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Registered valuer No: IBBI/RV-E/05/2020/131

To,
The Board of Directors,
Quality Care India Limited,
#6-3-248/2, Road No. 1,
Banjara Hills, Hyderabad,
Telangana 500034

November 29, 2024

Re: Recommendation of the equity share exchange ratio for the proposed amalgamation of Quality Care India Private Limited and Aster DM Healthcare Limited.

Dear Madam/ Sir,

In accordance with the terms of our engagement letter dated November 12, 2024, whereby Quality Care India Limited ("QCIL", the "Client" or "Transferor Company") has appointed D and P India Advisory Services LLP ("D&P Advisory" or "we" or the "Registered Valuer") for recommendation of the Share Exchange Ratio (defined hereinafter) for the Proposed Amalgamation (defined hereinafter).

QCIL and Aster DM Healthcare Limited ("Aster DM" or the "Transferee Company") are individually referred to as the "Company" and collectively referred to as the "Companies" in this report ("Report").

Background of Companies

QCIL was incorporated on September 07, 1992 in Hyderabad, Telangana to provide healthcare and related services through a network of multi-specialty healthcare establishments across India and Bangladesh. Currently, QCIL has 18 healthcare facilities with circa 4,077 operational beds.

Aster DM was incorporated on January 18, 2008 in Bangalore, Karnataka to inter alia provide healthcare and related services (including diagnostics, tele-health and other allied services) through a network of multi-specialty healthcare establishments across India. Currently, Aster DM has 19 hospitals with circa 3,689 operating beds, 13 clinics, 212 pharmacies, and 232 labs and patient experience centers across 5 states in India. The equity shares of Aster DM are listed on National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE").

Scope and Purpose of this Report

We understand that the management of QCIL ("Management") and management of Aster DM are contemplating the merger of QCIL with and into Aster DM ("Proposed Amalgamation") pursuant to a scheme of amalgamation (the "Scheme") among QCIL and Aster DM and their respective shareholders and creditors under Sections 230 to 232 and other applicable sections of the Companies Act, 2013 with effect from the proposed Appointed Date (i.e. Effective Date) as mentioned in the Scheme. In consideration thereof, equity shares of Aster DM will be issued to the equity shareholders of QCIL, other than in respect of any equity shares of QCIL held by Aster DM which will be cancelled once the Scheme becomes effective.

In connection with the proposed Amalgamation, the Board of Directors of QCIL ('BoD') requires a Registered Valuer report as per Section 232 read with Section 247 of Companies Act, 2013 and D&P Advisory has been appointed to recommend a fair equity share exchange ratio ("Share Exchange Ratio"), basis a relative valuation of equity shares of QCIL and Aster DM with November 28, 2024 being the "Valuation Date".

The scope of our service is to conduct a relative valuation (not an absolute valuation) of the equity shares of the Companies and recommend a Share Exchange Ratio for the Proposed Amalgamation. The Share Exchange Ratio for this Report refers to the number of equity shares of Aster DM of face value of INR 10/- each which would be issued to the equity shareholders of QCIL in lieu of their equity shareholding in QCIL pursuant to the Proposed Amalgamation.

We have received and considered in our analysis, audited financial information up to August 31, 2024 and September 30, 2024, for QCIL and Aster DM, respectively. Adjustments have been made for facts made known (past or future) to us up to the date of this Report, including taking into consideration current market parameters which will have a bearing on the valuation analysis. The Management has represented that the business activities of QCIL and Aster DM have been carried out in the normal and ordinary course between the date of the audited financials and the date hereof and that no material adverse change has occurred in their respective operations and financial position between the said dates and the Report date. Additionally, we have been informed that to their best of their knowledge, all material information impacting the Companies has been disclosed to us. We have relied on the above while arriving at the Share Exchange Ratio for the Proposed Amalgamation as of the Valuation Date of November 28, 2024.

We have been informed that till the Proposed Amalgamation becomes effective, neither Companies would declare any substantial dividends having materially different yields as compared to past few years.

We have been informed that, in the event that either of the Companies restructure their equity share capital by way of share split / consolidation / issue of bonus shares before the Proposed Amalgamation becomes effective, the issue of shares pursuant to the Share Exchange Ratio recommended in this Report shall be adjusted accordingly to take into account the effect of any such corporate actions.

This Report is our deliverable in respect of our recommendation of the Share Exchange Ratio for the Proposed Amalgamation.

This Report and the information contained herein is absolutely confidential. The Report will be used by QCIL only for the purpose, as indicated in this Report, for which we have been appointed. The results of our valuation analysis and our Report cannot be used or relied by QCIL for any other purpose or by any other party for any purpose whatsoever. We are not responsible to any other person/ party for any decision of such person/ party based on this Report. Any person/ party intending to provide finance/ invest in the shares/ businesses of the Companies/ their holding companies/ subsidiaries/ joint ventures/ associates/ investee/ group companies, if any, shall do so after seeking their own professional advice and after carrying out their own due diligence procedures to ensure that they are making an informed decision. If any person/ party (other than QCIL) chooses to place reliance upon any matters included in the report, they shall do so at their own risk and without recourse to us. It is hereby notified that usage, reproduction,

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distribution, circulation, copying or otherwise quoting of this Report or any part thereof, except for the purpose as set out earlier in this Report, without our prior written consent, is not permitted.

D&P Advisory owe responsibility to QCIL, under the terms of the engagement, and no other person; and that, to the fullest extent permitted by law, D&P Advisory accept no responsibility or liability to any other party, in connection with this Report.

The Report including, (for the avoidance of doubt) the information contained in it is absolutely confidential and intended only for the sole use and information of QCIL. Without limiting the foregoing, we understand that QCIL may be required to submit the Report to or share the Report with regulatory authorities in connection with the Proposed Amalgamation ("Permitted Recipients").

We hereby give consent to the disclosure of the Report to the Permitted Recipients, subject to QCIL ensuring that any such disclosure shall be subject to the condition and understanding that:

- It will be the QCIL's responsibility to review the Report and identify any confidential information that it does not wish to disclose;
- We owe responsibility to only QCIL that has engaged us and nobody else, and to the fullest extent permitted by law;
- We do not owe any duty of care to anyone else other than QCIL and accordingly that no one other than the QCIL is entitled to rely on any part of the Report;
- We accept no responsibility or liability towards any third party (including, the Permitted Recipients) to whom the Report may be shared with or disclosed or who may have access to the Report pursuant to the disclosure of the Report to the Permitted Recipients. Accordingly, no one other than QCIL shall have any recourse to us with respect to the Report;
- We shall not under any circumstances have any direct or indirect liability or responsibility to any party engaged by QCIL or to whom QCIL may disclose or directly or indirectly permit the disclosure of any part of the Report and that by allowing such disclosure we do not assume any duty of care or liability, whether in contract, tort, breach of statutory duty or otherwise, towards any of the third parties.

It is clarified that reference to this Report in any document and/ or filing with aforementioned regulatory authorities in connection with the Proposed Amalgamation, shall not be deemed to be an acceptance by us of any responsibility or liability to any person/ party other than the Board of Directors of QCIL.

This Report is subject to the scope, assumptions, qualifications, exclusions, limitations and disclaimers detailed hereinafter. As such, the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to therein.

Sources of Information

During our valuation analysis, we relied upon the following financial and other information relating to the Companies provided to us by the Management and representatives of the respective Companies and information available in public domain:

- Annual Reports for the financial year ended March 31, 2024 and earlier periods for the Companies
- Audited condensed financial statements for five months ended August 31, 2024 for QCIL
- Limited reviewed condensed financial statements for six months ended September 30, 2024, for Aster DM
- Prospective financial information for the period starting April 1, 2024 and ending March 31, 2029 for the respective Companies
- Details of ESOPs issued by the respective Companies
- Fair value of surplus land of the respective Companies
- Information relating to the subsidiaries and associates of the Companies and other relevant information, data, analysis and enquires, as we considered necessary.

We also obtained explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise from the Management and representatives of Aster DM. QCIL has been provided with the opportunity to review the draft report (excluding the recommended Share Exchange Ratio) for this engagement to ensure that factual inaccuracies / omissions are avoided in our final report.

Procedures adopted and valuation methods followed

In developing our analyses, we included, but did not necessarily limit ourselves to, the following primary activities of the engagement team:

- Discussions with the Management and representatives of Aster DM, regarding the Companies, including the following:
  - Nature of the business;
  - Outlook for growth and profitability in the future periods;
  - Future capital requirements; and
  - Key performance Indicators.
- Review and analysis of the internal environment of Companies, including the following:
  - Historical background; and
  - Prospective operating and financial plans.
- Review and analysis of the external environment, including the following:
  - The economy and the relevant market sectors;
  - A comparative analysis (benchmarking) of the operating characteristics of Companies with the comparative businesses.
- Development of a cost of capital or discount rate for the Companies;

- Selection of internationally accepted valuation methodology/(ies) as considered appropriate by us; and
- Review and analysis of all the facts and data gathered, arriving at the relative valuation of the equity shares of the Companies to determine the Share Exchange Ratio for the Proposed Amalgamation.

The information has been assumed without further verification to correctly represent the results of the estimated operations and the financial condition of the Companies.

Scope Limitations, Assumptions, Qualifications, Exclusions and Disclaimers

This Report, its content, and the results herein are specific to (i) the purpose of valuation and the Valuation Date mentioned in the Report and agreed as per the terms of our engagement; ii) the Report Date; iii) Audited condensed financial statements of QCIL for the five months ended August 31, 2024 and limited reviewed consolidated financial statements of Aster DM for the six months ended September 30, 2024 and (iv) other information obtained by us from time to time. The Management has informed us that they do not expect any events which are unusual or not in the normal course of business up to the Effective Date of the Proposed Amalgamation, other than events specifically mentioned in this Report. Additionally, we have been informed that to their best of their knowledge, all material information impacting the Companies has been disclosed to us.

Valuation analysis and results are specific to the purpose of valuation and as per the agreed terms of the engagement. It may not be valid for any other purpose or as of any other date. Also, it may not be valid if done on behalf of any other entity.

A valuation of this nature involves consideration of various factors including those impacted by prevailing stock market trends in general and industry trends in particular as in effect on and the information made available to us as of the date hereof. This Report is issued on the understanding that the Management has drawn our attention to all the matters, which they are aware of concerning the financial position of the Companies and any other matter, which may have an impact on valuation analysis for the Proposed Amalgamation. Events occurring after the date hereof may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

The recommendation rendered in this Report only represents our recommendation based upon information received from QCIL and Aster DM and other sources and the said recommendation shall be considered to be in the nature of non-binding advice (our recommendation will however not be used for advising anybody to take buy or sell decision, for which specific opinion needs to be taken from expert advisors). You acknowledge and agree that you have the final responsibility for the determination of the Share Exchange Ratio at which the Proposed Amalgamation shall take place and factors other than our Report will need to be taken into account in determining the Share Exchange Ratio; these will include your own assessment of the Proposed Amalgamation and may include the input of other professional advisors.

In the course of the valuation, we were provided with both written and verbal information, including market, financial, projected and operating data. In accordance with the terms of our engagement, we have carried out relevant analysis and evaluations through discussions, calculations and such other means, as may be applicable and available, we have assumed and relied upon, without independently verifying, (i) the accuracy of the information that was publicly available, sourced from subscribed databases and formed a substantial basis for this Report and (ii) the accuracy of information made available to us by QCIL and Aster DM. While information obtained from the public domain or external sources have not been verified for authenticity, accuracy or completeness, we have obtained information, as far as possible, from sources generally considered to be reliable. We assume no responsibility for such information. Our valuation does not constitute as an audit or review in accordance with the auditing standards applicable in India, accounting/ financial/ commercial/ legal/ tax/ environmental due diligence or forensic/ investigation services and does not include verification or validation work.

In accordance with the terms of our valuation engagement and in accordance with the customary approach adopted in valuation exercises, we have not audited, reviewed, certified, carried out a due diligence, or otherwise investigated the historical financial information, if any, provided to us regarding the Companies/their holding/ subsidiary/ associates/ joint ventures/ investee companies, if any. Accordingly, we do not express an opinion or offer any form of assurance regarding the truth and fairness of the financial position as indicated in the historical financials/ financial statements. The assignment did not involve us to conduct the financial or technical feasibility study. We have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the Companies. Also, with respect to explanations and information sought from the Companies, we have been given to understand by QCIL and Aster DM, that they have not omitted any relevant and material factors and that they have checked the relevance or materiality of any specific information to the present exercise with us in case of any doubt. Our conclusion is based on the assumptions and information given by/on behalf of QCIL and Aster DM. The Management has indicated to us that they have understood that any omissions, inaccuracies or misstatements may materially affect our valuation analysis/results. Accordingly, we assume no responsibility for any errors in the information furnished by QCIL and Aster DM and their impact on the Report.

We must emphasize that the Financial Projections have been prepared by the managements of the respective Companies and provided to us for the purpose of our analysis. The fact that we have considered the Financial Projections in this exercise should not be construed or taken as our being associated with or a party to such projections. Realizations of free cash flow forecast used in the analysis will be dependent on the continuing validity of assumptions on which they are based. Our analysis, therefore, will not, and cannot be directed to provide any assurance about the achievability of the projected financial information. Since the Financial Projections relate to future, actual results are likely to be different from the projected results because events and circumstances do not occur as expected, and the differences may be material. We express no opinion as to how closely the actual results will correspond to those projected/ forecast as the achievement of the forecast results is dependent on actions, plans and assumptions of the Management

This Report assumes that the Companies comply fully with relevant laws and regulations applicable in all its areas of operations unless otherwise stated, and that the Companies will be managed in a competent and responsible manner. Further, except as specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigation and other contingent liabilities that are not recorded in the audited/ unaudited balance sheets of the Companies/ their holding/ subsidiary/ associates/ joint ventures/ investee companies, if any. Our conclusion of value assumes that the assets and liabilities of the Companies reflected in their respective latest audited/reviewed balance sheets remain intact as of this Report date. No investigation of the Companies' claim to title of assets has been made for the purpose of this Report and the Companies' claim to such rights has been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

Our Report is not, nor should it be construed as our opinion or certification of the compliance of the Proposed Amalgamation with the provisions of any law/ standards including companies, foreign exchange 'regulatory, securities market, accounting and taxation (including transfer pricing) laws/ standards or as regards any legal, accounting or taxation implications or issues arising from such Proposed Amalgamation.

We have not carried out any physical verification of the assets and liabilities of the Companies and take no responsibility for the identification of such assets and liabilities.

Our Report is not, nor should it be construed as our recommendation of the Proposed Amalgamation or anything consequential thereto/ resulting therefrom. This Report does not address the relative merits of the Proposed Amalgamation as compared with any other alternatives or whether or not such alternatives could be achieved or are available. Any decision by the Companies/ their shareholders/ creditors regarding whether or not to proceed with the Proposed Amalgamation shall rest solely with them. We express no opinion or recommendation as to how the shareholders/ creditors of the Companies should vote at any shareholders'/ creditors' meeting(s) to be held in connection with the Proposed Amalgamation. This Report does not in any manner address, opine on or recommend the prices at which the securities of the Companies could or should transact at following the announcement/ consummation of the Proposed Amalgamation. Our Report and the opinion/ valuation analysis contained herein is not nor should it be construed as advice relating to investing in, purchasing, selling or otherwise dealing in securities or as providing management services or carrying out management functions. It is understood that this analysis does not represent a fairness opinion.

The fee for our valuation analysis and the Report is not contingent upon the results reported.

In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or wilful default on part of the Companies, their directors, employees or agents.

Neither the Report nor its contents may be referred to or quoted in any registration statement, prospectus, offering memorandum, annual report, loan agreement or other agreement or document given to third parties, other than in connection with the Proposed Amalgamation, without our prior written consent.

This Report is subject to the laws of India.

Any discrepancies in any table/ annexure between the total and the sums of the amounts listed are due to rounding-off.

Share Capital details of the Companies

Quality Care India Limited

As of August 31, 2024, the diluted equity share capital of QCIL was INR 3,809.2 million consisting of 38,09,20,552.0 equity shares of face value of INR 10/- each which we have considered for the purpose of the valuation analysis. The equity shareholding pattern of QCIL is as follows:

Shareholders	Number of Equity Shares	% shareholding
BCP Asia II Topco IV Pte. Ltd.	27,36,63,300.0	71.8%
Centella Mauritius Holdings Ltd	9,12,21,100.0	23.9%
Others	1,60,36,152.0	4.2%
Total	**38,09,20,552.0**	**100.0%**

Source: Management

QCIL had granted 8,971,150 ESOPs under The Quality Care India Limited Employee Stock Option Plan ("ESOP Plan") during the period ended August 31, 2024. The Management has confirmed that these ESOPs shall stand cancelled as of the Effective Date of the Proposed Amalgamation. Accordingly, the diluted number of equity shares remains the same as mentioned in the table above.

Aster DM Healthcare Limited

As of September 30, 2024, the diluted equity share capital of Aster DM is INR 4995.2 million consisting of 49,95,13,060.0 equity shares of face value of INR 10/- each which we have considered for the purpose of the valuation analysis. The equity shareholding pattern of Aster DM is as follows:

Shareholders	Number of Equity Shares	% shareholding
Promoter and Promoter Group	20,92,06,321.0	41.9%
Public	28,88,15,089.0	57.8%
Shares held by Employee Trusts	14,91,650.0	0.3%
Total	**49,95,13,060.0**	**100.0%**

Source: Management

Based on filings with NSE and BSE dated November 26, 2024, we note that Aster DM intends to evaluate and approve the proposal for issuance of equity shares by way of preferential allotment of up to 5.0 percent of the paid-up capital of Aster DM (on post issue basis) in the meeting of the Board of Directors being held on November 29, 2024.

Approach & Methodology – Basis of amalgamation

The Scheme contemplates the Proposed Amalgamation under Sections 230 to 232 of the Companies Act, 2013 and other relevant provisions of the Companies Act, 2013 and rules issued thereunder to the extent applicable.

Arriving at the Share Exchange Ratio for the purposes of an amalgamation such as the Proposed Amalgamation, would require determining the relative values of each company involved and of their equity shares. These values are to be determined independently but on a relative basis, and without considering the effect of the amalgamation.

The three main valuation approaches are the asset approach, income approach and market approach. There are several commonly used and accepted methods within the market approach, income approach and asset approach, for determining the relative fair value of equity shares of a company, which can be considered in the present valuation exercise, to the extent relevant and applicable, to arrive at the Share Exchange Ratio for the purpose of the Proposed Amalgamation, such as:

1. Asset Approach – Net Asset Value (“NAV’) Method
2. Income Approach
    - Discounted Cash Flow(“DCF”) Method
3. Market Approach
    - Market Price Method
    - Comparable Companies' Multiples (“CCM”) Method

The valuation of companies or assets or securities is not a precise science, and the conclusions arrived at in many cases will of necessity be subjective and subject to uncertainties and contingencies all of which are difficult to predict and beyond our control. In performing our analysis, we made assumptions with respect to industry performance and general and business economic conditions, many of which are beyond the control of the Companies. In addition, the valuation will fluctuate with changes in prevailing market conditions and other factors which generally influence the valuation of companies and their assets.

The application of any particular method of valuation depends on the purpose for which the valuation is done. There is, therefore, no indisputable single value and we normally express our estimate on the value as falling within a likely range. Whilst we consider our valuation to be both reasonable and defensible based on the information available to us, others may place a different value.

1- Asset Approach - NAV method

The asset-based valuation technique is based on the value of the underlying net assets of the business, either on a book value basis or realizable value basis or replacement cost basis. This valuation approach is mainly used in cases where the firm is to be liquidated, i.e., it does not meet the 'going concern' criteria or in cases where the assets base dominates earnings capability. A scheme of amalgamation would normally be proceeded with, on the assumption that the companies/ business would continue as going concerns and an actual realization of the operating assets is not contemplated. In such a going concern scenario, the relative earning power is of importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance.

2- Income Approach – DCF Method

Under the DCF method, the projected free cash flows to the firm are discounted at the weighted average cost of capital. The sum of the discounted value of such free cash flows is the value of the business/ firm/ equity shareholders. Using DCF analysis involves determining the following:

Discounting future free cash flows:

Free cash flows are the cash flows expected to be generated by the company/ business that are available to all providers of the companies / business capital - both creditors and shareholders.

Appropriate discount rate has been considered to estimate present value of future cash flows i.e., the cost of capital. This discount rate, which is applied to the free cash flows, should reflect the opportunity cost to all the capital providers (namely shareholders and creditors), weighted by their relative contribution to the total capital of the company/ business. The opportunity cost to the capital provider equals the rate of return the capital provider expects to earn on other investments of equivalent risk.

3- Market Approach

Under this approach, the value of a company is assessed based on its market price (i.e. if its shares are quoted on a stock exchange) or basis multiples derived using comparable (i.e. similar) listed companies or transactions in similar companies. The following are the methods under Market Approach:

- **Market Price ("MP") Method**

  The market price of an equity share as quoted on a stock exchange is normally considered as the value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded in, subject to the element of speculative support that may be inbuilt in the value of the shares. But there could be situations where the value of the share as quoted on the stock market would not be regarded as a proper indicator of the fair value of the share especially where the market values are fluctuating in a volatile capital market or when the shares are thinly traded. Further, in the case of amalgamation, where there is a question of evaluating the shares of one company against those of another, the volume of transactions and the number of shares available for trading on the stock exchange over a reasonable period would have to be of a comparable standard.

- **Comparable Companies' Multiple ("CCM") method**

  Under this method, value of a company is arrived at by using multiples derived from valuations of comparable companies, as manifest through stock market valuations of listed companies. The market price, as a ratio of the comparable company's attributes such as sales, capital employed, earnings, etc. is used to derive an appropriate multiple. This multiple is then applied to the attribute of the asset being valued to indicate the value of the subject asset. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Out of the above, we have used approaches / methods, as we considered appropriate. The valuation approaches/ methods used, and the values arrived at using such approaches/ methods by us have been tabled in the next section of this Report.

Basis of Share Exchange Ratio

The basis of the Share Exchange Ratio of the Proposed Amalgamation has been determined after taking into consideration all the factors, approaches and methods considered appropriate by us. Though different values have been arrived at under each of the above approaches / methods, for the purpose of recommending the Share Exchange Ratio, it is necessary to arrive at a single value of the equity shares of the companies involved in an amalgamation such as the Proposed Amalgamation. It is however important to note that in doing so, we are not attempting to arrive at the absolute values of the shares of the Companies but at their relative values to facilitate the determination of a Share Exchange Ratio. For this purpose, it is important to assign appropriate weights to the values arrived at under each approach / method.

Attention may also be drawn to Regulation 158 of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (including any statutory modifications, re-enactment or amendments thereof) ("ICDR Regulations") which specifies that preferential issue of equity shares to shareholders of an unlisted entity pursuant to a National Company Law Tribunal approved scheme shall conform with the pricing provisions of preferential issue specified under Regulation 164 of the said ICDR Regulations. Further, it may be noted that ICDR Regulation 164 specifies the base price for issue of shares on a preferential basis. The Proposed Amalgamation envisages the amalgamation of an unlisted entity i.e. QCIL into Aster DM, a listed entity. Therefore, due cognizance should be given to the base price derived using the formula prescribed under the ICDR Regulations after considering the fair value of Aster DM while determining the Share Exchange Ratio.

In the value conclusion, valuation will have to be adjusted by the exercise of judicious discretion by the Valuer and judgment taking into account all the relevant factors. There will always be several factors, e.g., present and prospective competition, yield on comparable securities and market sentiment, etc. which are not evident from the face of the balance sheets, but which will strongly influence the worth of a share. The determination of exchange ratio is not a precise science, and the conclusions arrived at in many cases will, of necessity, be subjective and dependent on the exercise of individual judgement. This concept is also recognized in judicial decisions. There is, therefore, no indisputable single Share Exchange Ratio. While we have provided our recommendation of the Share Exchange Ratio based on the information available to us and within the scope and constraints of our engagement, others may have a different opinion as to the Share Exchange Ratio of the equity shares of QCIL and Aster DM. The final responsibility for the determination of the exchange ratio at which the Proposed Amalgamation shall take place will be with the Board of Directors of QCIL and Aster DM who should consider other factors such as their own assessment of the Proposed Amalgamation and input of other advisors.

Our choice of methodology of valuation has been arrived at using usual and conventional methodologies adopted for transactions of a similar nature and our reasonable judgement, in an independent and bona fide manner based on our previous experience of assignments of a similar nature.

In view of the above, considering the relevant facts and circumstances detailed in this Report, the table below summarizes the workings pertaining to the value per share of QCIL and Aster DM and the Share Exchange Ratio as derived by us.

Valuation Approach	**Quality Care India Limited**		**Aster DM Healthcare Limited**	
	Value Per Share (INR)	**Weight**	**Value Per Share (INR)**	**Weight**
Asset Approach – NAV	116.14	NA	75.41	NA
Income Approach – DCF Method (i)	432.56	50.0%	442.58	50.0%
Market Approach – Market Price Method (ii)	NA	NA	456.33	25.0%
Market Approach – Comparable Companies Multiples Method (iii)	459.19	50.0%	461.05	25.0%
Relative Value per Share (INR) (Weighted Average of (i), (ii) and (iii) (a)	**445.87**		**450.63**	
Value per share based on ICDR Regulations (b)	**NA**		**456.33**	
Relative Value per Share (INR) (Max of (a) and (b))	**445.87**		**456.33**	
Fair Equity Share Exchange (rounded off)	**0.977**			

*NA – Not Applicable

Notes:

In the current analysis, the amalgamation of QCIL into Aster DM is proceeded with on the assumption that QCIL and Aster DM would amalgamate as going concerns and actual realization of the operating assets for QCIL and Aster DM is not contemplated. In such a going concern scenario, the relative earning power, as reflected under the Income and Market approaches, is of greater importance to the basis of amalgamation, with the values arrived at on the net asset basis being of limited relevance. Hence, while we have calculated and presented for informational purposes the values of the equity shares of QCIL and Aster DM under the Asset Approach, we have considered it appropriate not to give any weightage to the same in arriving at the Share Exchange Ratio.

Given the nature of the businesses of QCIL and Aster DM and the fact that we have been provided with prospective financial information for the Companies, we have considered it appropriate to apply the DCF Method under the Income Approach to arrive at the relative fair value of the shares of the Companies for the purpose of arriving at the Share Exchange Ratio.

In the present case, the equity shares of Aster DM are listed on NSE and BSE and there are regular transactions in its equity shares with reasonable volume. Hence, we have considered it appropriate to apply the Market Price Method under the Market Approach to arrive at the relative fair value of the shares of Aster DM for the purpose of arriving at the Share Exchange Ratio

Considering the availability of comparable / benchmark companies engaged in the businesses carried out by the Companies, we have also considered the Comparable Companies Multiples Method under the Market Approach to arrive at the relative fair value of the shares of the Companies for the purpose of arriving at the Share Exchange Ratio.

For our final analysis and recommendation, we have considered the values arrived under the Income and Market Approach to arrive at the relative value of equity shares of QCIL and Aster DM for the purpose of the Proposed Amalgamation.

In view of the above, and on a consideration of all the relevant factors and circumstances as discussed and outlined hereinabove, we recommend the following Share Exchange Ratio:

977 equity shares of Aster DM (of INR 10 /- each fully paid up) for every 1000 equity shares of QCIL (of INR 10 /- each fully paid up).

Our Report and the Share Exchange Ratio is based on the equity share capital structure of the Companies as mentioned earlier in this Report. Any variation in equity share capital of the Companies may have a material impact on the Share Exchange Ratio.

Sincerely,

D AND P INDIA ADVISORY SERVICES LLP
Bangalore

Santosh N
Managing Partner
D and P India Advisory Services LLP
Registered valuer No: IBBI/RV-E/05/2020/131