would help in improving financial ratios by reducing the equity base of the Company; and
- The Buyback gives the Eligible Shareholders the choice to either (A) participate in the Buyback and receive cash in lieu of their Equity Shares which are accepted under the Buyback, or (B) not to participate in the Buyback and get a resultant increase in their percentage shareholding in the Company post the Buyback, without additional investment.

3. MAXIMUM NUMBER OF SECURITIES THAT THE COMPANY PROPOSES TO BUYBACK

The Company proposes to buyback up to 57,14,285 Equity Shares representing up to 1.13% of the paid-up equity capital of the Company as on March 31, 2019.

4. BUYBACK PRICE AND BASIS OF DETERMINING THE PRICE OF THE BUYBACK

4.1 The Equity Shares of the Company are proposed to be bought back at a price of ₹ 210 (Rupees Two hundred and Ten only) per Equity Share.

4.2 The Buyback Price of ₹ 210 (Rupees Two hundred and ten only) per Equity Share has been arrived at after considering various factors such as including, but not limited to, the trends in the volume weighted average prices of the equity shares of the company on the Stock Exchanges, the net worth of the company, price earnings ratio and impact on other financial parameters and the possible impact of buyback on the earnings per share.

4.3 The Buyback Price represents a:

- Premium of 39.67% and 41.25% over the volume weighted average market price of the equity shares on BSE and NSE, respectively, during the three months preceding the date of intimation to the Stock Exchanges for the board meeting to consider the proposal of the Buyback.
- Premium of 28.97% and 29.41% over the volume weighted average market price of the equity shares on BSE and NSE, respectively, during the two weeks preceding the date of intimation to the Stock Exchanges for the board meeting to consider the proposal of the Buyback.

5. MAXIMUM AMOUNT REQUIRED UNDER THE BUYBACK AND ITS PERCENTAGE OF THE TOTAL PAID UP CAPITAL AND FREE RESERVES

5.1 The maximum amount required for Buyback will not exceed ₹ 120,00,00,000 (Rupees One hundred and twenty crores only), excluding transaction costs viz. brokerage, applicable taxes such as buyback tax, securities transaction tax, GST, stamp duty, expenses incurred or to be incurred for the Buyback like filing fees payable to the SEBI, advisors/legal fees, public announcement publication expenses, printing and dispatch expenses and other incidental and related expenses, etc.

5.2 The maximum amount mentioned aforesaid is 4.69% and 5.42% of the aggregate of the fully paid-up equity share capital and free reserves as per the latest audited standalone and consolidated financial statements of the Company as at March 31, 2019 respectively, which is within the prescribed limit of 10% for the board approval route.

5.3 The funds for the implementation of the Buyback will be sourced out of the free reserves of the Company (including securities premium account) or such other source(s) as may be permitted by the Buyback Regulations or the Companies Act.

5.4 The funds borrowed, if any, from banks and financial institutions will not be used for the Buyback.

6. DETAILS OF HOLDING AND TRANSACTIONS IN THE SHARES OF THE COMPANY

6.1 The aggregate shareholding of the (i) promoter and promoter group of the Company ("Promoter and Promoter Group") and persons in control, (ii) directors of companies which are a part of the Promoter and Promoter Group, and (iii) directors and key managerial personnel of the Company as on January 09, 2020, i.e. the Board Meeting Date are as follows:

(a) Aggregate shareholding of the Promoter and Promoter Group and persons who are in control as on the Board Meeting Date:

Sl. No.	Name of Shareholder	No. of Equity Shares	% Shareholding
1	Union Investments Private Limited	18,87,06,090	37.35
2	Dr. Mandayapurath Azad Moopen	17,50,720	0.35
3	Ms. Ziham Moopen	1,73,200	0.03
4	Mrs. Naseera Azad	1,44,000	0.03
5	Ms. Alisha Moopen	1,16,990	0.02
6	Ms. Zeba Azad Moopen	1,09,600	0.02
	Total	19,10,00,600	37.80

(b) Aggregate shareholding of the directors of companies which are a part of the Promoter and Promoter Group, as on the Board Meeting Date:

Sl. No.	Name of Shareholder	No. of Equity Shares	% Shareholding
1	Dr. Mandayapurath Azad Moopen	17,50,720	0.35
2	Mrs. Naseera Azad	1,44,000	0.03
	Total	18,94,720	0.38

(c) As on January 09, 2020, i.e. the date of the Board Meeting, none of the Directors or Key Managerial Personnel of the Company holds any Equity Shares or employee stock options ("ESOPs") in the Company except for the following:

Sl. No.	Name	Designation	No. of Equity Shares	% Shareholding
1	Dr. Mandayapurath Azad Moopen	Chairman and Managing Director	17,50,720	0.35
2	Ms. Alisha Moopen	Deputy Managing Director	1,16,990	0.02
3	Mr. Wilson Joseph Thadathil	Non Executive Director	27,37,210	0.54
4	Mr. Anoop Moopen	Non Executive Director	10,25,300	0.20
5	Mr. Shamsudheen Bin Mohideen Mammuhaji	Non Executive Director	57,17,829	1.13
6	Mr. Sreenath Pocha Reddy	Group Chief Financial Officer	1,28,463	0.03
	Total		1,14,76,512	2.27

ESOPs

Sl. No.	Name	Designation	No. of Equity Shares
1	Mr. Wilson Joseph Thadathil	Non Executive Director	36,213
2	Mr. Sreenath Pocha Reddy	Group Chief Financial Officer	1,87,818
	Total		2,24,031

(d) The aggregate number of specified securities, including Equity Shares purchased or sold by the persons and entities mentioned in paragraphs 6.1(a), 6.1(b) and 6.1(c) for a period of six months preceding the Board Meeting Date is as follows:

Sl. No.	Name of Shareholder	Date of Transaction	No. of Equity Shares Purchased/Sold	Nature of Transaction	Maximum Price (₹)	Date of Maximum Price	Minimum Price (₹)	Date of Minimum Price
1	Mr. Anoop Moopen	July 09, 2019	25,000	Purchase	118.00	July 09, 2019	115.30	July 09, 2019
2	Mr. Wilson Joseph Thadathil	August 29, 2019	15,000	Grant of options	89.00	August 29, 2019	10.00	August 29, 2019
3	Mr. Sreenath Pocha Reddy	August 29, 2019	25,000	Grant of options	89.00	August 29, 2019	10.00	August 29, 2019

6.2 Except as provided above, the persons and entities mentioned in paragraphs 6.1(a), 6.1(b) and 6.1(c) have not been involved in any transactions involving Equity Shares for the last six months prior to the Board Meeting Date.

7. INTENTION OF PROMOTER AND PROMOTER GROUP AND PERSONS IN CONTROL OF THE COMPANY TO PARTICIPATE IN BUYBACK

7.1 In terms of the Buyback Regulations, under the tender offer route, the Promoter and Promoter Group and persons in control have an option to participate in the Buyback. In this regard, the Promoter and Promoter Group and persons in control of the Company have expressed their intention to participate in the Buyback vide their letters dated January 9, 2020 and may tender up to an aggregate maximum of 21,61,369 Equity Shares or such lower number of Equity Shares in accordance with the provisions of the Buyback Regulations. Please see below the maximum number of Equity Shares proposed to be tendered by each of the Promoter and Promoter Group as well as persons in control of the Company:

Sl. No.	Name of the Promoter and Promoter Group entity	Maximum Number of Equity Shares intended to be offered
1	Union Investments Private Limited	21,35,405
2	Dr. Mandayapurath Azad Moopen	19,811

3	Ms. Ziham Moopen	1,960
4	Mrs. Naseera Azad	1,629
5	Ms. Alisha Moopen	1,324
6	Ms. Zeba Azad Moopen	1,240
	TOTAL	21,61,369

7.2 The Buyback will not result in any benefit to Promoter and Promoter Group or any directors of the Company except to the extent of the cash consideration received by them from the Company pursuant to their respective participation in the Buyback in their capacity as equity shareholders of the Company, and the change in their shareholding as per the response received in the Buyback, as a result of the extinguishment of Equity Shares which will lead to reduction in the equity share capital of the Company post Buyback.

7.3 Pursuant to the Buyback and depending on the response to the Buyback, the voting rights of the members of the promoter and promoter group in the Company may increase or decrease from their existing shareholding in the total equity capital and voting rights of the Company. Pursuant to the completion of the Buyback, the public shareholding of the Company shall not fall below the minimum level required as per Regulation 38 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended. Any change in voting rights of the Promoter and Promoter Group of the Company pursuant to completion of Buyback will not result in any change in control over the Company.

7.4 The details of the date and price of acquisition of the Equity Shares that the Promoter and Promoter Group and persons in control intend to tender are set out below:

Union Investments Private Limited

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/Acquisition Price (₹)	Total Consideration (₹)	Consideration (Cash, other than cash etc.)
July 9, 2012	Bonus issue	21,35,405	10	NA	NA	Consideration other than cash
	Total	21,35,405				

Dr. Mandayapurath Azad Moopen

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/Acquisition Price (₹)	Total Consideration (₹)	Consideration (Cash, other than cash etc.)
March 14, 2018	Market Purchase	19,811	10	145.82	28,88,887.57	Cash
	Total	19,811			28,88,887.57	

Mrs. Naseera Azad

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/Acquisition Price (₹)	Total Consideration (₹)	Consideration (Cash, other than cash etc.)
March 28, 2018	Market Purchase	1,629	10	170.19	2,77,231.69	Cash
	Total	1,629			2,77,231.69	

Ms. Alisha Moopen

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/Acquisition Price (₹)	Total Consideration (₹)	Consideration (Cash, other than cash etc.)
April 24, 2018	Market Purchase	1,324	10	168.65	2,23,289.82	Cash
	Total	1,324			2,23,289.82	

Ms. Ziham Moopen

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/Acquisition Price (₹)	Total Consideration (₹)	Consideration (Cash, other than cash etc.)
March 23, 2018	Market Purchase	1,960	10	169.48	3,32,183.15	Cash
	Total	1,960			3,32,183.15	

Ms. Zeba Moopen

Date of Transaction	Nature of Transaction	No. of Equity Shares	Face Value (₹)	Issue/Acquisition Price (₹)	Total Consideration (₹)	Consideration (Cash, other than cash etc.)
June 06, 2018	Market Purchase	1,240	10	177.53	2,20,140.67	Cash
	Total	1,240			2,20,140.67	

8. Confirmations from the company as per the provisions of the Buyback Regulations and the Companies Act:

- all the Equity Shares of the Company are fully paid-up;
- the Company shall pay the consideration only by way of cash;
- the Company shall not issue any Equity Shares or specified securities, including by way of bonus until the date of expiry of the Buyback period;
- the Company shall not raise further capital for a period of one year from the expiry of the Buyback period, except in discharge of its subsisting obligations;
- the Company shall not withdraw the Buyback after the draft letter of offer is filed with SEBI;
- the Company shall not buyback locked-in Equity Shares and non-transferable Equity Shares until the pendency of the lock-in or till the Equity Shares become transferable;
- the Company shall transfer from its free reserves a sum equal to the nominal value of the Equity Shares purchased through the Buyback to the Capital Redemption Reserve account and the details of such transfer shall be disclosed in its subsequent audited balance sheet;
- the Company confirms that there are no defaults subsisting in the repayment of any deposits (including interest payable thereon), redemption of debentures or preference shares, payment of dividend or repayment of any term loans to any financial institution or banks (including interest payable thereon) in the last three years;
- the Company shall not buyback its Equity Shares from any person through a negotiated deal whether on or off the Stock Exchanges or through spot transactions or through any private arrangement in the implementation of the Buyback;
- the Company has been in compliance with Sections 92 and 129 of the Companies Act;
- the Company has not declared dividend and is accordingly not subject to the provisions of Sections 123 and 127 of the Companies Act;
- the aggregate amount of the Buyback i.e. up to ₹ 120,00,00,000 (Rupees One hundred and twenty crores only) does not exceed 10% of the aggregate of the total paid-up capital and free reserves of the Company as per the latest audited standalone and consolidated financial statements of the Company as at March 31, 2019;
- the maximum number of Equity Shares proposed to be purchased under the Buyback (up to 57,14,285 Equity Shares), does not exceed 10% of the total number of Equity Shares in the paid-up Equity Share capital as per the latest audited standalone and consolidated financial statements of the Company as at March 31, 2019;
- the Company shall not make any offer of buyback within a period of one year reckoned from the date of expiry of the Buyback period;
- there is no pendency of any scheme of amalgamation or compromise or arrangement pursuant to the provisions of the Companies Act, as on date;
- the Company shall not directly or indirectly purchase its Equity Shares through any subsidiary company including its own subsidiary companies or through any investment company or group of investment companies;
- the ratio of the aggregate of secured and unsecured debts owed by the Company based on both consolidated and standalone financial statements of the Company, shall not be more than twice the paid-up share capital and free reserves, after the Buyback; and
- the Company is not buying back its Equity Shares so as to delist its shares.

Contd...

9. The Board has confirmed that it has made a full enquiry into the affairs and prospects of the Company and has formed the opinion, that:

- (a) immediately following the Board Meeting held on January 09, 2020, there will be no grounds on which the Company could be found unable to pay its debts;
- (b) as regards the Company's prospects for the year immediately following the Board Meeting held on January 09, 2020, having regard to the Board's intentions with respect to the management of the Company's business during that year and to the amount and character of the financial resources which will, in the Board's view, be available to the Company during that year, the Company will be able to meet its liabilities as and when they fall due and will not be rendered insolvent within a period of one year from the date of the Board Meeting Date; and
- (c) in forming an opinion for the above purposes, the Board has taken into account the liabilities as if the Company were being wound up under the provisions of the Companies Act 1956, Companies Act, or the Insolvency and Bankruptcy Code, 2016 (including prospective and contingent liabilities).

10. THE TEXT OF THE REPORT DATED JANUARY 9, 2020 OF B S R & ASSOCIATES LLP, THE STATUTORY AUDITORS OF THE COMPANY, ADDRESSED TO THE BOARD IS REPRODUCED BELOW:

Quote

The Board of Directors
Aster DM Healthcare Limited
IX/475, Aster Medcity, Kuttisahib Road
Near Kothad Bridge, South Chittoor P.O
Cheranallor
Kochi - 682027

Dear Sirs,

Statutory Auditors' Report in respect of the proposed buy-back of equity shares by Aster DM Healthcare Limited ('the Company') in terms of clause (xi) of Schedule I of the Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018, as amended (the "SEBI buy-back Regulations").

- This report is issued in accordance with the terms of our engagement letter dated 30 December 2019.
- The board of Directors (the 'Board of Directors') of the Company have approved a proposal for buy-back of equity shares by the Company at its meeting held on 9 January 2020, in pursuance of the provisions of Section 68, 69 and 70 of the Companies Act, 2013, as amended ('the Act') and the SEBI buy-back Regulations.
- We have been requested by the management of the Company (the 'Management') to provide a report on the accompanying statement of permissible capital payment (including premium) ('Annexure A') as at 31 March 2019 (hereinafter referred together as the 'Statement'). This Statement is prepared by the Management, which we have initialed for identification purposes only.

Management's Responsibility for the Statement

- The preparation of the Statement in accordance with Section 68(2) of the Act, and the compliance with the SEBI buy-back Regulations, is the responsibility of the Management of the Company, including the computation of the amount of the permissible capital payment (including premium), the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditors' Responsibility

- Pursuant to the requirements of the SEBI buy-back Regulations, it is our responsibility to provide reasonable assurance:
 - whether we have inquired into the state of affairs of the Company in relation to the audited standalone and consolidated financial statements for the year ended 31 March 2019;
 - if the amount of permissible capital payment (including premium) as stated in Annexure A for the proposed buy-back of equity shares, has been properly determined considering the audited standalone and consolidated financial statements of the Company as at and for the year ended 31 March 2019 in accordance with Section 68(2) of the Act; and the proviso to Regulation 5(i)(b) of the SEBI buy-back regulations; and
 - if the Board of Directors in their meeting held on 9 January 2020, have formed the opinion as specified in clause (x) of Schedule I to the SEBI buy-back Regulations, on reasonable grounds and that the Company will not, having regard to its state of affairs, be rendered insolvent within a period of one year from the aforesaid date.
- The standalone and consolidated financial statements referred to in paragraph 5 above, which we have considered for the purpose of this report, have been audited by us, on which we have issued an unqualified audit report dated 28 May 2019. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.
- We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes, issued by the Institute of Chartered Accountants of India (the "Guidance note"). The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
- We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

- Based on inquiries conducted and our examination as above, we report that:
 - We have inquired into the state of affairs of the Company in relation to its audited standalone and consolidated financial statements of the Company as at and for the year ended 31 March 2019, which have been approved by Board of Directors of the Company on 28 May 2019;
 - The amount of permissible capital payment (including premium) towards the proposed buy back of 5,714,285 equity shares as computed in the Statement attached herewith as Annexure A, in our view, has been properly determined in accordance with Section 68(2) of the Act. The amounts of share capital and free reserves have been extracted from the audited standalone and consolidated financial statements of the Company as at and for year ended 31 March 2019; and
 - The Board of Directors of the Company, in their meeting held on 9 January 2020 have formed their opinion as specified in clause (x) of Schedule I to the SEBI buy-back Regulations, on reasonable grounds and that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the date of passing the Board meeting resolution dated 9 January 2020.

Restriction on Use

- This report has been issued at the request of the Company solely for use of the Company (i) in connection with the proposed buy-back of equity shares of the Company in pursuance to the provisions of Section 68 and other applicable provisions of the Companies Act, 2013 and the SEBI buy-back Regulations, (ii) to enable the Board of Directors of the Company to include in the public announcement, draft letter of offer, letter of offer pertaining to buy-back to be sent to the shareholders of the Company or filed with (a) the Registrar of Companies, Securities and Exchange Board of India, stock exchanges, public shareholders and any other regulatory authority as per applicable law and (b) the Central Depository Services (India) Limited, National Securities Depository Limited and (iii) for providing to the managers, each for the purpose of extinguishment of equity shares in pursuance to the provisions of Section 68 and other applicable provision of the act and the SEBI buy-back Regulations and may not be suitable for any other purpose.

for **B S R & Associates LLP**
Chartered Accountants
Firm Registration Number: 116231 W/W-100024

Rushank Muthreja
Partner
Membership Number: 211386

Place: Bengaluru
Date: 9 January 2020
ICAI UDIN: 211386AAAAAC4982

Annexure A - Statement of Permissible Capital Payment

Computation of amount of permissible capital payment (including premium) towards buyback of equity shares in accordance with Section 68 of the Companies Act, 2013 ("the Act") and Securities and Exchange Board of India (Buy-Back of Securities) Regulations, 2018

(INR in Crores)

Particulars	Standalone	Consolidated
Paid up equity capital as at 31 March 2019 (A)	505.23	505.23
Free reserves as at 31 March 2019 *:		
- Securities premium reserve	2,329.86	2,329.84
- General reserve	7.04	7.04
- Retained earnings	(285.25)	(626.66)
Total free reserves (B)	2,051.65	1,710.22

Total paid up equity capital and free reserves (A+B)	2,556.88	2,215.45
Maximum amount permissible for buyback under Section 68 of the Act, i.e. 25% of the total paid up capital and free reserves	639.22	553.86
Maximum amount permissible for buyback under the proviso to Regulation 5 (i)(b) of the Buyback Regulations, i.e. 10% of the total paid up capital and free reserves	255.69	221.55

* free reserves as defined in Section 2(43) of the Act read along with Explanation II provided in Section 68 of the Act.

Note:

- The aforesaid balances have been extracted accurately from the audited standalone and consolidated financial statements of the Company for the year ended 31 March 2019.
- As per Section 68, free reserves include securities premium for the purposes of the aforesaid computation.
- The aforesaid statement has been prepared in connection with the proposed buy-back of 5,714,285 equity shares at a price of INR 210 per share aggregating to INR 120 crores. The shares proposed for buy-back have been determined in accordance with the provisions of the Companies Act, 2013 including Section 68 and the Buyback Regulations.
- The Board of Directors have in their meeting dated 9 January 2020, formed opinion on reasonable grounds that the Company, having regard to its state of affairs, will not be rendered insolvent within a period of one year from the aforesaid date.

For **Aster DM Healthcare Limited**

Dr. Azad Moopen
Managing Director
Date: 9 January 2020

Unquote

11. SHAREHOLDER'S ENTITLEMENT

- 11.1** On the basis of the shareholding on the Record Date, the Company will determine the entitlement of each Equity Shareholder, including small shareholders, to tender their Equity Shares in the Buy-back. This entitlement for each shareholder will be calculated based on the number of Equity Shares held by the respective shareholder on the Record Date and the ratio of the Buy-back applicable in the category to which such Equity Shareholder belongs. The number of Equity Shares purchased by the Company from each Eligible Shareholder will be based on the total number of Equity Shares tendered by such Equity Shareholder. Accordingly, the Company may not purchase all of the Equity Shares tendered by an Eligible Shareholder.

- 11.2** The Equity Shares to be bought back as part of the Buyback are divided into two categories:

- Reserved category for small shareholders; and
- General category for all other shareholders.

- 11.3** In due course, shareholders holding Equity Shares in dematerialised form as on the Record Date, i.e., the Eligible Shareholders will receive a letter of offer in relation to the Buyback along with a tender offer form indicating the entitlement of the Eligible Shareholder for participating in the Buyback. Even if the Eligible Shareholder does not receive the letter of offer along with a tender offer, the Eligible Shareholder may participate and tender shares in the Buyback.

- 11.4** As defined in Regulation 2(i)(n) of the Buyback Regulations, a "small shareholder" is a shareholder who holds equity shares having market value, on the basis of closing price on BSE or NSE (as applicable, contingent on highest trading volume as on Record Date), of not more than ₹ 2,00,000/- (Rupees Two Lakhs only).

- 11.5** In accordance with Regulation 6 of the Buyback Regulations, 15% of the number of Equity Shares which the Company proposes to buyback or such number of Equity Shares entitled as per the shareholding of small shareholders as on the Record Date, whichever is higher, shall be reserved for the small shareholders as part of this Buyback.

- 11.6** After accepting the Equity Shares tendered on the basis of entitlement, the Equity Shares left to be bought back, if any, in one category shall first be accepted, in proportion to the Equity Shares tendered over and above their entitlement in the offer by Eligible Shareholders in that category, and thereafter from Eligible Shareholders who have tendered over and above their entitlement in other category.

- 11.7** The participation of Eligible Shareholders in the Buyback is voluntary. Eligible Shareholders can choose to participate and get cash in lieu of shares to be accepted under the Buyback or they may choose not to participate. Eligible Shareholders may also accept a part of their entitlement. Eligible Shareholders also have the option of tendering additional shares (over and above their entitlement) and participate in the shortfall created due to non-participation of some other Eligible Shareholders, if any. If the Buyback entitlement for any shareholder is not a round number, then the fractional entitlement shall be ignored for computation of entitlement to tender Equity Shares in the Buyback.

- 11.8** The maximum tender under the Buyback by any Eligible Shareholder cannot exceed the number of Equity Shares held by the Eligible Shareholder as on the Record Date. In case the Eligible Shareholder holds Equity Shares through multiple demat accounts, the tender through a demat account cannot exceed the number of Equity Shares held in that demat account. The small shareholders whose entitlement would be less than 1 Equity Share may tender additional Equity Shares as part of the Buyback offer and will be given preference in the acceptance of one Equity Share, if such small shareholders have tendered for additional Equity Shares.

- 11.9** The Equity Shares tendered as per the entitlement by the Eligible Shareholder as well as additional Equity Shares tendered, if any, will be accepted as per the procedure laid down in the Buyback Regulations. The settlement of the tenders under the Buyback will be done using the "Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting" notified under the SEBI Circulars. Eligible Shareholders will receive a letter of offer along with a tender/offer form indicating their respective entitlement for participating in the Buyback.

- 11.10** Detailed instructions for participation in the Buyback (tender of Equity Shares in the Buyback) as well as the relevant time table will be included in the letter of offer to be sent in due course to the Eligible Shareholders.

12. PROCESS AND METHODOLOGY FOR BUYBACK

- 12.1** The Buyback is open to all Eligible Shareholders and/ or beneficial owners for Eligible Shareholders holding Equity Shares in dematerialized form on the Record Date.

- 12.2** The Buyback shall be implemented using the "Mechanism for acquisition of shares through Stock Exchange pursuant to Tender-Offers under Takeovers, Buy Back and Delisting" notified vide the SEBI Circulars and following the procedure prescribed in the Companies Act and the Buyback Regulations, and as may be determined by the Board (including the "authorised persons" approved by the Board and authorized to complete the formalities of the Buyback) and on such terms and conditions as may be permitted by law from time to time.

- 12.3** For implementation of the Buyback, the Company has appointed Kotak Securities Limited as the registered broker to the Company (the "Company's Broker") to facilitate the process of tendering of Equity Shares through the stock exchange mechanism for the Buyback through whom the purchases and settlements on account of the Buyback would be made by the Company. The contact details of the Company's Broker are as follows:

Name : Kotak Securities Limited
Address : 27BKC, Plot No. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
Contact Person : Ankush Singh
Tel : +91 22 4285 8204
Email : ankushr.singh@kotak.com
Website : www.kotaksecurities.com
NSE SEBI Registration No. : INZ000200137
BSE SEBI Registration No. : INZ000200137
CIN : U99999MH1994PLC134051

- 12.4** The Company will request the Stock Exchanges to provide a separate acquisition window ("Acquisition Window") to facilitate placing of sell orders by Eligible Shareholders who wish to tender Equity Shares in the Buyback. BSE will be the designated stock exchange for the purpose of this Buyback. The details of the Acquisition Window will be specified by the Stock Exchanges from time to time.

- 12.5** At the beginning of the tendering period, the order for buying up to 57,14,285 Equity Shares shall be placed by the Company through the Company's Broker.

- 12.6** During the tendering period, the order for selling the Equity Shares will be placed in the Acquisition Window by Eligible Shareholders through their respective stock brokers ("Stock Brokers") during normal trading hours of the secondary market.

- 12.7 Procedure to be followed by Eligible Shareholders holding Equity Shares in the dematerialised form:**

- Eligible Shareholders who desire to tender their Equity Shares in electronic form under the Buyback would have to do so through their respective Stock Broker by indicating to their Stock Broker the details of Equity Shares they intend to tender under the Buyback.

- The Stock Broker would be required to place an order/bid on behalf of the Eligible Shareholders who wish to tender Equity Shares in the Buyback using the Acquisition Window of the Stock Exchanges. Before placing the bid, the Eligible Shareholder would be required to transfer the tendered Equity Shares to the special account of the Indian Clearing Corporation Limited and/or the National Securities Clearing Corporation (the "Clearing Corporation"), by using the early pay in mechanism as prescribed by the Stock Exchanges or the Clearing Corporation prior to placing the bid by the Stock Broker.

- The details of the special account of the Clearing Corporation shall be informed in the issue opening circular that will be issued by the Stock Exchanges/Clearing Corporation.

- For custodian participant orders for demat Equity Shares, early pay-in is mandatory prior to confirmation of order/bid by custodian. The custodian shall either confirm or reject the orders not later than the closing of trading hours on the last day of the tendering period. Thereafter, all unconfirmed orders shall be deemed to be rejected. For all confirmed custodian participant orders, order modification shall revoke the custodian confirmation and the revised order shall be sent to the custodian again for confirmation.

- Upon placing the bid, the Stock Broker shall provide a Transaction Registration Slip ("TRS") generated by the exchange bidding system to the Eligible Shareholder. The TRS will contain the details of the order submitted like bid ID number, application number, DP ID, client ID, number of Equity Shares tendered, etc.

- The reporting requirements for non-resident shareholders under Reserve Bank of India, Foreign Exchange Management Act, 1999, as amended and any other rules, regulations, guidelines, for remittance of funds, shall be made by the Eligible Shareholders and/ or the Stock Broker.

12.8 Equity Shares held in the Physical form:

In accordance with the proviso to Regulation 40(1) of the Listing Regulations effective from April 1, 2019, transfers of securities of the Company shall not be processed unless the securities are held in the dematerialized form with a depository. Accordingly, the Company will not be able to accept Equity Shares tendered in physical form in the Buyback. Shareholders are advised to approach the concerned depository participant to have their Equity Shares dematerialized before tendering their Equity Shares in the Buyback.

- 12.9** Modification/cancellation of orders will be allowed during the tendering period of the Buyback. Multiple bids made by a single Eligible Shareholder for selling the Equity Shares shall be clubbed and considered as "one bid" for the purposes of acceptance.

- 12.10** The cumulative quantity of Equity Shares tendered under the Buyback shall be made available on the website of the NSE (www1.nseindia.com) and BSE (www.bseindia.com) throughout the trading session and will be updated at specific intervals during the tendering period.

13. METHOD OF SETTLEMENT

- 13.1** Upon finalization of the basis of acceptance as per Buyback Regulations:

- The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.

- The Company will pay the consideration to the Company's Broker who will transfer the funds pertaining to the Buyback to the Clearing Corporation's bank accounts as per the prescribed schedule. For Equity Shares accepted under the Buyback, the Clearing Corporation will make direct funds payout to respective Eligible Shareholders. If Eligible Shareholders' bank account details are not available or if the funds transfer instruction is rejected by the Reserve Bank of India/ the bank, due to any reason, then such funds will be transferred to the concerned Stock Broker's settlement bank account for onward transfer to such Eligible Shareholders.

- The Equity Shares bought back in demat form would be transferred directly to the demat account of the Company opened for the Buyback ("Company Demat Account") provided it is indicated by the Company's Broker or it will be transferred by the Company's Broker to the Company Demat Account on receipt of the Equity Shares from the clearing and settlement mechanism of the Stock Exchanges.

- The Eligible Shareholders will have to ensure that they keep the depository participant ("DP") account active and unblocked to receive credit in case of return of Equity Shares, due to rejection or due to non-acceptance of Equity Shares under the Buyback.

- Excess demat Equity Shares or unaccepted demat Equity Shares, if any, tendered by the Eligible Shareholders will be returned to them by the Clearing Corporation.

- The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.

- Eligible Shareholders who intend to participate in the Buyback should