

December 23, 2023

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

**Sub: Postal Ballot Notice**

With reference to the captioned subject, and in compliance with the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed a copy of the Postal Ballot Notice for seeking approval of members by way of Postal Ballot voting (only through e-Voting) for the businesses as set out in the Postal Ballot Notice dated December 22, 2023.

This Postal Ballot Notice is being sent by email only to the members of the Company, whose names appear on the Register of members/list of Beneficial owners as on, Friday, December 15, 2023 (cut-off date) and whose e-mail addresses are registered with the Company/Depositories.

The Company has engaged the services of National Securities Depositories Limited (“NSDL”) for the purpose of providing e-Voting facility to all its members. The voting through remote e-Voting shall commence on Sunday, December 24, 2023 at 09:00 AM (IST) and shall end on Monday, January 22, 2024 at 05:00 PM (IST). The results of the Postal Ballot will be declared on or before January 24, 2024.

The Postal Ballot Notice is also available on the Company's website at <https://www.asterdmhealthcare.com/investors/shareholders-services/postal-ballot>

We request you to kindly take the above information on record.

Thank you

For **Aster DM Healthcare Limited**

HEMISH

PURUSHOTTAM

Digitally signed by HEMISH  
PURUSHOTTAM  
Date: 2023.12.23 15:42:16  
+05'30'

Hemish Purushottam

Company Secretary and Compliance Officer



**Aster DM Healthcare Limited**

CIN: L85110KA2008PLC147259

Registered office: No.1785, Sarjapur Road, Sector -1, HSR Layout, Ward No.174, Agara Extension,  
Bengaluru-560102, Karnataka, India

Tel: +91 484 6699999 Website: [www.asterdmhealthcare.com](http://www.asterdmhealthcare.com) Email: [cs@asterdmhealthcare.com](mailto:cs@asterdmhealthcare.com)

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**POSTAL BALLOT NOTICE**

(Pursuant to Section 110 of the Companies Act, 2013 read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014)

**Dear Member(s),**

Notice is hereby given pursuant to Section 110 and other applicable provisions, if any, of the Companies Act, 2013 (the "Act") read with Rule 20 and 22 of the Companies (Management and Administration) Rules, 2014, (the "Rules"), read with General Circular No. 09/2023 dated September 25, 2023 (in continuation of Circular number 14/2020 dated April 8, 2020, 17/2020 dated April 13, 2020, 22/2020 dated June 15, 2020, 33/2020 dated September 28, 2020, 39/2020 dated December 31, 2020, 10/2021 dated June 23, 2021, 20/2021 dated December 08, 2021, 03/2022 dated May 05, 2022 and 11/2022 dated December 28, 2022) issued by the Ministry of Corporate Affairs, Government of India ("MCA Circulars") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and pursuant to Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "SEBI Listing Regulations") and other applicable laws and regulations (including any statutory modification or re-enactment thereof for the time being in force) the Company seeks approval of members of Aster DM Healthcare Limited ("the Company") via Postal Ballot through remote e-voting only (voting through electronic means) for the resolutions as set out in the Notice.

The Explanatory Statement pertaining to the said resolutions setting out the material facts and the reasons/rationale thereof form part of this Postal Ballot. The Notice will also be placed on the website of the Company at <https://www.asterdmhealthcare.com/investors/shareholders-services/postal-ballot>, websites of the stock exchanges where the equity shares of the Company are listed i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and on the website of National Securities Depositories Limited ("NSDL") at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

In compliance with Regulation 44 of the Listing Regulations and pursuant to the provisions of Sections 108 and 110 of the Act read with the rules framed thereunder and the MCA Circulars, the manner of voting on the proposed resolution is restricted only to e-voting i.e., by casting votes electronically instead of submitting postal ballot forms. Accordingly, the postal ballot notice and instructions for e-voting are being sent only through electronic mode to those members whose email address is registered with the Company / depository participant(s). The details of the procedure to cast the vote forms part of the 'Notes' to this Notice.

The Board has appointed Mr. M Damodaran, Managing Partner, M Damodaran & Associates LLP, Practicing Company Secretaries, (ICSI Membership No. FCS 5837 COP: 5081) as the scrutinizer ("Scrutinizer") for conducting the Postal Ballot / e-voting process in a fair and transparent manner.

Members are requested to carefully read the instructions in this Postal Ballot Notice and record their assent (FOR) or dissent (AGAINST) through the remote e-voting process not later than 05:00 PM (IST) on Monday, January 22, 2024. Remote e-voting will be blocked by NSDL immediately thereafter and will not be allowed beyond the said date and time.



In the event the resolutions as set out in the notice are assented to by the requisite majority by means of remote e-voting, they shall be deemed to have been passed at a General Meeting.

## SPECIAL BUSINESS

### RESOLUTIONS

1. To approve: (a) a material related party transaction, being the sale by Affinity Holdings Private Limited, a wholly owned material subsidiary of the Company, of its entire ownership of the shares in entities conducting business in the GCC region, including Aster DM Healthcare FZC, i.e., a material subsidiary of the Company to Alpha GCC Holdings Limited in terms of Regulation 23 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, read with Company’s ‘Policy on Material Subsidiaries’ and ‘Related Party Transaction Policy’ and Section 2(76), Section 188 and other applicable provisions of the Companies Act, 2013 (“Act”) read with the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws / statutory provisions, if any, (b) a consequential transaction being ‘Non-Compete and Brand Co-existence Agreement’, with Affinity Holdings Private Limited, Aster DM Healthcare FZC, Alpha GCC Holdings Limited and Dr. Azad Moopen, and Ms. Alisha Moopen, being the promoters of the Company, and (c) consequential arrangement being ‘MVT’ (Medical Value Travel) with Aster DM Healthcare FZC

To consider and if thought fit, to pass the following ordinary resolution as a **resolution passed by majority of public shareholders:**

**RESOLVED THAT** pursuant to the provisions of Regulation 2(1)(zc), Regulation 23 and other applicable regulations of the SEBI Listing Regulations, as amended from time to time, Section 2(76), Section 188 and other applicable provisions of the Act, read with the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws/ statutory provisions, if any, and the Company’s ‘Policy on Related Party Transaction(s)’ and ‘Policy on Material Subsidiaries’, as well as subject to such approval(s), consent(s) and/ or permission(s), as may be required and based on the recommendation and the prior approval of the Audit Committee and the approval of the Board of Directors of the Company, approval of the Members of the Company be and is hereby accorded to the Board of Directors (which term shall be deemed to include any Committee thereof or Director(s) or Official(s) of the Company for the time being authorized by the Board) for: (a) the sale by Affinity Holdings Private Limited (“**Affinity**”), a wholly owned material subsidiary of the Company, of its entire ownership of the shares in entities conducting business in Gulf Cooperation Council region (“**GCC Business**”), including Aster DM Healthcare FZC, i.e., a material subsidiary of the Company to Alpha GCC Holdings Limited, an entity wherein, at the completion of the Transaction, the shareholding shall be held by a consortium of private equity investors (led by Fajr Capital) and promoters of the Company, in the ratio of 65:35 (“**Buyer**” and such sale “**Proposed Transaction**”) for an aggregate consideration of up to USD 1,001.8 Million of which USD 903 million, subject to customary adjustments, is payable to Affinity at closing of the Proposed Transaction and up to USD 98.8 million may be received subsequently subject to certain contingent events (which includes an earnout of up to USD 70 million based on EBITDA achieved by the GCC Business for the financial year ending 31<sup>st</sup> March 2024), as per the terms set out in the share purchase agreement, dated November 28, 2023, between Affinity Holdings Private Limited and Alpha GCC Holdings Limited (“**Share Purchase Agreement**” or “**SPA**”) and on terms and conditions specified in the SPA, Deed of Guarantee to be executed amongst the Company, Union Investments Pvt Limited and Alpha GCC Holdings Limited, and other agreements executed or to be



executed by the Company or its subsidiaries with the Buyer pursuant to the SPA; (b) for entering into the contract(s)/arrangement(s)/ transaction(s) (whether by way of an individual transaction or transactions taken together or series of transactions or otherwise) as detailed in the Explanatory Statement, as per the terms and conditions of Non-Compete and Brand Co-existence Agreement dated November 28, 2023 entered into between related parties, Affinity Holdings Private Limited (material wholly-owned subsidiary of the Company), Aster DM Healthcare FZC (step-down subsidiary of the Company), Dr. Azad Moopen (promoter of the Company), Ms. Alisha Moopen (promoter of the Company) and Alpha GCC Holdings Limited; and (c) arrangement for Medical Value Travel, agreed between the Company and Aster DM Healthcare FZC (Step-down subsidiary of the Company), as part of the Non-Compete and Brand Co-existence Agreement, on terms as detailed in the Explanatory Statement.

The Proposed Transaction entails sale of shares held by Affinity Holdings Pvt Ltd in its subsidiaries in the GCC region including the entities listed in **Annexure A** to Alpha GCC Holdings Limited.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, and to finalise such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including governmental / regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board of Directors may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settling all such issues, questions, difficulties or doubts whatsoever in this regard and incidental thereto, and to take all such decisions from powers herein conferred, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board of Directors and or any Committee of the Board of Directors of the Company be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or Joint Chief Financial Officers or Company Secretary or any other Officer(s) / Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution.

- 2. To approve the sale by Affinity Holdings Private Limited, a wholly owned subsidiary of the Company, of its entire ownership of the shares in entities conducting business in the GCC region, including Aster DM Healthcare FZC, i.e., a material subsidiary of the Company, to Alpha GCC Holdings Limited, in terms of Regulations 16(1)(c), 24(5) and other applicable regulations of the SEBI Listing Regulations, as amended from time to time, read with Company's 'Policy on Material Subsidiaries' and other applicable provisions of the Act, read with the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws / statutory provisions, if any.**

To consider and if thought fit, to pass the following resolution as a **Special Resolution**:

**RESOLVED THAT** pursuant to the provisions of Regulations 16(1)(c), 24(5) and other applicable regulations, if any, of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**SEBI Listing Regulations**") as amended from time to time, read with the Company's 'Policy on Material Subsidiaries', applicable provisions of the Companies Act, 2013, read with the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) ("**Act**") and other applicable laws/ statutory provisions, if any, as well as subject to such approval(s), consent(s) and/ or permission(s), as may be required approval of the Members of the Company be and is hereby accorded for the sale by Affinity Holdings Private Limited, a wholly owned material subsidiary of the Company, of its entire ownership



of the shares in entities conducting business in Gulf Cooperation Council region (“**GCC Business**”), including Aster DM Healthcare FZC, i.e., a material subsidiary of the Company to Alpha GCC Holdings Limited (“**Buyer**”), for an aggregate consideration of up to USD 1,001.8 Million of which USD 903 million, subject to customary adjustments, is payable at closing and up to USD 98.8 million may be received subsequently subject to certain contingent events (which includes an earnout of up to USD 70 million based on EBITDA achieved by the GCC Business for the financial year ending 31<sup>st</sup> March 2024), as per the terms set out in the share purchase agreement dated November 28, 2023 between Affinity Holdings Private Limited and Alpha GCC holdings Limited (“**Share Purchase Agreement**” or “**SPA**”), Deed of Guarantee to be executed amongst the Company, Union Investments Pvt Limited and Alpha GCC Holdings Limited, and other agreements executed or to be executed by the Company or its subsidiaries with the Buyer, pursuant to the Share Purchase Agreement.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorized to do and perform all such acts, deeds, matters and things, as may be necessary, and to finalise such other documents, file applications and make representations in respect thereof and seek approval from relevant authorities, including governmental/regulatory authorities, as applicable, in this regard and deal with any matters, take necessary steps as the Board of Directors may, in its absolute discretion deem necessary, desirable or expedient, to give effect to this resolution and to settling all such issues, questions, difficulties or doubts whatsoever in this regard and incidental thereto, and to take all such decisions from powers herein conferred, without being required to seek any further consent or approval of the Members or otherwise to the end and intent that the Members shall be deemed to have given their approval thereto expressly by the authority of this resolution.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and or any Committee of the Board of Directors of the Company be and is hereby authorised to delegate all or any of the powers herein conferred to any Director(s) or Joint Chief Financial Officers or Company Secretary or any other Officer(s)/ Authorised Representative(s) of the Company, to do all such acts and take such steps, as may be considered necessary or expedient, to give effect to the aforesaid resolution.

By order of the Board of Directors  
For **Aster DM Healthcare Limited**

**Hemish Purushottam**  
Company Secretary and Compliance Officer  
ICSI Membership No: A24331

Date: December 22, 2023

Place: Bengaluru



**Notes:**

1. Pursuant to Section 102 of the Companies Act, 2013, an Explanatory Statement setting out material facts and reasons for the proposed resolutions is appended hereto.
2. This Postal Ballot Notice is being sent by email only to the members of the Company, whose names appear on the Register of members/list of Beneficial owners, as received from National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on, Friday, December 15, 2023, the cut-off date. Any person who is not a member as on the cut-off date should treat this Postal Ballot Notice for information purposes only. The Postal Ballot Notice is sent electronically to all the members who have registered their email addresses with the Company /Depositories/Registrar and Share Transfer Agent (RTA). The same may also be downloaded from the Company's website <https://www.asterdmhealthcare.com/investors/shareholders-services/postal-ballot> the website of NSDL, BSE and NSE.
3. As permitted by MCA vide MCA Circulars, the Company is sending this Postal Ballot Notice in electronic form only. Hence, in compliance with the MCA Circulars, hard copy of Postal Ballot Notice along with Postal Ballot forms and Pre-paid Business Reply Envelope will not be sent to the members for this Postal Ballot. Accordingly, the members may note that communication of the assent or dissent of the members would take place through the remote e-voting system only.
4. We urge members to support our commitment to environmental protection by choosing to receive the Company's communication through email. Members holding shares in demat mode, who have not registered their email addresses are requested to register their email addresses with their respective depository participants and members holding shares in physical mode are requested to update their email addresses with the Company by sending an email to [cs@asterdmhealthcare.com](mailto:cs@asterdmhealthcare.com) to receive Postal Ballot Notice in electronic mode. Members may follow the process detailed below for registration of email ID to obtain the Postal Ballot Notice, user ID / password for e-voting.

Type of Holder	Registering Email Address	
Physical	Send a request to the Company at <a href="mailto:cs@asterdmhealthcare.com">cs@asterdmhealthcare.com</a> providing Folio No, Name of member, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar card) for registering email address.	
	Form for availing investor services to register PAN, email address, bank details and other KYC details or changes / update thereof for securities held in physical mode	Form ISR - 1
	Update of signature of securities holder	Form ISR - 2
	For nomination as provided in the Rules 19 (1) of Companies (Share capital and debenture) Rules, 2014	Form SH-13
	Declaration to opt out	Form ISR-3
	Cancellation of nomination by the holder(s) (along with ISR-3) / Change of Nominee	Form SH-14
	Form for requesting issue of Duplicate Certificate and other service requests for shares / debentures / bonds, etc., held in physical form	Form ISR- 4
Demat	Please contact your DP and register your email address in your demat account, as per the process advised by your DP.	



Alternatively, member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password for e-voting.

After successful submission of the e-mail address, NSDL will e-mail a copy of this Postal Ballot Notice along with the remote e-voting user ID and password, within 48 hours of successful registration of the e-mail address by the member. In case of any queries, members may write to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

5. The Board of Directors has appointed Mr. M Damodaran, Managing Partner of M Damodaran & Associates LLP, Practicing Company Secretaries, (ICSI Membership No. FCS 5837 COP: 5081) as the Scrutinizer (“Scrutinizer”) for conducting the postal ballot / e-voting process in a fair and transparent manner and in accordance with the provisions of the Companies Act, 2013 and the rules made there under.
6. All material documents referred to in the Explanatory Statement will be available for inspection at the Registered Office of the Company during office hours on all working days from the date of dispatch until the last date for receipt of votes by e-voting. Alternately, members may also send their requests to [cs@asterdmhealthcare.com](mailto:cs@asterdmhealthcare.com) or [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) from their registered e-mail address mentioning their names, folio numbers, DP ID and Client ID during the voting period of the postal ballot.
7. In compliance with the provisions of Section 108 of the Companies Act, 2013, read with the Companies (Management and Administration) Rules, 2014 and Regulation 44 of the Listing Regulations, the MCA Circulars the Company has provided only e-voting facility for its members to enable them to cast their votes electronically. The Company has engaged the services of NSDL to provide e-voting facility to its members.
8. Voting rights shall be reckoned on the paid-up value of shares registered in the name of the member as on cut-off date i.e., Friday, December 15, 2023. Members can vote for their entire voting rights as per their discretion.
9. The e-voting commences on Sunday, December 24, 2023 at 09:00 AM (IST) and ends on Monday, January 22, 2024 at 05:00 PM (IST). The e-voting module shall be disabled by NSDL for voting thereafter.
10. Once the vote on the resolutions is cast by the members, the members shall not be allowed to change it subsequently.
11. Members desirous of inspecting the documents referred to in the Notice or the Explanatory Statement may send their requests to [cs@asterdmhealthcare.com](mailto:cs@asterdmhealthcare.com) from their registered e-mail addresses mentioning their names, folio numbers/DP ID and Client ID, between the period Sunday, December 24, 2023 to Monday, January 22, 2024.
12. The Scrutinizer will submit his report to the Chairman of the Company (“the Chairman”) or to any other person authorized by the Chairman after the completion of the scrutiny of the e-voting not later than two working days from the last day of e-voting. The result declared along with the Scrutinizer’s report shall be communicated to the stock exchanges, NSDL and RTA and will also be displayed on the Company’s website at <https://www.asterdmhealthcare.com/investors/shareholders-services/postal-ballot> and on notice board of the registered office of the Company.



13. The last date specified by the Company for e-voting shall be the date on which the resolutions would be deemed to have been passed, if approved by the requisite majority.
14. Contact details of the person responsible to address the queries/grievances connected with the voting by electronic means, if any:

Mr. Hemish Purushottam  
Company Secretary and Compliance Officer  
Aster DM Healthcare Limited  
No.1785, Sarjapur Road, Sector -1,  
HSR Layout, Ward No.174, Agara Extension,  
Bengaluru-560102, Karnataka, India  
Email: [hemish.purushottam@asterdmhealthcare.com](mailto:hemish.purushottam@asterdmhealthcare.com)



## EXPLANATORY STATEMENT IN RESPECT OF SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

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### ITEM NO. 1

- (a) To approve a material related party transaction, being the sale by Affinity Holdings Private Limited, a wholly owned material subsidiary of the Company, of its entire ownership of the shares in entities conducting business in the GCC region, including Aster DM Healthcare FZC, i.e., a material subsidiary of the Company to Alpha GCC Holdings Limited in terms of Regulation 23 and other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”), as amended from time to time, read with Company’s ‘Policy on Material Subsidiaries’ and ‘Related Party Transaction Policy’ and Section 2(76), Section 188 and other applicable provisions of the Companies Act, 2013 (“Act”) read with the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws / statutory provisions, if any

It is proposed to segregate the business in the Gulf Co-operation Council (“GCC”) region, through sale by Affinity Holdings Private Limited (“Affinity”), a wholly owned material subsidiary of the Company, of its entire ownership of shares in entities conducting business in GCC, including Aster DM Healthcare FZC, a material subsidiary of the Company to Alpha GCC Holdings Limited (“Buyer” and such sale the “Proposed Transaction”). The board of directors as well as the shareholders of Affinity have, after due consideration approved the Proposed Transaction.

Affinity & its duly authorised officials, with the Company, began exploring options for segregation of the business in GCC in June 2022 with a view to unlocking value and facilitate ease of doing business in specific geographies i.e., GCC and India. Duly appointed bankers explored potential restructuring options that presented an opportunity to unlock value for Affinity, the Company and its stakeholders.

The rationale for segregation of GCC business include the following:

- Segregation will allow the Company to focus on the India business, which has distinct needs from the GCC business.
- The GCC business and the India healthcare businesses have evolved differently in the last 5 (five) years. Insurance drives the GCC business with different healthcare market dynamics than the India business. Segregation of the India and GCC business will provide the strategic advantage and flexibility of having exclusive and focused board and management looking after the India business, while having a strategic tie up on medical value tourism on an arm’s length basis, as detailed below.
- Unlocking value and expansion of opportunities for the Company as an India-focused entity.
- The listed shares of the Company are undervalued since they represent distinct GCC and India businesses, and due to: (i) the Company’s prevailing complex structure; (ii) relative market size of the India and GCC businesses; (iii) insurance domination in GCC business, Indian investors and analysts are reluctant to cover the Company due to the GCC business.
- The undervaluation of the Company’s shares currently places the Company in a disadvantageous position for potential expansion/growth.
- Divestment of the GCC business presents a unique opportunity to return a sizeable portion of the proceeds as dividend to all the shareholders (as may be declared by the Board of Directors in accordance with applicable law), while retaining their shares in the growing India market.



Two investment bankers, Moelis & Company and Credit Suisse AG conducted an independent and professionally run bidding process to identify reputed investors for possible divestment of a part or whole of the business in the GCC, with a mandate to ensure value maximization from the transaction. Based on a competitive process and the bids received from various investors, after due diligence, the consortium led by Fajr Capital Limited (“Fajr”) was shortlisted basis their confirmatory bid, their credentials and past track record as private equity investors in GCC region, and exclusivity was granted to Fajr. Members of the consortium led by Fajr will be finalised prior to completion of the Proposed Transaction. Apart from members such as the Emirates Investment Authority, Al Dhow Holding Company (the investment arm of AlSayer Group), Hana Investment Company (a subsidiary of Olayan Financing Company) and Wafra International Investment Company, the consortium may include persons who enter into arrangements with Fajr in this regard, including any shareholders of the Company.

During the bidding process, requests were received from bidders for continued promoter participation in the GCC business to ensure its sustainability following the restructuring. The promoters have also expressed their interest in continuing to participate in the GCC business. The promoters have decades of experience and goodwill in the GCC region, and their involvement is core to the intrinsic value of the business. Accordingly, the promoter agreed to hold a 35% stake in the acquirer of the business in the GCC, with the remaining stake being held by Fajr at the same equity value which Fajr offered.

The investment bankers have consistently indicated that: (a) the promoters’ continued participation in the GCC business ensured more attractive offers from potential investors and is expected to help the Company to realise value from the restructuring; (b) the promoters’ non-participation in the GCC business following the segregation could have been value dilutive for the potential investors. The promoters have a proven track record and have secured a leadership position in the healthcare market through deep knowledge and years of experience which would help in building a stronger GCC business, especially in large markets like the Kingdom of Saudi Arabia. Given these advantages, it is felt that promoter participation in the purchaser entity will result in attractive valuation from potential investors.

As per protocols in board-managed companies, the audit committee’s views and recommendation was put for deliberations before the entire board for consideration and approval in compliance with the applicable law. In each of the meetings of the Board of Directors where the matters were discussed, the interest of the promoters was declared in accordance with applicable law, and they did not participate in the voting on the matters related to the Proposed Transaction. In the meeting of the Board of Directors for considering the transaction, the interested directors did not vote and recused themselves from the decision of the Board of Directors.

Accordingly, the Board of Directors has approved and recommended to the shareholders the Proposed Transaction, which involves sale by Affinity of its entire ownership of shares in entities conducting business in the GCC region (including the entities listed in Annexure A and B). The entities proposed to be sold as part of the Proposed Transaction includes Aster DM Healthcare FZC. The sale is proposed to be undertaken to the Buyer for an aggregate consideration of up to USD 1,001.8 Million of which USD 903 million, subject to customary adjustments, is payable at closing of the Proposed Transaction and up to USD 98.8 million may be received subsequently subject to certain contingent events. The latter amount includes an earnout of up to USD 70 million based on EBITDA achieved by the GCC Business for the financial year ending 31<sup>st</sup> March 2024.

A third-party valuation report was obtained from Ernst & Young Merchant Banking Services LLP (“EY”), an Independent SEBI Registered Category – 1 Merchant Banker. Further, independent valuation advice was obtained from PwC Business Consulting Services LLP (“PwC”), a registered valuer as per



the Companies Act, 2013. Additionally, the Audit Committee of the Company has obtained a Fairness Opinion from ICICI Securities Limited, which was shared with the members of the Audit Committee. The valuation range proposed by PwC and EY are in the range of AED 3,236 million (USD 881 million) to AED 4,015 million (USD 1,093 million).

A snapshot of valuation metrics vis a vis financial results of the Company for Financial Year 2023, is as set out below:

	Pre- Ind AS 116	Post- Ind AS 116
▪ Enterprise Value <sup>3</sup>	US\$1,300.7m (INR10,666cr)	US\$ 1,651.2m (INR13,540cr)
	US\$1,001.8m (INR8,215cr)	US\$ 1,001.8m (INR 8,215cr)
▪ Equity Value	Upfront consideration of US\$ 903m <sup>5</sup> and up to US\$98.8m to be received subsequently <sup>6</sup>	Upfront consideration of US\$ 903m <sup>5</sup> and up to US\$98.8m to be received subsequently <sup>6</sup>
▪ EBITDA <sup>4</sup> FY23	US\$ 91.6m (INR 751 Crores)	US\$ 138.9m (INR 1,139 Crores)
▪ Multiple EV / EBITDA FY23	14.2x	11.9x

As part of the Proposed Transaction, DM Medcity Hospital (India) Private Limited, a wholly owned subsidiary of the Company, which undertakes the business of: (a) support services units comprising accounting, internal audit, administration, human resources management, information technology, revenue cycle management, and other business support services; and (b) digital transformation of business, such as mobile application development, integration, etc., through its business division, Aster Digital Health (“SSC Operations”), will be sold to Aster Shared Services Centre Private Limited, a wholly owned subsidiary of Aster DM Healthcare FZC, by way of slump sale on a going concern basis.

The Proposed Transaction is governed by a share purchase agreement, dated November 28, 2023, between Affinity and the Buyer (“**Share Purchase Agreement**” or “**SPA**”). The Company has also entered into a Deed of Guarantee dated November 28, 2023 with the Buyer and Union Investments Pvt Limited as part of the Proposed Transaction. As part of the Deed of Guarantee, the Company as the parent company of Affinity has agreed to backstop certain payment obligations of Affinity under the Share Purchase Agreement (including identified leakage, breach of warranties, undertakings, and covenants as mutually agreed) in connection with the Proposed Transaction, along with Union Investment Private Limited (“**Promoter Parent**”). Company has obtained a commitment from the Promoter Parent, to recover any losses resulting from a breach of the standstill obligations under the SPA to the extent such a breach of standstill obligations was either authorized by or was undertaken in accordance with the instructions of Promoter/ its connected persons. The Promoter Parent is backstopping certain payment obligations for which payments are made for the benefit of the promoters under the SPA.

Further, the Company and Aster DM Healthcare FZC will have certain co-dependencies/synergies, post completion of the Proposed Transaction. To ensure the smooth functioning of the same, certain related party arrangements (such as hiring from India, services from Aster Health Academy and arrangements in relation to certain IT services and infrastructure) are envisaged to be entered into as per the SPA, which will become effective post completion of the Proposed Transaction. The detailed terms of the related party arrangements will be agreed with the Buyer, prior to them becoming effective and appropriate approvals will be obtained as per applicable law (if required).

The completion of the Proposed Transaction is subject to regulatory and other contractual conditions precedents. Key condition precedents include approval of Saudi Arabian General Authority for Competition, availing of financing by the Buyer to meet its obligations under the SPA and obtaining third party contractual consents from the insurers in the GCC.



### Utilization of proceeds of the sale of GCC business

Affinity, on receipt of sale consideration, after meeting transaction expenses intends to:

- Redemption of 219,324,675 Redeemable Preference shares of USD 1 held by the Company in Affinity Holdings Pvt Ltd; and
- Declare dividend to the Company.

(collectively, “Sale Proceeds”)

Upon receipt of the Sale Proceeds from Affinity, the Company is desirous of, subject to approval of the Board of Directors and in accordance with applicable law, utilize sizeable portion of the Sale Proceeds (net of transaction costs) for distribution as dividends. The remaining proceeds will be retained as reserves and to pursue growth opportunities from time to time. The timing and quantum of this will be determined by the Board of Directors after taking into consideration the relevant/necessary information to be provided by the Management in this regard, and in accordance with applicable law.

In terms of Regulation 23(4) of the SEBI Listing Regulations, all material related party transactions and subsequent material modifications as defined by the audit committee under Regulation 23(2) of the SEBI Listing Regulations, require prior approval of the shareholders through resolution and no related party is permitted to vote to approve such resolutions whether the entity is a related party to the particular transaction or not. Material related party transactions in terms of Regulation 23(1) of the SEBI Listing Regulations read with the Company’s ‘Related Party Transaction Policy’ are identified as transaction(s) which to be entered into individually or taken together with previous transactions during a financial year, exceeding rupees one thousand crore or 10% of the annual consolidated turnover of the company as per the last audited financial statements of the company, whichever is lower. The Proposed Transaction constitutes a ‘material’ related party transaction as the aforementioned criteria is satisfied.

The disclosure under the Companies Act, 2013 and Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and the information as required pursuant to Section III-B of SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 (“SEBI Circular”) and other material information to enable the shareholders to fully understand the scope of the transaction is furnished below:

Disclosures under the Companies Act, 2013 and Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014:

S No	Particulars	Details
a)	The name of the related party	The transaction is between Alpha GCC Holdings Limited (“Buyer”) and Affinity Holdings Private Limited (“Seller”), a wholly owned material subsidiary of the Company.
b)	Name of the director or key managerial personnel who is related, if any	Dr. Azad Moopen, Chairman and Managing Director (Promoter) and Ms. Alisha Moopen, Deputy Managing Director (Promoter).
c)	Nature of Relationship	Buyer entity will be owned by the promoter/promoter group of Aster India (“Promoters”) and funds managed by Fajr Capital Advisors Limited in the shareholding ratio of 35:65.
d)	Nature, material terms, monetary value and particulars of the contract or arrangement;	a) The contract is a Share Purchase Agreement between the Buyer and the Seller to buy the entire share capital of Aster DM Healthcare FZC (“Aster FZC”), a material subsidiary company and



S No	Particulars	Details
		<p>through Aster FZC, indirect shareholding in subsidiaries of Aster FZC which conduct the GCC business; (b) the aggregate consideration is up to USD 1,001.8 Million of which USD 903 million, subject to customary adjustments, is payable at closing and up to USD 98.8 million may be received subsequently subject to certain contingent events (which includes an earnout of up to USD 70 million based on EBITDA achieved by the GCC Business for the financial year ending 31<sup>st</sup> March 2024); (c) the transaction involves sale of the entire shareholding of Aster FZC (held by Affinity Holdings Private Limited) basis customary representations, covenants and warranties; (d) the Buyer has procured a warranties and indemnities insurance, on a cost sharing basis equally between Buyer and Seller; and (e) the completion of the transaction is contingent on fulfilment of certain conditions precedents including approval of the public shareholders of the Company, regulatory consent of the relevant merger control authorities of the Kingdom of Saudi Arabia, availing of financing by the Buyer to meet its obligations under the SPA.</p> <p>The contract is terminable upon occurrence of certain events, as well as on mutual consent of parties</p>
e)	Any other information relevant or important for the shareholders to take a decision on the proposed transaction.	None

Information as required pursuant to Section III-B of SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 ("SEBI Circular") and other material information to enable the shareholders to fully understand the scope of the transaction is furnished below:

S No	Particulars	Details
A	<b>A summary of the information provided by the management of the Company to the Audit Committee</b>	
a)	Type, material terms and particulars of the proposed transaction	(a) The contract is a Share Purchase Agreement between the Buyer and the Seller to buy the entire share capital of Aster DM Healthcare FZC; (b) The consideration receivable from the transaction is up to ~USD 1,001.8 million of which USD 903 million, subject to customary adjustments, is payable at closing and upto USD 98.8 million may be received subsequently subject to certain contingent events. This includes an earnout of upto USD 70 million

S No	Particulars	Details
		<p>based on EBITDA achieved by the GCC business for the Financial Year ending 31 March 2024; (c) the transaction involves sale of the entire shareholding of Aster FZC (held through Affinity Holdings Private Limited) basis customary representations, covenants and warranties; (d) the Buyer has procured a warranties and indemnities insurance, on a cost sharing basis equally between Buyer and Seller; and (e) the completion of the transaction is contingent on fulfilment of certain conditions precedents including approval of the public shareholders of the Company, regulatory consent of the relevant merger control authorities of the Kingdom of Saudi Arabia and availing of financing by the Buyer to meet its obligations under the SPA</p>
b)	<p>Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise);</p>	<p>The transaction is between Alpha GCC Holdings Limited of the GCC business and Affinity Holdings Private Limited, a wholly owned material subsidiary of the Company.</p> <p>Dr. Azad Moopen, Chairman and Managing Director (Promoter) and Ms. Alisha Moopen, Deputy Managing Director (Promoter).</p> <p>Buyer entity will be owned by the promoter/promoter group of Aster India and funds managed by Fajr Capital Advisors Limited in the shareholding ratio of 35:65.</p>
c)	<p>Tenure of the proposed transaction (particular tenure shall be specified)</p>	<p>The contract is terminable upon occurrence of certain events, as well as on mutual consent of parties.</p>
d)	<p>Value of the proposed transaction</p>	<p>The consideration receivable from the transaction is up to ~USD 1,001.8 million of which USD 903 million, subject to customary adjustments, is payable at closing and up to USD 98.8 million may be received subsequently subject to certain contingent events. This includes an earnout of up to USD 70 million based on EBITDA achieved by the GCC business for the Financial Year ending 31 March 2024</p>
e)	<p>The percentage of the listed entity's annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);</p>	<p>Affinity being an investee company does not have turnover.</p>

S No	Particulars	Details
f)	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	While the transaction does not relate to any loans, inter-corporate deposits, advances or investments, an amount of approximately USD 37 million, payable by Affinity Holdings Pvt Ltd (Seller), a subsidiary of the Company, to Aster FZC (part of GCC Business being sold), is being settled as part of this transaction via novation of its promissory note. The note from Seller to Aster FZC, is being novated to be between the Buyer and Aster FZC indicating that the Buyer is taking over the liability of the Seller to Aster FZC and therefore relieving the Seller from this debt.
	i) details of the source of funds in connection with the proposed transaction;	Not applicable
	ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, -nature of indebtedness; - cost of funds; and - tenure;	Nil
	iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and	Not applicable
	iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Not applicable
g)	Justification as to why the RPT is in the interest of the listed entity.	<p>The transaction will allow the Company to focus on the India business, which has distinct needs from the GCC business. GCC Business and the India healthcare businesses have evolved differently in the last five years. Insurance drives the GCC business with different healthcare market dynamics than the India business.</p> <p>Segregation of the India and GCC business will provide the strategic advantage and flexibility of having exclusive and focused Board of Directors and management looking after the India business, while having a strategic tie up on medical value tourism on arm's length basis. The transaction will also allow the Company to unlock value, expansion of opportunities for the Company as an India-focused entity and utilize sizeable portion of the Sale Proceeds (net of transaction costs) for distribution as dividends to shareholders of the Company (as</p>

S No	Particulars	Details
		determined by the Board of Directors in accordance with applicable law).
h)	A copy of the valuation or other external party report, if any such report has been relied upon;	A third-party valuation report was obtained from Ernst & Young Merchant Banking Services LLP ("EY"), an Independent SEBI Registered Category – 1 Merchant Banker. Further, independent valuation advice was obtained from PwC Business Consulting Services LLP ("PwC"), a registered valuer as per the Companies Act, 2013. Additionally, the Audit Committee of the Company has obtained a Fairness Opinion from ICICI Securities Limited, which was shared with the members of the Audit Committee. The aggregate consideration has been mutually agreed between the parties, basis the valuation.
i)	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;	The Buyer entity is a newly incorporated special vehicle entity and has not recorded any turnover.
j)	Any other information that may be relevant	None
B	Justification for why the proposed transaction is in the interest of the listed entity	Details mentioned in point no. g) above.
C	Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point 4(f) above;	Details mentioned in point no. f) above
D	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	The valuation reports and fairness opinion will be available for inspection at the Registered Office of the Company during office hours on all working days from the date of dispatch of Postal Ballot Notice until the last date for receipt of votes by e-voting. Alternately, members may also send their requests to <a href="mailto:cs@asterdmhealthcare.com">cs@asterdmhealthcare.com</a> or <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> from their registered e-mail address mentioning their names, folio numbers, DP ID and Client ID during the voting period of the postal ballot.
E	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis	Details mentioned in point no. i) above
F	Any other information that may be relevant.	None



- (b) To approve a consequential transaction being 'Non-Compete and Brand Co-existence Agreement', with Affinity Holdings Private Limited, Aster DM Healthcare FZC, Alpha GCC Holdings Limited and Dr. Azad Moopen, and Ms. Alisha Moopen, being the promoters of the Company; and (c) consequential arrangement being for 'MVT (Medical Value Travel)' with Aster DM Healthcare FZC**

### **Commercial rationale**

The Company and its Indian Affiliates (“**India Entities**”) and Aster FZC and its Gulf Cooperation Council region (“**GCC**”) Affiliates (“**GCC Entities**”) have historically evolved and registered their brand identities in their respective geographies, and post completion of the Proposed Transaction, intends to continue to use certain branding which has certain common elements (including the word Aster) to operate in their respective geographies, as well as new geographies. Accordingly, it is essential to arrive at a framework for co- existence, non-competition, and brand usage between Indian Entities and GCC Entities.

Both GCC Entities and India entities have a strong value for the Aster brands, with the offline and online channels of the GCC and India entities leveraging this. The financial projections and consequentially the valuation of the shares of the entities would depend on continuity of the entities to leverage this brand in their respective geographies. Therefore, it was required that a brand sharing agreement be put in place, with the right contours that will help with: (a) continuity of this leverage, (b) continued ability of both the GCC Entities and India Entities to be able to continue using the same brand in their respective geographies, (c) ensuring that any actions by either party in geographies of other parties' operations should not lead to significant confusion for the customers. Hence, there was a need to align on a mutual / reciprocal non-compete obligations between the parties.

Further, given that a reasonable portion of Medical Value Tourism business coming to Aster India Hospitals are from the GCC region, it was required to establish mutually agreed upon operating mechanics around sourcing to and servicing patients to by Aster India from the GCC region, while keeping it as an arm's length transaction.

Therefore, in connection with the Proposed Transaction, a 'Non-Compete and Brand Co-Existence Agreement' amongst Affinity Holdings Private Limited, Aster DM Healthcare FZC (“**Aster FZC**”), Alpha GCC Holdings Limited (“**Buyer**”) and Dr. Azad Moopen, and Ms. Alisha Moopen (“**Brand & Non-Compete Agreement**”) has been entered into and the non-compete and branding related obligations would be effective from the closing of the Proposed Transaction. The Brand & Non-Compete Agreement constitutes a related party transaction.

Historically, the adoption of and use and registration of the 'Aster' trademarks in each of India and the GCC has been undertaken by each of the India Entities and GCC Entities independently. Currently:

- (i) The Company and its Indian subsidiaries engage in the business in India using the “Aster” trademarks and associated intellectual property which are registered by them in India;
- (ii) The Company's GCC subsidiaries including Aster FZC operate their businesses in the GCC using the “Aster” trademarks and associated intellectual property registered by them in the GCC.

The Brand & Non-Compete Agreement governs the non-compete and branding related obligations of the parties post the completion of the Proposed Transaction. Certain significant terms of the Brand & Non-Compete Agreement have been summarised below:



- i. Perpetual restriction on the Indian Entities from using/ registering/ enhancing certain identified trademarks (including 'Aster') and associated intellectual property in the GCC and MENA regions (as described under the Brand & Non-Compete Agreement) ("**GCC Core Regions**"). There is a similar perpetual restriction on the GCC Entities from using/ registering/ enhancing certain identified trademarks (including 'Aster') and associated intellectual property in the SAARC and ASEAN regions ("**India Core Regions**").
- ii. Non-compete obligations/ restrictions on the Indian Entities from operating their business in the GCC Core Regions for a fixed duration.
- iii. Non-compete obligations/ restrictions on the GCC Entities from operating their business in the India Core Regions for a fixed duration.
- iv. Obligation on the Indian Entities and GCC Entities to operate in any other jurisdiction (other than the GCC Core Regions and India Core Regions) with certain distinct trademarks (i.e., with distinctive suffixes to 'Aster DM India' or 'Aster India' and 'Aster GCC' or 'Aster Middle East' respectively).

The Brand & Non-Compete Agreement also sets out the terms of the arrangement between Company and Aster FZC for conduct of Medical Value Travel ("**MVT**") by the Company. As per the MVT arrangement, to enable MVT to India from GCC region, (a) the Buyer and Aster FZC will enable deputation of the employees of the Company who will support the MVT business undertaken by the Company, as per the list provided by the Company ("**MVT Team**") and allocation of such resources as may be needed for its operation, on or prior to the Completion Date; (b) the Company and Aster FZC shall mutually agree on an MVT plan; (c) contracts with service providers in the GCC region shall be novated to Aster FZC or its affiliates, and the Company shall engage new service providers in the GCC region, non-exclusively, through Aster FZC; (d) Company will retain full control over the operation of MVT business and the MVT Team; and (e) any marketing, promotion or sales activity (including digital marketing) in the GCC Core Region for the MVT business by the MVT Team, and outside the GCC Core Region by the Company or its Affiliate shall be unfettered, except where there is any material apprehension of adverse effect to brand value or reputation where the dispute will be resolved as mutually agreed.

The disclosure under the Companies Act, 2013 and Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and the information as required pursuant to Section III-B of SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 ("**SEBI Circular**") and other material information to enable the shareholders to fully understand the scope of the transaction is furnished below:

### **Brand & Non-Compete Agreement**

Disclosures under the Companies Act, 2013 and Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014:

<b>S No</b>	<b>Particulars</b>	<b>Details</b>
a)	The name of the related party	The parties to the Brand & Non-Compete Agreement are a) Company b) Affinity Holdings Private Limited, (a material subsidiary of the Company); c) Aster DM Healthcare FZC (" <b>Aster FZC</b> ") (a step-down subsidiary of the Company); d) Alpha GCC Holdings Limited (" <b>Buyer</b> ") e) Dr. Azad Moopen (Promoter of the Company); and Ms. Alisha Moopen, (Promoter of the Company).

S No	Particulars	Details
b)	Name of the director or key managerial personnel who is related, if any	Dr. Azad Moopen, Chairman and Managing Director (Promoter) and Ms. Alisha Moopen, Deputy Managing Director (Promoter).
c)	Nature of Relationship	Buyer entity will be owned by the promoter/promoter group of the Company (“Promoters”) and funds managed by Fajr Capital Advisors Limited in the shareholding ratio of 35:65.
d)	Nature, material terms, monetary value and particular of the contract or arrangement	<p>1.The Brand &amp; Non-Compete Agreement governs the non-compete and branding related aspects which might arise post completion of the transaction under the Share Purchase Agreement. Presently: (i) The Company and its Indian subsidiaries engage in the business in India using the “Aster” trademarks and associated intellectual property which are registered by them in India; (ii) The Company’s GCC subsidiaries including Aster FZC operate their businesses in the GCC using the “Aster” trademarks and associated intellectual property registered by them in the GCC. Upon completion of the transaction contemplated under the Share Purchase Agreement:</p> <p>(a) the Company and its non-GCC affiliates will have an absolute right to use, register, license, modify and enhance marks containing the words or graphical representations of the words ‘Aster’, ‘Aster DM Healthcare’ and ‘Dr. Moopen Healthcare’ in SAARC (including India) and ASEAN region, in perpetuity. Similarly, the GCC Entities will have an absolute right to use, register, license, modify and enhance the marks containing the words or graphical representations of the words ‘Aster’, ‘Aster DM Healthcare’ and ‘Dr. Moopen Healthcare’, ‘Medcare’, ‘Wellth’, ‘Wahat’, ‘Harley’, ‘Access’, ‘Zest’ and ‘Skin-III’ in GCC and MENA regions, in perpetuity;</p> <p>(b) both the GCC Entities and India Entities will also be bound by a non-compete for a fixed duration, where neither party can operate the business in the other party’s core regions;</p> <p>(c) in any other jurisdiction (“Open Regions”), the India Entities and the GCC Entities will operate with Distinct Marks (i.e., with distinctive suffixes to ‘Aster DM India’ or ‘Aster India’ and ‘Aster GCC’ or ‘Aster Middle East’ respectively). Neither party will operate in Open Regions using the standalone ‘Aster’ mark or any allied marks, ‘Aster DM</p>

S No	Particulars	Details
		<p>Healthcare', 'Aster Global Healthcare' or 'Aster Healthcare';</p> <p>(d) to ensure clarity, the Brand &amp; Non-Compete Agreement details out an appropriate mechanism which ensures co-operation or co-existence for brand usage by the parties;</p> <p>(e) the Parties have also agreed to set up a branding and reputation management committee with two representatives from each side;</p> <p>(f) the Parties have agreed on broad rules for branding and reputation management which seek to enhance and protect the value of the marks;</p> <p>(g) the Parties have agreed to mutual non-solicit provisions; and</p> <p>(h) the operation of the MVT business (as discussed below) is excluded from the ambit of the non-compete obligations on the parties, under the Brand &amp; Non-Compete Agreement.</p> <p>2. The Brand &amp; Non-Compete Agreement also sets out the terms of the arrangement between Company and Aster FZC for conduct of MVT by the Company.</p> <p>The Brand &amp; Non-Compete Agreement is terminable upon occurrence of certain events, as well as on mutual consent of parties.</p> <p>Non-compete period is for a maximum period of 15 years from the Execution Date with fall away at earlier dates in the event certain circumstances stipulated under the Brand &amp; Non-Compete Agreement occur.</p> <p>In terms of the cost for MVT, (i) all costs and expenses in relation to members of the MVT Team based in the GCC Core Region, shall be incurred by Aster FZC, and all such costs and expenses shall be reimbursed by the Company with a markup; (ii) the Company or its affiliates shall pay to Aster FZC administrative fees linked to the revenues realized by the Company and its affiliates from the referral agreements enabled by the MVT Team to cover for all indirect and administrative costs; (iii) where patients avail services from the Company or its Affiliates</p>

S No	Particulars	Details
		<p>pursuant to a direct referral from Aster FZC or its Affiliates, the Company shall pay Aster FZC a referral fee based on the amounts realized from such referrals; and (iv) all direct costs in relation to the MVT Business such as for promotions and travel expenses of MVT Team will be borne by the Company.</p> <p>Under the Brand &amp; Non-Compete Agreement, there is no separate monetary consideration value, and the Company is executing the Brand &amp; Non-Compete Agreement in consideration of mutual covenants and obligations agreed amongst the parties thereto.</p>
e)	Any other information relevant or important for the members to take a decision on the proposed transaction.	None

Information as required pursuant to Section III-B of SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 and other material information to enable the shareholders to fully understand the scope of the transaction is furnished below:

S No	Particulars	Details
A	<b>A summary of the information provided by the management of the Company to the Audit Committee</b>	
a)	Type, material terms and particulars of the proposed transaction	<p>1.The Brand &amp; Non-Compete Agreement governs the non-compete and branding related aspects which might arise post completion of the transaction under the Share Purchase Agreement. Presently: (i) The Company and its Indian subsidiaries engage in the business in India using the “Aster” trademarks and associated intellectual property which are registered by them in India; (ii) The Company’s GCC subsidiaries including Aster FZC operate their businesses in the GCC using the “Aster” trademarks and associated intellectual property registered by them in the GCC. Upon completion of the transaction contemplated under the Share Purchase Agreement:</p> <p>(a) the Company and its non-GCC affiliates will have an absolute right to use, register, license, modify and enhance marks containing the words or graphical representations of the words ‘Aster’, ‘Aster DM Healthcare’ and ‘Dr. Moopen Healthcare’ in SAARC (including India) and ASEAN region, in perpetuity. Similarly, the GCC Entities will have an absolute right to use, register, license, modify and enhance the marks containing the</p>

S No	Particulars	Details
		<p>words or graphical representations of the words 'Aster', 'Aster DM Healthcare' and 'Dr. Moopen Healthcare', 'Medcare', 'Wellth', 'Wahat', 'Harley', 'Access', Zest' and 'Skin-III' in GCC and MENA regions, in perpetuity;</p> <p>(b) both the GCC Entities and India Entities will also be bound by a non-compete for a fixed duration, where neither party can operate the business in the other party's core regions;</p> <p>(c) in any other jurisdiction ("Open Regions"), the India Entities or the GCC Entities will operate with Distinct Marks (i.e., with distinctive suffixes to 'Aster DM India' or 'Aster India' and 'Aster GCC' or 'Aster Middle East' respectively). Neither party will operate in Open Regions using the standalone 'Aster' mark or any allied marks, 'Aster DM Healthcare', 'Aster Global Healthcare' or 'Aster Healthcare';</p> <p>(d) to ensure clarity, the Brand &amp; Non-Compete Agreement details out an appropriate mechanism which ensures co-operation or co-existence for brand usage by the parties;</p> <p>(e) the Parties have also agreed to set up a branding and reputation management committee with two representatives from each side;</p> <p>(f) the Parties have agreed on broad rules for branding and reputation management which seek to enhance and protect the value of the marks;</p> <p>(g) the Parties have agreed to mutual non-solicit provisions; and</p> <p>(h) the operation of the MVT business (as discussed below) is excluded from the ambit of the non-compete obligations on the parties, under the Brand &amp; Non-Compete Agreement.</p> <p>2. The Brand &amp; Non-Compete Agreement also sets out the terms of the arrangement between Company and Aster FZC for conduct of MVT by the Company.</p>
b)	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its	The parties to the Brand & Non-Compete Agreement are a) Company b) Affinity Holdings Private Limited, (a material subsidiary of the Company); c) Aster DM Healthcare FZC ("Aster

S No	Particulars	Details
	concern or interest (financial or otherwise);	<p><b>FZC</b>) (a step-down subsidiary of the Company); d) Alpha GCC Holdings Limited (<b>“Buyer”</b>) e) Dr. Azad Moopen (Promoter of the Company); and Ms. Alisha Moopen, (Promoter of the Company).</p> <p>Dr. Azad Moopen, Chairman and Managing Director (Promoter) and Ms. Alisha Moopen, Deputy Managing Director (Promoter).</p> <p>Buyer entity will be owned by the promoter/promoter group of the Company (<b>“Promoters”</b>) and funds managed by Fajr Capital Advisors Limited in the shareholding ratio of 35:65.</p>
c)	Tenure of the proposed transaction (particular tenure shall be specified	<p>The Brand &amp; Non-Compete Agreement is terminable upon occurrence of certain events, as well as on mutual consent of parties.</p> <p>Non-compete period is for a maximum period of 15 years from the Execution Date with fall away at earlier dates in certain circumstances.</p>
d)	Value of the proposed transaction	<p>In terms of the cost for MVT, (i) all costs and expenses in relation to members of the MVT Team based in the GCC Core Region, shall be incurred by Aster FZC, and all such costs and expenses shall be reimbursed by the Company with a markup; (ii) the Company or its affiliates shall pay to Aster FZC administrative fees linked to the revenues realized by the Company and its affiliates from the referral agreements enabled by the MVT Team to cover for all indirect and administrative costs; (iii) where patients avail services from the Company or its Affiliates pursuant to a direct referral from Aster FZC or its Affiliates, the Company shall pay Aster FZC a referral fee based the amounts realized from such referrals; and (iv) all direct costs in relation to the MVT business such as for promotions and travel expenses of MVT Team will be borne by the Company.</p> <p>Under the Brand &amp; Non-Compete Agreement there is no separate monetary consideration value, and the Company is executing the Brand &amp; Non-Compete Agreement in consideration of mutual covenants and obligations agreed amongst the parties thereto.</p>
e)	The percentage of the listed entity’s annual consolidated turnover, for the immediately preceding financial year, that is represented by the	Not applicable

S No	Particulars	Details
	value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary's annual turnover on a standalone basis shall be additionally provided);	
f)	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	Not applicable
	i) details of the source of funds in connection with the proposed transaction;	Not applicable
	ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, -nature of indebtedness; - cost of funds; and - tenure;	Not applicable
	iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and	Not applicable
	iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Not applicable
g)	Justification as to why the RPT is in the interest of the listed entity;	The adoption of and use and registration of the 'Aster' trademarks in each of India and the GCC has been undertaken by each of the India Entities and GCC Entities independently. Consequently, each of the India Entities and GCC Entities have individually developed goodwill in the Restricted Marks in their respective geographies. Pursuant to the completion of the transaction under the Share Purchase Agreement, the Company and Aster FZC will continue to operate their respective business and simultaneously use their respective Restricted Marks in their respective geographies. The Brand & Non-Compete Agreement sets out the manner in which the Company and Aster FZC will conduct the business and use the Restricted Marks with effect from the completion of the transaction under the Share Purchase Agreement. The Brand & Non-Compete Agreement also allows the existing Medical Value Tourism to continue for the Company, with an arrangement with Aster FZC.

S No	Particulars	Details
		For the purposes of this response, Restricted Marks are trademarks, service marks, logos, trade dress, domain names or business identifiers on the internet, social media sites or related industry sites (including their derivatives) containing the word or a graphical representation of the word: (i) Aster; (ii) DM Healthcare; and (iii) 'Dr. Moopen Healthcare', in each case, (including with prefixes or suffixes), or any works or marks identical thereto, or confusingly, or deceptively similar thereto.
h)	A copy of the valuation or other external party report, if any such report has been relied upon;	Not applicable
i)	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;	The Buyer entity is a newly incorporated special vehicle entity and has not recorded any turnover.
j)	Any other information that may be relevant	None
B	Justification for why the proposed transaction is in the interest of the listed entity	Details mentioned in point no. g) above
C	Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point 4(f) above;	Not applicable
D	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	The Brand & Non-Compete Agreement will be available for inspection at the Registered Office of the Company during office hours on all working days from the date of dispatch of Postal Ballot Notice until the last date for receipt of votes by e-voting. Alternately, members may also send their requests to <a href="mailto:cs@asterdmhealthcare.com">cs@asterdmhealthcare.com</a> or <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> from their registered e-mail address mentioning their names, folio numbers, DP ID and Client ID during the voting period of the postal ballot.
E	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis	The Buyer entity is a newly incorporated special vehicle entity and has not recorded any turnover
F	Any other information that may be relevant.	None



## Guarantee Deed

The Guarantee Deed imposes an obligation on the Company to backstop certain indemnity and payment obligations (to the extent not covered by the warranty and indemnity insurance policy obtained pursuant to the SPA) of Affinity Holdings Pvt Ltd. (material wholly owned subsidiary of the Company) under the SPA (identified leakage, breach of warranties, undertakings, and covenants as mutually agreed under the SPA) in connection with the Proposed Transaction. Company has obtained a commitment from the Promoter Parent, to recover any losses resulting from a breach of the standstill obligations under the SPA to the extent such a breach of standstill obligations was either authorized by or was undertaken in accordance with the instructions of Promoter/ its connected persons. The Promoter Parent is backstopping certain payment obligations for which payments are made for the benefit of the promoters under the SPA. The guarantee obligation of the Company is in furtherance of the Buyer agreeing to purchase the GCC business pursuant to the Share Purchase Agreement.

The disclosure under the Companies Act, 2013 and Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014 and the information as required pursuant to Section III-B of SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 and other material information to enable the shareholders to fully understand the scope of the transaction is furnished below:

Disclosures under the Companies Act, 2013 and Rule 15(3) of the Companies (Meetings of Board and its Powers) Rules, 2014:

S No	Particulars	Details
a)	The name of the related party	The parties to the Guarantee Deed are a) Company b) Union Investments Private Limited (member of the Promoter Group of the Company) ("UIPL") and C) Alpha GCC Holdings Limited ("Buyer")
b)	Name of the director or key managerial personnel who is related, if any	Dr. Azad Moopen, Chairman and Managing Director (Promoter) and Ms. Alisha Moopen, Deputy Managing Director (Promoter).
c)	Nature of Relationship	Buyer entity will be owned by the promoter/promoter group of the Company ("Promoters") and funds managed by Fajr Capital Advisors Limited in the shareholding ratio of 35:65.
d)	Nature, material terms, monetary value and particular of the contract or arrangement	The Guarantee Deed imposes an obligation on the Company to backstop certain indemnity and payment obligations (to the extent not covered by the warranty and indemnity insurance policy obtained pursuant to the SPA) of Affinity Holdings Pvt Ltd. (material wholly owned subsidiary of the Company) under the SPA (identified leakage, breach of warranties, undertakings, and covenants as mutually agreed under the SPA) in connection with the Proposed Transaction. Company has obtained a commitment from the Promoter Parent, to recover any losses resulting from a breach of the standstill obligations under the SPA to the extent such a breach of standstill obligations was either authorized by or was undertaken in

S No	Particulars	Details
		<p>accordance with the instructions of Promoter/ its connected persons. The Promoter Parent is backstopping certain payment obligations for which payments are made for the benefit of the promoters under the SPA.</p> <p>There is no separate consideration value of the Deed, and the Company is executing the Deed in consideration of the Buyer agreeing to buy the GCC business under the SPA.</p> <p>The Deed is terminable upon occurrence of certain events, as well as on mutual consent of parties.</p>
e)	Any other information relevant or important for the members to take a decision on the proposed transaction.	None

Information as required pursuant to Section III-B of SEBI Master Circular No. SEBI/HO/CFD/PoD2/CIR/P/2023/120 dated July 11, 2023 ("SEBI Circular") and other material information to enable the shareholders to fully understand the scope of the transaction is furnished below:

S No	Particulars	Details
A	<b>A summary of the information provided by the management of the Company to the Audit Committee</b>	
a)	Type, material terms and particulars of the proposed transaction	<p>The Guarantee Deed imposes an obligation on the Company to backstop certain indemnity and payment obligations (to the extent not covered by the warranty and indemnity insurance policy obtained pursuant to the SPA) of Affinity Holdings Pvt Ltd. (material wholly owned subsidiary of the Company) under the SPA (identified leakage, breach of warranties, undertakings, and covenants as mutually agreed under the SPA) in connection with the Proposed Transaction. Company has obtained a commitment from the Promoter Parent, to recover any losses resulting from a breach of the standstill obligations under the SPA to the extent such a breach of standstill obligations was either authorized by or was undertaken in accordance with the instructions of Promoter/ its connected persons. The Promoter Parent is backstopping certain payment obligations for which payments are made for the benefit of the promoters under the SPA.</p>
b)	Name of the related party and its relationship with the listed entity or	The parties to the Guarantee Deed are a) Company b) Union Investments Private Limited (member of

S No	Particulars	Details
	its subsidiary, including nature of its concern or interest (financial or otherwise);	<p>the Promoter Group of the Company) (“UIPL”) and C) Alpha GCC Holdings Limited (“Buyer”)</p> <p>Dr. Azad Moopen, Chairman and Managing Director (Promoter) and Ms. Alisha Moopen, Deputy Managing Director (Promoter).</p> <p>Buyer entity will be owned by the promoter/ promoter group of the Company (“Promoters”) and funds managed by Fajr Capital Advisors Limited in the shareholding ratio of 35:65.</p>
c)	Tenure of the proposed transaction (particular tenure shall be specified	The Deed is terminable upon occurrence of certain events, as well as on mutual consent of parties.
d)	Value of the proposed transaction	There is no separate consideration value of the Deed, and the Company is executing the Deed in consideration of the Buyer agreeing to buy the GCC business under the SPA.
e)	The percentage of the listed entity’s annual consolidated turnover, for the immediately preceding financial year, that is represented by the value of the proposed transaction (and for a RPT involving a subsidiary, such percentage calculated on the basis of the subsidiary’s annual turnover on a standalone basis shall be additionally provided);	Not applicable
f)	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	Not applicable
	i) details of the source of funds in connection with the proposed transaction;	Not applicable
	ii) where any financial indebtedness is incurred to make or give loans, inter-corporate deposits, advances or investments, -nature of indebtedness; - cost of funds; and - tenure;	Not applicable
	iii) applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security; and	Not applicable

S No	Particulars	Details
	iv) the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the RPT	Not applicable
g)	Justification as to why the RPT is in the interest of the listed entity;	The guarantee obligation of the Company is in furtherance of the Buyer agreeing to purchase the GCC business pursuant to the Share Purchase Agreement.
h)	A copy of the valuation or other external party report, if any such report has been relied upon;	Not applicable
i)	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT on a voluntary basis;	The Buyer entity is a newly incorporated special vehicle entity and has not recorded any turnover.
j)	Any other information that may be relevant	None
B	Justification for why the proposed transaction is in the interest of the listed entity	Details mentioned in point no. g) above
C	Where the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary, the details specified under point 4(f) above;	Not applicable
D	A statement that the valuation or other external report, if any, relied upon by the listed entity in relation to the proposed transaction will be made available through the registered email address of the shareholders;	The Deed will be available for inspection at the Registered Office of the Company during office hours on all working days from the date of dispatch of Postal Ballot Notice until the last date for receipt of votes by e-voting. Alternately, members may also send their requests to <a href="mailto:cs@asterdmhealthcare.com">cs@asterdmhealthcare.com</a> or <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> from their registered e-mail address mentioning their names, folio numbers, DP ID and Client ID during the voting period of the postal ballot.
E	Percentage of the counter-party's annual consolidated turnover that is represented by the value of the proposed RPT, on a voluntary basis	The Buyer entity is a newly incorporated special vehicle entity and has not recorded any turnover.
F	Any other information that may be relevant.	None

The Company constituted a Committee of Independent Directors of the Company to review the corporate structure and evaluate various proposals placed by the management and the advisors of the Company and provide guidance/ inputs as deemed appropriate. To ensure the entire restructuring process was conducted independently and fairly, the Committee of Independent Directors appointed a reputed Independent Legal firm directly advising them in relation to the entire restructuring process and role & responsibility of independent directors in such transactions. Further, two investment bankers Moelis & Company and Credit Suisse also made various presentations to the Independent



Directors regarding the transaction and the restructuring process. Further, the Audit committee recommended obtaining a fairness opinion from ICICI Securities Ltd, an independent firm.

A summary with the rationale and the background of the Proposed Transaction, the structure pre and post the Proposed Transaction, the rationale for promoters' participation and other key information relating the Proposed Transaction is enclosed as **Annexure C** to this Notice and Explanatory Statement.

The Audit Committee has on the basis of relevant details provided by the management, discussions with independent advisors and investment bankers, at its meeting held on November 28, 2023, reviewed and approved the said transaction(s), subject to approval of the Members of the Company.

The Board of Directors and Audit Committee of the Company recommends the resolution as set out at Item No. 1 of this Notice for approval of the Members of the Company as an ordinary resolution passed by majority of public shareholders.

The related parties including promoters and members of the promoter group shall not vote to approve on the resolutions set out at Item No. 1.

Except Dr. Azad Moopen and Ms. Alisha Moopen and their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Act is, in any way, financially or otherwise, concerned or interested in the proposed resolution.

This Explanatory Statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.



## ITEM NO. 2

**To approve the sale by Affinity Holdings Private Limited, a wholly owned subsidiary of the Company, of its entire ownership of the shares in entities conducting business in the GCC region, including Aster DM Healthcare FZC, i.e., a material subsidiary of the Company, to Alpha GCC Holdings Limited, in terms of Regulations 16(1)(c), 24(5) and other applicable regulations of the SEBI Listing Regulations, as amended from time to time, read with Company's 'Policy on Material Subsidiaries' and other applicable provisions of the Act, read with the rules framed thereunder (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and other applicable laws / statutory provisions, if any.**

The details of object of and commercial rationale for carrying out the Proposed Transaction has been provided as part of the Explanatory Statement to Item 1 above.

In terms of Regulation 16(1)(c) of the SEBI Listing Regulations read with Company's 'Policy on Material Subsidiaries' and Regulation 24(5) of the SEBI Listing Regulations, a listed entity must obtain approval of its shareholder by way a special resolution in its General Meeting prior to disposal of shares in its material subsidiary resulting in reduction of its shareholding (either on its own or together with other subsidiaries) to less than or equal to 50% or cease the exercise of control over the subsidiary except in cases where such divestment is made under a scheme of arrangement duly approved by a Court/Tribunal, or under a resolution plan duly approved under Section 31 of the Insolvency Code and such an event is disclosed to the recognized stock exchanges within one day of the resolution plan being approved.

The term 'material subsidiary' is defined under the SEBI Listing Regulations to mean a subsidiary, whose income or net worth exceeds ten percent (10%) of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year. In terms of the Company's 'Policy on Material Subsidiaries', a 'material subsidiary' is defined as a subsidiary whose income or net worth exceeds 10% of the consolidated income or net worth respectively, of the Company and its subsidiaries in the immediately preceding accounting year.

The following companies are meeting the criteria as mentioned above and material subsidiaries of the Company:

- a. Aster DM Healthcare FZC
- b. DM Healthcare LLC
- c. Aster Pharmacies Group LLC
- d. Medcare Hospital LLC

Therefore, the sale of above material subsidiaries requires prior approval of the shareholders of the Company by way of a special resolution.

The Board of Directors on the recommendation of the Audit Committee approved and recommends to the shareholders the sale of GCC business to the Buyer at an arm length price and at fair value of USD 1,001.8 Million of which USD 903 million, subject to customary adjustments, is payable at closing and upto USD 98.8 million may be received subsequently subject to certain contingent events. This includes an earnout of upto USD 70 million based on EBITDA achieved by the GCC business for the Financial Year ending 31 March 2024.

The Board of Directors of the Company recommends the resolution as set out at Item No. 2 of this Notice for approval of the Members of the Company by way of a Special Resolution.



Copies of the: (a) Share Purchase Agreement; (b) Deed of Guarantee executed amongst the Company, Union Investments Pvt Limited and Alpha GCC Holdings Limited; (c) Non-Compete and Brand Co-existence Agreement; [(d) Independent valuation report dated November 28, 2023 issued by Ernst & Young Merchant Banking Services LLP, an Independent SEBI Registered Category – 1 Merchant Banker; (e) Independent valuation report dated November 28, 2023 issued by PwC Business Consulting Services LLP, a registered valuer as per the Companies Act, 2013; (f) fairness opinion issued by ICICI Securities Ltd on the valuation undertaken by Ernst & Young Merchant Banking Services LLP and PwC Business Consulting Services LLP; and (g) other ancillary documents setting out the terms and conditions of sale of GCC Business, will be available for inspection at the registered office of the Company.

Except Dr. Azad Moopen and Ms. Alisha Moopen and their relatives, none of the Directors, Key Managerial Personnel of the Company or their relatives or any of other officials of the Company as contemplated in the provisions of Section 102 of the Act is, in any way, financially or otherwise, concerned or interested in the proposed resolution.

This explanatory statement may also be regarded as a disclosure under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

By order of the Board of Directors  
For **Aster DM Healthcare Limited**

**Hemish Purushottam**  
Company Secretary and Compliance Officer  
ICSI Membership No: A24331

Date: December 22, 2023  
Place: Bengaluru



**Annexure-A**

**List of direct subsidiaries of Affinity Holdings Private Limited**

S. No	Entity	Relationship	Country of incorporation	Percentage of Beneficial Holding	Percentage of Legal Holding
1	Aster DM Healthcare FZC & its subsidiaries (Aster DM Healthcare FZC and its subsidiaries list is provided in Annexure-B)	Subsidiary	UAE	100%	100%
2	Dr. Moopen Healthcare Management Services WLL	Subsidiary	Qatar	100%	49%
3	Wellcare Polyclinic WLL	Subsidiary	Qatar	100%	100%
4	Dr. Moopen's Aster Hospitals WLL	Subsidiary	Qatar	99%	100%
5	Active Holdings Limited	Subsidiary	UAE	100%	0%
6	Alfa Investment Limited	Subsidiary	UAE	100%	0%
7	E-Care International Medical Billing Services Co. LLC	Subsidiary	UAE	80%	0%

**Annexure-B**

**Aster DM Healthcare FZC and its subsidiaries**

S. No	Entity	Relationship	Country of incorporation	Percentage of Beneficial Holding	Percentage of Legal Holding
1	Aster DM Healthcare FZC	Step down Subsidiary	UAE	100%	100%
2	Aster Hospital Sonapur L.L.C	Step down Subsidiary	UAE	90%	39%
3	Radiant Healthcare L.L.C	Step down Subsidiary	UAE	76%	25%
4	Aster Day Surgery Centre LLC	Step down Subsidiary	UAE	82%	49%
5	DM Healthcare (LLC)	Step down Subsidiary	UAE	100%	100%
6	Wahat Al Aman Home Health Care L.L.C.	Step down Subsidiary	UAE	100%	49%
7	Aster Grace Nursing and Physiotherapy LLC	Step down Subsidiary	UAE	60%	29%
8	Aster Pharmacies Group LLC	Step down Subsidiary	UAE	100%	49%
9	New Aster Pharmacy DMCC	Step down Subsidiary	UAE	100%	100%
10	Aster DCC Pharmacy LLC	Step down Subsidiary	UAE	100%	49%
11	Aster Al Shafar Pharmacies Group LLC	Step down Subsidiary	UAE	51%	49%



S. No	Entity	Relationship	Country of incorporation	Percentage of Beneficial Holding	Percentage of Legal Holding
12	Rafa Pharmacy LLC	Step down Subsidiary	UAE	100%	49%
13	Aster Pharmacy LLC, AUH	Step down Subsidiary	UAE	100%	49%
14	Med Shop Drugs Store LLC	Step down Subsidiary	UAE	100%	49%
15	Alfa Drug Store LLC	Step down Subsidiary	UAE	100%	49%
16	Alfa One Drug Store LLC	Step down Subsidiary	UAE	100%	49%
17	Alfaone FZ-LLC	Step down Subsidiary	UAE	100%	100%
18	DM Pharmacies LLC *	Step down Subsidiary	UAE	100%	49%
19	Aster Opticals LLC	Step down Subsidiary	UAE	60%	49%
20	Medcare Hospital (L.L.C)	Step down Subsidiary	UAE	87%	87%
21	Premium Healthcare Limited	Step down Subsidiary	UAE	100%	100%
22	Dr. Moopens Healthcare Management Services LLC	Step down Subsidiary	UAE	100%	49%
23	Eurohealth Systems FZ LLC	Step down Subsidiary	UAE	100%	95%
24	Al Rafa Investments Limited	Step down Subsidiary	UAE	100%	0%
25	Al Rafa Holdings Limited	Step down Subsidiary	UAE	100%	0%
26	Al Rafa Medical Centre LLC	Step down Subsidiary	UAE	51%	40%
27	Dar Al Shifa Medical Centre LLC	Step down Subsidiary	UAE	51%	40%
28	Aster Primary Care LLC	Step down Subsidiary	UAE	71%	40%
29	Modern Dar Al Shifa Pharmacy LLC	Step down Subsidiary	UAE	51%	40%
30	Harley Street LLC	Step down Subsidiary	UAE	60%	9%
31	Harley Street Pharmacy LLC	Step down Subsidiary	UAE	60%	9%
32	Harley Street Medical Centre LLC	Step down Subsidiary	UAE	60%	9%
33	Harley Street Dental LLC	Step down Subsidiary	UAE	38%	2%
34	Grand Optics LLC	Step down Subsidiary	UAE	85%	34%
35	Zahrat Al Shefa Medical Center L.L.C	Step down Subsidiary	UAE	70%	19%



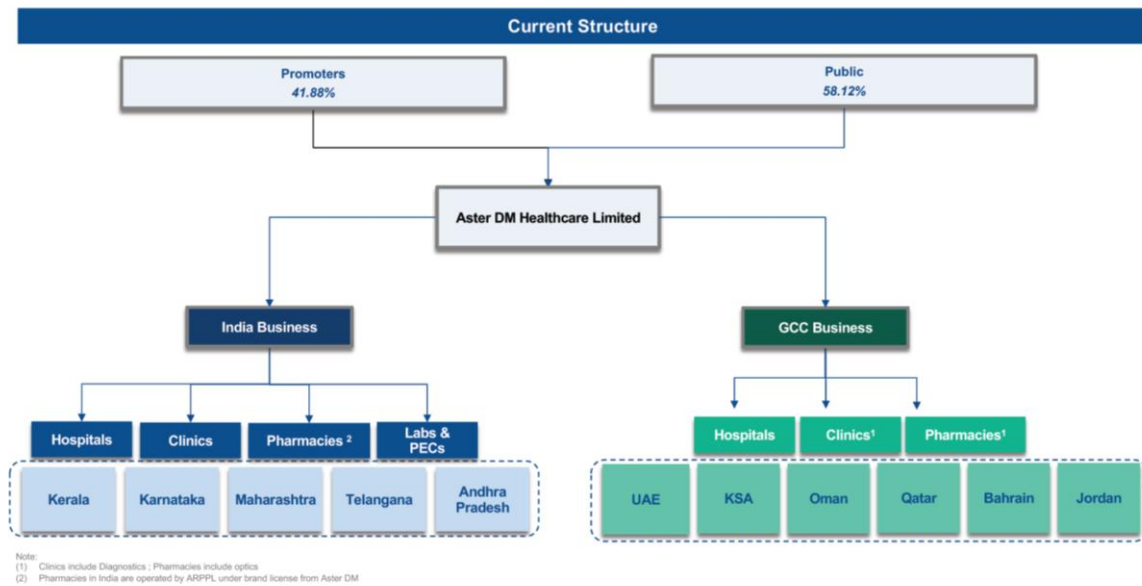
S. No	Entity	Relationship	Country of incorporation	Percentage of Beneficial Holding	Percentage of Legal Holding
36	Samary Pharmacy LLC	Step down Subsidiary	UAE	70%	19%
37	Metro Meds Pharmacy L.L.C	Step down Subsidiary	UAE	66%	15%
38	Metro Medical Center L.L.C	Step down Subsidiary	UAE	66%	15%
39	Symphony Healthcare Management Services LLC	Step down Subsidiary	UAE	100%	0%
40	Al Raffah Hospital LLC	Step down Subsidiary	Oman	100%	100%
41	Al Raffah Pharmacies Group LLC	Step down Subsidiary	Oman	100%	70%
42	Oman Al Khair Hospital L.L.C	Step down Subsidiary	Oman	60%	60%
43	Sanad Al Rahma for Medical Care LLC	Step down Subsidiary	Kingdom of Saudi Arabia	100%	100%
44	Aster DM Healthcare WLL (earlier Aster DM Healthcare SPC)	Step down Subsidiary	Bahrain	100%	100%
45	Orange Pharmacies LLC	Step down Subsidiary	Jordan	51%	0%
46	Al Shafar Pharmacy LLC, AUH *	Step down Subsidiary	UAE	51%	49%
47	Aster Medical Centre LLC*	Step down Subsidiary	UAE	90%	39%
48	Zest Wellness Pharmacy LLC	Step down Subsidiary	UAE	50%	50%
49	Aster Caribbean Holdings Limited	Step down Subsidiary	Cayman Island	100%	100%
50	Aster Cayman Hospital Limited	Step down Subsidiary	Cayman Island	100%	100%
51	Skin III Ltd	Step down Subsidiary	UAE	60%	60%
52	Aster Shared Services Centre Private Limited	Step-down Subsidiary	India	100%	100%
53	Aries Holdings FZC	Associates	UAE	25%	25%
54	AAQ Healthcare Investments LLC	Associates	UAE	33%	33%
55	Aries Investments LLC	Associates	UAE	25%	25%
56	Al Mutamaizah Medcare Healthcare Investment Co. LLC	Associates	UAE	49%	49%
57	Aster Arabia trading Company	Joint Venture	UAE	49%	49%

\*Represents subsidiaries which are in the process of being wound-up.

This Annexure sets out the key terms, rationale, and consideration for segregation of GCC business and positioning of India business.

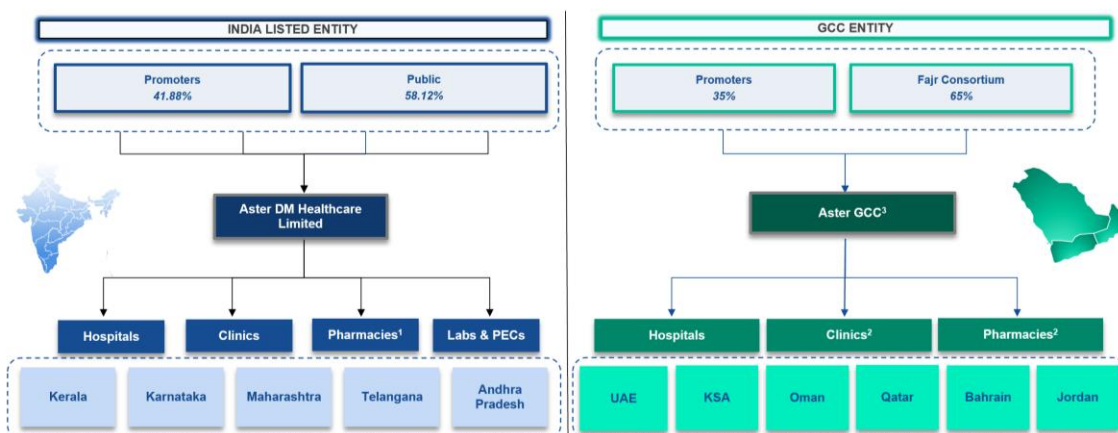
**Structure – pre and post transaction**

**Pre-Segregation Structure**



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**Post-Segregation Structure**



- No change in shareholding in India listed entity due to segregation
- Promoters to maintain their ~42% stake in the India listed entity and will hold 35% stake in the GCC entity

(1) Pharmacies in India are operated by ARPPL under brand license from Aster DM  
(2) Clinics include Diagnostics ; Pharmacies include optics  
(3) Held by an entity named Alpha GCC Holdings Limited

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## **Strategy / Strategic Rationale for the transaction**

- i. The overall strategy for the segregation of the India and the GCC business is **to create a more focused organizational structure** between GCC and India by creating **two pure-play geographically focused entities**, with independent balance sheets.
- ii. The segregation of the GCC business allows the Company to focus on the India business, which has distinct needs from the GCC business, and allows for **independent operations and board of directors / governance structure**.
- iii. Operationally as well, the India and the GCC businesses have also **evolved to be largely separate and independent, with distinct and dedicated management teams** managing the support functions for each business.
- iv. These **two markets have different dynamics**, and the operational aspects need to be aligned accordingly. While GCC healthcare market is expected to grow at 5.4% CAGR between CY22-CY27 (Source: Alpen Capital Report) India healthcare market is expected to grow at a much faster pace of 13-15% CAGR between FY23-FY27 (source: Global Health RHP). Insurance drives the GCC business with different healthcare market dynamics than the India business.
- v. Segregation of the India and GCC business will provide the strategic advantage and flexibility of having **exclusive and focused board** and management looking after the India business, while having a **strategic tie up on medical value tourism on arm's length basis**.
- vi. The segregation of the GCC business would also help **enhance transparency and understanding for public shareholders**, enabling better reporting of operating parameters for each business.
- vii. The segregation of the GCC business will allow Aster India to **focus on its core India business and allocate resources and capital** more efficiently towards its business.
- viii. The India Business will continue to be governed by its dedicated Board and Management team, enabling it to **focus on its strategic priorities and growth initiatives**. The segregation of the GCC Business will allow **the Company to develop and pursue a growth strategy best suited for the Indian market**, explore growth opportunities, and raise and allocate capital in line with this strategy.
- ix. It will also **allow our public shareholders to better appreciate our India business** as a standalone pure-play operating business focused on the Indian healthcare sector.
- x. **Strengthen operational and strategic focus in both the GCC and India markets**, allowing each entity to optimize its growth potential and deliver better value to our patients and stakeholders.
- xi. Dedicated management teams **with regional expertise and the ability and bandwidth** to focus on their respective entities and **craft independent strategies**.
- xii. Create distinct capital allocation strategies, **ensuring that the cash flows of each entity are efficiently deployed to drive growth and innovation**, and provide the company with the autonomy to pursue its own independent capital allocation strategy.



As an India-focused business, Aster DM is now well poised to fully leverage the immense growth potential and address the needs of the Indian Healthcare market.

Marquee domestic and foreign institutional investors are currently invested in Aster DM Healthcare and as the part of strategy, this segregation will bring new opportunities and prospects, for our valued shareholders by

- a. **Enhancing transparency and understanding for public shareholders and the healthcare community**, as it will enable better reporting of operating and financial parameters for listed entity.
- b. Transaction also offers Aster an opportunity to **potentially expand its institutional investor base** to also include institutional and marquee investors who are mandated to invest in India only or majority businesses.

### **Rationale for promoters' participation**

- i. The Company had **received requests from bidders during the bidding process for continued promoter participation in the GCC business to ensure its sustainability** following the segregation. The Promoters have also expressed their interest in continuing to participate in the GCC business.
- ii. The investment bankers have consistently indicated that: (a) the promoters' continued participation in the GCC business ensured more attractive offers from potential investors and is expected to help the Company to realise value from the restructuring; (b) the promoters' non-participation in the GCC business following the segregation could have been value dilutive for the potential investors. The promoters have a proven track record and have secured a leadership position in the healthcare market through deep knowledge and years of experience which would help in building a stronger GCC business, especially in large markets like the Kingdom of Saudi Arabia. Given these advantages, it is felt that promoter participation in the purchaser entity will result in attractive valuation from potential investors.
- iii. On the request of the bidder for promoter participation, at the closing of the transaction, the Moopen family (promoters) will retain a 35% stake in the GCC business. This is for **continued promoter participation in the GCC business and to ensure its sustainability following the segregation** of the GCC business from India business.
- iv. Post the transaction, both companies will have separate management and governance structures, independent of the other. The promoter family will continue to manage and operate the GCC business. With respect to Aster India, on the other hand, Dr. Azad Moopen will continue as Founder Chairman of Aster DM Healthcare Limited overseeing both India and GCC entities. Ms. Alisha Moopen will act as the new Managing Director of the GCC entity to lead a long-term strategy that will unlock value through regional expansion, diversification, and cost optimization as a pure-play GCC operating company. The Indian entity will continue to be led by Dr. Nitish Shetty as Chief Executive Officer, who will focus on the growth of the India business, aimed at creating value for the shareholders. **The Promoters have expressed their deep commitment to both the India and GCC geographies** and shall continue to have a meaningful role both in GCC and India following the completion of the Transaction.

Upon completion of the segregation of the GCC business, the Promoter and Promoter Group will continue to hold 42% in the Company as on completion and will hold 35% in the GCC entity through their shareholding in the Buyer entity. The buyer of the GCC business is Alpha GCC Holdings Limited ("**Buyer**" or "**BidCo**"), a company incorporated in DIFC. The **promoters**



of the Company and the Fajr consortium have subscribed to the equity capital of the BidCo in the ratio of 35:65.

- v. The **board composition of the India entity will have no change** as a result of this Transaction.
- vi. The investors include a consortium of **prominent private equity investors and sovereign funds** focused on the GCC region. The consortium which is led by **Fajr Capital** – a leading private equity investor in the Middle East and Southeast Asia regions includes members such as the Emirates Investment Authority, Al Dhow Holding Company (the investment arm of ALSayer Group), Hana Investment Company (a subsidiary of Olayan Financing Company) and Wafra International Investment Company. The consortium may include persons who enter into arrangements with Fajr in this regard, including any shareholders of the Company.

### **Robust process followed for the Proposed Transaction**

- i. Company constituted a **Committee of Independent Directors of the Company to review the corporate structure** and evaluate various proposals placed by the Management and the advisors of the Company and provide guidance/ inputs as deemed appropriate.
- ii. An **independent and professionally run value discovery bid process** was undertaken to ensure value maximization from the transaction and **two investments bankers** – Moelis & Co. and Credit Suisse Group AG were appointed to manage the process, with a mandate to ensure value maximization from the transaction.
- iii. The Management ran a **year-long search for potential restructuring options** and financial investors in the GCC operations.
- iv. The **entire bid process** for selection of the buyer for the GCC business and the negotiations of the transaction were **undertaken under the overall supervision of the independent directors**, and the eventual decision of the selection was taken by non-interested Directors.

Based on a competitive process and the bids received from various investors, after due diligence, the consortium led by Fajr Capital Limited (“Fajr”) was shortlisted basis their confirmatory bid, their credentials and past track record as private equity investors in GCC region, and exclusivity was granted to Fajr.

- v. In the board meeting for considering the transaction, the **promoters did not vote and recused themselves from the decision of the company and did not participate in the meetings.**
- vi. The **NPV of the GCC income stream has been more than fairly valued** taking into account market conditions in the GCC region.
- vii. The **fair valuation for the GCC business has been determined by** the following independent valuers: (i) Ernst & Young Merchant Banking Services LLP, and (ii) PwC Business Consulting Services LLP. The Audit Committee recommended the appointment of ICICI Securities to provide a fairness opinion on the valuation reports. The Audit Committee of the Company and the board of directors also reviewed and relied on a fairness opinion from ICICI Securities in relation to the valuation reports, which confirms the fairness of the valuation ranges provided by the valuers.



- viii. **Currently, the Board has approved the Transaction**, and the share purchase agreement has been executed between Affinity Holdings Private Limited – a wholly owned subsidiary of the Company, incorporated in Mauritius (“Affinity”) - and Alpha GCC Holdings Limited, a holding company incorporated in DIFC (“BidCo” or “Buyer”). The promoters of the Company and Fajr Capital (along with its consortium members) will hold the shareholding of the BidCo at closing, in the ratio 35:65. In terms of the share purchase agreement (“SPA”), the BidCo will acquire the GCC business from Affinity (“Transaction”).
- ix. **The Transaction is subject to a few regulatory /other third-party approvals, and other contractual conditions precedents (including availing of financing by the Buyer to meet its obligations under the SPA)**, in addition to the approval of the Shareholders of the Company, through a majority of public shareholders.
- x. **The Transaction is anticipated to close in Q4FY24 (that is by March 2024)**, subject to regulatory approvals and completion of the conditions precedent under the SPA.

#### **Justification on valuation regarding market comparable**

- i. **The GCC business is being separated at an Enterprise Value of USD 1,651mn equivalent to INR 13,540Crore** implying FY23 EV/EBITDA of 11.9x (on post IND AS 116 basis), and Equity value of US\$ 1,001.8 Million equivalent to ~INR 8215 Crore.
- ii. **Equity value of US\$ 1,001.8 Million includes** upfront consideration of US\$932mn and earn-out of US\$ 70mn (based on an FY24 EBITDA ratchet and will be paid post audit of FY24). Upfront consideration is subject to an upward adjustment conditional on the result of audit of Wahat for FY23 of upto US\$ 28.8mn. The consideration that will be received at closing is subject to any leakage adjustments.
- iii. **The GCC market is very different from the Indian market and therefore the focus and strategies required are very different.**
- iv. Further, although the GCC region is a global growth hot spot, GCC Business and the India healthcare **businesses have evolved differently in the last five years**. Insurance dominates GCC business with limited growth opportunity whereas the India business has attained significant growth and is self-sufficient.
- The fair valuation for the GCC business has been determined by** the following independent valuers: (i) Ernst & Young Merchant Banking Services LLP, and (ii) PwC Business Consulting Services LLP. The Audit Committee recommended the appointment of ICICI Securities to provide a fairness opinion on the valuation reports. The Audit Committee of the Company and the board of directors also reviewed and relied on a fairness opinion from ICICI Securities in relation to the valuation reports, which confirms the fairness of the valuation ranges provided by the valuers.
- v. **The equity value ranges given by EY and PwC in their fair valuation reports (pre-Ind AS) were US\$881mn to US\$1,093mn and US\$886mn to US\$1,050, respectively.** The transaction equity value is at the higher end of these fair value ranges given by EY and PwC.
- vi. Based on the feedback from the valuers, management of the Company is of the view that the valuation multiple is broadly in line with similar deals in the GCC region, even if they are not strictly **comparable (such as MSC/ Remgro’s acquisition of Mediclinic (at 11.2X EBITDA) and**

**Amanat Holdings' acquisition of Cambridge Medical and Rehabilitation Center (at 7.5X EBITDA))**

- vii. The standalone **Aster India business has stronger financial and operating metrics given in the investor presentation, is actually a much better performing and faster growing business, than the current entity** (with both India as well as GCC businesses) – resulting in shareholders getting an opportunity to participate in a company with potentially an even stronger financial outlook than before.

To illustrate the different pace of growth for the two businesses, note that we started in the GCC region in 1997, four years before we commenced operations in India. Yet today, we have 1449 beds in the GCC, against 4855 beds in India.

- xi. The return on capital profile for the two business are also different: the GCC region contributed INR 4,760 cr to our revenues in H1FY24. The Indian business, on the other hand, added INR 1772 cr. Further, the Indian business returns an EBIDTA margin of 15.1% (FY23); the GCC gives us an EBIDTA margin of 12.4%.

Better performance across key metrics post-segregation			
Financial Metrics (FY23)	Pre-segregation (GCC + India)	Post-segregation (India)	
Revenue YoY Growth	16%	25%	✓
EBITDA Margins	13%	15%	✓
EBITDA YoY Growth	6%	28%	✓
PAT YoY Growth	-19%	146%	✓
ROCE <sup>1</sup>	8.6%	14.1%	✓
Net Debt and Lease Liabilities / Equity ratio (x times)	1.1	0.6	✓
Net Debt and Lease Liabilities / EBITDA ratio (x times)	3.4	2.3	✓
Net Debt (excl Lease Liabilities) / EBITDA <sup>2</sup> ratio (x times)	1.6	1.3	✓

(1) ROCE is as per H1FY24

Note: Exceptional items for H1FY24 consist of provision for trade receivables made during the quarter and half year ended September 30, 2023 arising from an internal whistleblower complaint received during the quarter towards one of its step-down subsidiaries, Wahat AI Aman Home Healthcare LLC, U.A.E (Wahat), which was acquired in December 2019. Revenue from Wahat included in the six months ended September 2023 and for the year ended March 31, 2023 represents INR 68.55 crores and INR 148.93 crores respectively, which represents 1.0 % and 1.2 % respectively of the total revenue for each of these periods. The allegations relate to revenues recognized and related trade receivables, which are currently under investigations. The Group is also in the process of engaging with an external agency to assist in the investigations. Pending the outcome of the investigation, the Company has recognized a full provision against trade receivables balance of INR 54.62 crores because as of September 30, 2023 management is still in the process of compiling and evaluating any evidence to establish the unconditional right to receive monies against these receivables including realizability. On completion of the investigations, the Group will reassess any further adjustments, disclosures, and other effects, if any, on this Statement and previously issued financial statements, results or information.

2) EBITDA for purposes of this calculation is Pre-Ind AS

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- xii. Operationally, the **India and the GCC businesses have also evolved to be largely separate and independent, with distinct and dedicated teams** managing the GCC and India business with respect to enabling functions i.e. Human Resource, Finance, Procurement and Information Technology etc. The operational co-dependencies/ synergies between the GCC and the India business are limited and immaterial from a business/ revenue standpoint. Each business is at an inflection point where it necessitates different strategies for growth, capital allocation and management.



### Use of proceeds

- i. The company desirous of, subject to approval of the Board of Directors and in accordance with applicable law, utilize sizeable portion of the Sale Proceeds (net of transaction costs) for distribution as dividends. The remaining proceeds will be retained as reserves and to pursue growth opportunities from time to time. The timing and quantum of this will be determined by the Board of Directors after taking into consideration the relevant/necessary information to be provided by the Management in this regard, and in accordance with applicable law.
- ii. Post the transaction, the Company will explore multiple opportunities for growth. However, we will be committed to look at segments which we already have a presence in or those which are strategically adjacent or provide a value creation opportunity for the **existing healthcare business**.

### Tax implications with respect to the cash repatriation from the GCC region

- i. The payment of consideration will be from the Buyers to Affinity's Bank account in Mauritius. Basis the decision of the Affinity Board, any upstreaming of cash to Aster India may happen via dividends (subject to corporate approvals and in accordance with applicable law) and/or redemption of Redeemable Preference Shares or Affinity may decide to acquire and hold investments in India or elsewhere.
- ii. Dividends distributed to Aster India would not be liable to tax in Aster India's hands if the Company distributes the same as dividend to its shareholders from the proceeds within the stipulated timelines under (Section 80M of the Income Tax Act, 1961 ("IT Act")).
- iii. Based on the terms of the RPS, redemption will happen at par. Further, given these were held for more than 24 months, applicable taxes will be on long term capital gains post indexation, which may not be much, if at all.

There will be no capital gains tax applicable on the sale of investments.

### Areas of co-dependencies

- i. The India and the GCC businesses have evolved to be **largely separate and independent, with distinct and dedicated teams** managing the GCC and India business with respect to enabling functions i.e. Human Resources, Finance, Procurement and IT etc. The operational co-dependencies /synergies between the GCC and India Businesses are limited and immaterial from a business/ revenue standpoint.
- ii. Separately, we have also taken multiple initiatives to ensure that all dependencies between both entities have been managed and that all synergies will not only be maintained but enhanced via mutual co-operation between the two entities.
- iii. The **key areas of synergy /co-dependency** are:
  - o Medical Value Tourism ("MVT")
  - o Doctor/nurse sharing arrangements.
- iv. We do not expect these to be adversely affected by the Transaction and their impact, if any, can be addressed by arm's length contractual arrangements to replace the current arrangements within the group and continue the MVT business through the buyer of the GCC business.



- v. The Brand and Non-Compete Agreement also sets out the terms of the arrangement between Company and Aster FZC for conduct of MVT (Medical Value Travel) by the Company.
- vi. As per the MVT arrangement, to enable MVT to India from GCC region, (a) the Buyer and Aster FZC will enable deputation of the employees of Aster DM who will support the MVT business undertaken by the Company, as per the list provided by Aster DM (“MVT Team”) and allocation of such resources as may be needed for its operation, on or prior to the Completion Date; (b) Aster DM and Aster FZC shall mutually agree on an MVT Plan; (c) contracts with service providers in the GCC region shall be novated to Aster FZC or its affiliates, and the Company shall engage new service providers in the GCC region, non-exclusively, through Aster FZC; (d) Company will retain full control over the operation of MVT business and the MVT Team; and (e) any marketing, promotion or sales activity (including digital marketing) in the GCC Core Region for the MVT business by the MVT Team, and outside the GCC Core Region by Aster DM or its Affiliate shall be unfettered, except where there is any material apprehension of adverse effect to brand value or reputation where the dispute will be resolved as mutually agreed.

### **Positioning India Business**

In the lead-up to this segregation, our focus has become razor sharp towards the expansion of India business. This has not only strengthened our operations but also paved the way for our India business. India’s growth journey looks highly promising and convincing based on robust performance across financial and operating metrics over the span of last 5 years.

- i. From 10 hospitals we had in India in FY18, we have significantly expanded to reach a milestone of 19 hospitals, 226 pharmacies and 251 labs.
- ii. A substantial capital expenditure of INR 1,000 Crores invested in India business over the last 5 years, propelled our bed capacity to expand from 3,007 beds to 4,855 beds currently.
- iii. Over the last 5 years, we solidified our position to become the second-largest hospital network in South India with the highest number of capacity beds in Kerala, second-highest in Andhra Pradesh and third-highest in Karnataka.
- iv. We've taken steps to use our resources and capacity more efficiently, focusing on expansion of existing hospitals and improving our specialty mix with more than 50% of revenue coming from niche specialties like Cardiac, Neuro, Oncology, Nephrology, Liver Care and Orthopaedics.
- v. This has led to significant improvement across key metrics such as ARPOB, manpower per occupied bed, and occupancy, all while keeping our commitment to delivering excellent patient satisfaction.
- vi. On the back of capacity expansion, strategic endeavours, combined with digital interventions and cost optimization initiatives, we are among the fastest growing hospital chains in India over these last 5 years with Revenue growing at 20% CAGR and EBITDA growing at 35% CAGR. In fact, the non-Covid revenue has grown even higher at 40% over the last 2 years.



- a. Infact, our growth in H1FY24 was even stronger, with a 26% YoY revenue growth, YoY EBITDA growth at 30%, and YoY PAT growth at 31%, further solidifying our strong position in the healthcare space.
  - b. The deliberate focus on operational efficiency enabled us to accomplish hospital EBITDA margins at 19.4% and matured hospital EBITDA margins higher at 21.3%.
- vii. The combination of efficient capital allocation and solid financial performance resulted in exceptional improvement in India hospital business ROCE from 1% in FY18 to 20.1% currently.
- viii. Our dedication to building a robust healthcare ecosystem is reflected by our progress towards the establishment of new businesses, including labs and pharmacies. Their contribution to total revenue in India increased to 7% in FY23, reflecting a substantial 72% year-over-year growth in revenue from these new businesses.
- ix. Many of our hospitals have accreditations such as JCI and NABH, affirming our commitment to the highest standards of healthcare excellence.
- x. While explaining our performance, it brings great satisfaction to share that several of our hospitals have earned prestigious rankings among the top 10 hospitals in India by Outlook, TOI, and The Week. Many of the media have included us among the first 3-5 of the best private hospitals and ET bestowed upon Aster the esteemed title of "Hospital Chain of the Year."

We strongly believe in the **future of our India business**; as

- a. We have a strong conviction in the future prospects of our business in India, capitalizing on the country's vast population and one of the lowest hospital bed densities, providing substantial room for growth. To seize this opportunity, we are strategically investing in significant capital expenditure, projecting a total bed capacity of over 6,300 by FY27, involving the addition of approximately 1,500 beds.
- b. The implementation of our asset-light model has not only accelerated our growth trajectory but has also effectively shortened the breakeven period for our hospitals. This strategic approach is designed to elevate our Return on Capital Employed (ROCE) by optimizing capital utilization and ensuring prudent resource allocation.
- c. Considering that a substantial share of capacity expansion involves brownfield projects, alongside the rapid margin expansion observed in both the project and the overall vertical, the capital expenditure (CAPEX) requirements are anticipated to be predominantly met through internal accruals.
- d. Our future revenue growth in India is poised to be propelled by a strategic alignment with key industry drivers. The company recognizes the significance of demographic trends in India, particularly the increasing demand for specialized healthcare services due to an aging population and evolving health needs. As insurance penetration continues to rise, we stand to benefit by catering to a larger insured population, thereby expanding our patient base and increasing healthcare service utilization.
- e. In addition, we are strategically positioning ourselves to capitalize on the burgeoning field of Medical Value Tourism (MVT), anticipating that it will play a pivotal role in driving revenues in the future. Recognizing the increasing globalization of healthcare services, we aim to attract international patients seeking high-quality medical care. By leveraging our expertise and state-of-the-art facilities, we are actively pursuing a role as a destination for medical tourists.



- f. Additionally, we are driving margin expansion in the future through rigorous cost efficiency measures undertaken in material and manpower costs. This proactive approach is geared towards optimizing our operational expenses, ensuring sustainable growth, and ultimately contributing to the margin expansion to our operations in India.
- g. Underscoring our commitment to digitalization, we are gearing up to engage with patients through a digital app, drawing on our successful experience with the myAster app in the GCC. This initiative aims to enhance accessibility to our services, and concurrently, we are intensifying our focus on virtual care to elevate the overall patient experience in the future.

### **Process followed to finalize and complete the transaction**

We arrived at this particular transaction structure and this consortium of investors for the GCC business after several months of deliberation and evaluating multiple options for unlocking value such as :

- a. Demerger of GCC business at the listed entity level and delisting of GCC business
- b. Demerger of India business from the Company
- c. segregation of entire GCC business

Out of all these options, the segregation of the GCC business was determined as the most suitable approach.

- In June 2022, the Board approved appointment of investment bankers to explore potential options for the segregation which present an opportunity to unlock value for the Company and its stakeholders.
- In November 2022, the Board was updated about the progress on the respective exercise by the investment bankers. The investment bankers informed the Board that they are in receipt of interest from various potential investors.
- The bankers subsequently engaged with such potential buyers and the advisors of the potential buyers conducted due diligence on the GCC business. Upon submission of the final evaluation by the investment bankers, the Board decided to review the proposals for sale.

After their extensive due diligence and further shortlisting, the Affinity received confirmatory bids from recognised bidders and subsequently, the Board then granted exclusivity to Fajr Capital basis their confirmatory bid and their credentials as GCC private equity investment firm.

- The successful closing of this transaction is subject to the approval of our shareholders and regulatory authorities and is expected to close by the end of FY 24.



## **Regulatory approvals needed**

In India:

- Approval of the shareholders of the Company by way of a special resolution is required for the separation of the GCC business, and by way of majority of public shareholders, to approve the related party transaction.
- The transaction also is subject to receipt of mutually agreed corporate, regulatory and contractual approvals identified under the SPA. The parties have agreed to actively work together to secure these with a view to achieving completion of the transaction.

In GCC :

- The transaction of the GCC business will need to comply with all regulatory requirements and legal considerations in the GCC region, which includes consent of the competent merger control authorities of the Kingdom of Saudi Arabia and approvals from health authorities in the GCC region.
- The seller also needs to satisfy all the conditions precedents applicable to it and required for transaction closure. For instance, the transaction will trigger change of control clauses for contracts with insurers and the relevant GCC entities will reach out to the relevant parties for approval.



## THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING ARE AS UNDER

The remote e-voting period begins on Sunday, December 24, 2023 at 09:00 AM (IST) and ends on Monday, January 22, 2024 at 05:00 PM (IST). The remote e-voting module shall be disabled by NSDL for voting thereafter. The members, whose names appear in the Register of members/ Beneficial Owners as on the record date (cut-off date) i.e., Friday, December 15, 2023 may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being Friday, December 15, 2023.

### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:





#### Step 1: Access to NSDL e-Voting system

##### A) Login method for e-Voting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsd.com">https://eservices.nsd.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>IDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e., NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsd.com">https://eservices.nsd.com</a>. Select “<b>Register Online for IDeAS Portal</b>” or click at <a href="https://eservices.nsd.com/SecureWeb/ideasDirectReg.jsp">https://eservices.nsd.com/SecureWeb/ideasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsd.com/">https://www.evoting.nsd.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e., your sixteen-digit demat account number hold with NSDL), Password/OTP</li> </ol>

	<p>and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e., NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.</p> <p>4. Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</p> <p style="text-align: center;"><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: center; gap: 20px;"> <div style="text-align: center;">  <p>App Store</p> </div> <div style="text-align: center;">  <p>Google Play</p> </div> </div> <div style="display: flex; justify-content: center; gap: 40px; margin-top: 10px;">   </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi / Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then user your existing my easi username &amp; password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers’ website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option</li> </ol>

	where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e., NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e., NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at 022 - 4886 7000 and 022 - 2499 7000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at toll free no. 1800 22 55 33

**B) Login Method for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-in to NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e., IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e., Cast your vote electronically.*
4. Your User ID details are given below:

Manner of holding shares i.e., Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example, if your Beneficiary ID is 12***** then your user ID is 12*****
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company.  For example, if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
- If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - How to retrieve your 'initial password'?
    - If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8-digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
- Click on "**Forgot User Details/Password?**"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.com](mailto:evoting@nsdl.com) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.



7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically on NSDL e-Voting system.**

### **How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle.
2. Select “EVEN” of company for which you wish to cast your vote during the remote e-Voting period.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e., assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [kjr@mdassociates.co.in](mailto:kjr@mdassociates.co.in) > with a copy marked to [evoting@nsdl.com](mailto:evoting@nsdl.com). Institutional shareholders (i.e., other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on "Upload Board Resolution / Authority Letter" displayed under "e-Voting" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of



[www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on : 022 - 4886 7000 and 022 - 2499 7000 or send a request to Mr. Amit Vishal, Asst Vice President at [evoting@nsdl.com](mailto:evoting@nsdl.com)

**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [cs@asterdmhealthcare.com](mailto:cs@asterdmhealthcare.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [cs@asterdmhealthcare.com](mailto:cs@asterdmhealthcare.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e., **Login method for e-Voting for Individual shareholders holding securities in demat mode.**
3. Alternatively, shareholder/members may send a request to [evoting@nsdl.com](mailto:evoting@nsdl.com) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.