

January 17, 2020

Aster DM Healthcare Limited: Update on Material Event

Summary of Rated Instrument:

Instrument*	Previous Rated Amount (Rs. crore)	Current Rated Amount (Rs. crore)	Rating Outstanding
Long-term Fund Based	105.00	105.00	[ICRA]A- (Stable)
Long-term Term Loan	20.00	20.00	[ICRA]A- (Stable)
Short Term Non-fund Based	30.00	30.00	[ICRA]A2+
Long-term Unallocated Limits	13.00	13.00	[ICRA]A- (Stable)
Total	168.00	168.00	

Material Event

As per stock exchange disclosure dated January 09, 2020, the board of directors of Aster DM Healthcare Limited have approved a proposal to buy-back up to 57.14 lakh equity shares of the company for an aggregate amount not exceeding Rs. 120 crores, being 1.13% of the total paid-up equity share capital.

Impact of the Material Event

The ratings remain unchanged at the earlier ratings of [ICRA]A- (Stable) and [ICRA] A2+. In addition to the share buyback, the company also has plans for certain other acquisitions, as a result of which the consolidated net debt of the company, which was Rs. 2604 crore as on September 2019 is expected to increase further. Nonetheless, with a 36% growth in OPBITDA during H1FY2020 (adjusted to remove IndAS 116 impact) and seasonally strong second half of the fiscal, the consolidated net debt to OPBITDA is expected to be maintained similar to the March 2019 level. Going forward, ICRA would continue to monitor the company's quarterly performance. Any significant weakening in leverage, as measured by net debt to OPBITDA, due to higher than anticipated increase in debt levels or weakening in profitability would be key rating triggers.

The previous detailed rating rationale is available on the following link: [Click here](#)

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