

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.

2. 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.
3. 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

4. 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

5. Pursuant to the requirements of the SEBI buy-back Regulations, it is our responsibility to provide reasonable assurance:
- i. 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;
- ii. 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
- iii. 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.
6. 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.
7. 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.
8. We have complied with the relevant applicable requirements of the Standard on Quality Control (SOC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Opinion

9. Based on inquiries conducted and our examination as above, we report that:
- a. 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;
- b. 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
- c. 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

10. 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:

1. 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.
2. As per Section 68, free reserves include securities premium for the purposes of the aforesaid computation.
3. 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.
4. 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:

- (a) Reserved category for small shareholders; and
- (b) 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:

- (a) 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.

- (b) 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.

- (c) 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.

- (d) 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.

- (e) 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.

- (f) 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:

- (a) The settlement of trades shall be carried out in the manner similar to settlement of trades in the secondary market.
- (b) 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.
- (c) 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.
- (d) 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.
- (e) 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.
- (f) The Company's Broker would also issue a contract note to the Company for the Equity Shares accepted under the Buyback.
- (g) Eligible Shareholders who intend to participate in the Buyback should consult their respective Stock Broker for any cost, applicable taxes, charges and expenses (including brokerage) etc., that may be levied by the Stock Broker upon the selling shareholders for tendering Equity Shares in the Buyback (secondary market transaction). The Buyback consideration received by the Eligible Shareholders in respect of accepted Equity Shares could be net of such costs, applicable taxes, charges and expenses (including brokerage) and the Company accepts no responsibility to bear or pay such additional cost, charges and expenses (including brokerage) incurred solely by the Eligible Shareholders.

13.2 The Equity Shares lying to the credit of the Company Demat Account will be extinguished in the manner and following the procedure prescribed in the Buyback Regulations.

14. COMPLIANCE OFFICER

Investors may contact the Company Secretary of the Company for any clarifications or to address their grievances, if any, during office hours i.e., from 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

Name : Puja Aggarwal
Designation : Company Secretary and Compliance Officer
Company Address : Aster DM Healthcare Limited - India Management Office No. 1785, Sarjapur Road Sector 1, HSR Layout, Ward No.174, Agara Extension, Bangalore - 560102 India
Contact : 080 2258 5845
Email : cs@asterdmhealthcare.com

15. REGISTRAR TO THE BUYBACK/INVESTOR SERVICE CENTRE

In case of any queries, shareholders may also contact the Registrar to the Buyback or the Investor Relations team of the Company, during office hours i.e., from 10.00 a.m. to 5.00 p.m. on all working days except Saturday, Sunday and public holidays, at the following address:

LINKIntime

Name : Link Intime India Private Limited
Address : C-101, 247 Park, L.B.S. Marg, Vikhroli West Mumbai 400 083
Contact Person : Mr. Sumet Deshpande
Phone : +91 22 49186200
Fax : +91 22 49186195
Email : aster.buyback@linkintime.co.in
Website : www.linkintime.co.in
SEBI Registration No. : INR000004058
CIN : U67190MH1999PTC118368

16. MANAGER TO THE BUYBACK

The Company has appointed the following as Manager to the Buyback:



Name : Kotak Mahindra Capital Company Limited
Address : 27BKC, 1st Floor, Plot No. C-27, "G" Block, Bandra Kurla Complex, Bandra (East), Mumbai - 400 051
Phone : +91-22-4336-0128
Fax : +91-22-6713-2447
Contact Person : Mr. Ganesh Rane
Email : aster.buyback@kotak.com

17. DIRECTOR'S RESPONSIBILITY

As per Regulation 24(i)(a) of the Buyback Regulations, the Board accepts responsibility for the information contained in this Public Announcement and confirms that such document contains true, factual and material information and does not contain any misleading information.

For and on behalf of the Board of Aster DM Healthcare Limited		
Sd/-	Sd/-	Sd/-
Mandayapurath Azad Moopen Chairman & Managing Director DIN: 00159403 Date: January 11, 2020 Place: Dubai	Wilson Joseph Thadathil Non-Executive Director DIN: 02135108 Date: January 11, 2020 Place: Dubai	Puja Aggarwal Company Secretary and Compliance Officer MNO: ACS49310 Date: January 11, 2020 Place: Bangalore

