ANNEXURE-3
(71)

Chitale & Co.
Chartered Accountants
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Strictly Confidential

04th May 2018

The Board of Directors,
Artemis Global Life Sciences Ltd.,
414/1, 4th Floor,
DDA Commercial Complex,
District Centre, Janakpuri,
New Delhi 110058.

The Board of Directors,
Artemis Medicare Services Ltd.,
Plot No.14, Sector 20,
Dwarka South West,
New Delhi 110075

Dear Sirs,

Ref: Report on Share Entitlement Ratio on merger of AGLSL into AMSL ("Report")

1. **Context**

We refer to the Engagement Letter dated 10th April 2018 and the subsequent discussions we had with you, wherein you requested our report on the ratio of allotment of equity shares of the amalgamated company, Artemis Medical Services Limited ("**AMSL" or "Amalgamated Company**") to be issued to the shareholders of Artemis Global Life Sciences Limited ("**AGLSL" or "Amalgamating Company**") in connection with proposed merger of the AGLSL into AMSL with 1st April, 2018 as appointed date ("**Appointed Date**").

2. **Background**

2.1 The Amalgamated Company is in the business of providing health care services and currently runs two hospitals namely, Artemis Hospital at Gurugram and Artemis Hospital at Dwarka, New Delhi. AMSL is a wholly owned subsidiary of Artemis Health Services Limited ("**AHSL**"), which in turn, is a wholly owned subsidiary of AGLSL. Thus, AMSL is a wholly owned sub-subsidiary of **AGLSL (Amalgamating Company)**.

2.2 **The Amalgamating Company** is engaged in the business of leasing out medical equipments, and it has presently leased out medical equipments to its sub-subsidiary AMSL (Amalgamated Company). AGLSL is presently listed on both BSE and NSE.

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2.3 Athena Eduspark Limited ("**AEL**") is also a wholly owned subsidiary of AHSL (a sub-subsidiary of AGLSL) and is engaged in the education sector.

2.4 We understand that the authorized, issued, subscribed and paid-up share capital of AMSL (Amalgamated Company) as on 31st March 2018 is as set out below:

Share Capital	**Rupees in Lacs**
Authorised Share Capital	
25,000,000 Equity shares of Rs. 10 each	2,500.00
Total	**2,500.00**
Issued, Subscribed and paid up capital	
21,035,000 Equity Shares of Rs. 10 each fully paid	2,103.50
Total	**2,103.50**

Subsequent to the above mentioned date, there has been no change in the issued subscribed and paid up share capital of AMSL.

2.5 We understand that the authorized, issued, subscribed and paid-up share **capital** of AGLSL (**Amalgamating Company**) as on 31st March 2018 is as set out below:

Share Capital	**Rupees in Lacs**
Authorised Share Capital	
10,00,00,000 Equity shares of Rs. 2/- each	2,000.00
Total	**2,000.00**
Issued, Subscribed and paid up capital	
6,61,88,500 Equity Shares of Rs. 2/- each fully paid	1,323.77
Total	**1,323.77**

We understand that subsequent to the above mentioned date, there has been no change in the issued subscribed and paid up share capital of AGLSL.

3. **Valuation Objective**

3.1 We understand that management of AGLSL is contemplating a scheme of arrangement to be implemented under the provisions of sections 230 to 232 and other applicable provisions of the Companies Act, 2013 ("**Draft Scheme**" or "**Scheme**") involving: (i) pursuant to Part II of the scheme, merger of AHSL, a wholly owned subsidiary of AGLSL, and AEL, a wholly owned sub-subsidiary of AGLSL into AGLSL with effect from the commencement of business on 1st April 2018 ("**Appointed Date**"); and (ii) pursuant to Part III of the Scheme, merger of AGLSL into its wholly owned sub-

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subsidiary AMSL with effect from the Appointed Date immediately after giving effect to the merger of AHSL and AEL into AGLSL. [For convenience, AGLSL, AHSL, AEL and AMSL, are collectively referred to hereinafter as the "**Companies**".]

3.2 Pursuant to the Scheme, on merger of AHSL, a wholly owned subsidiary of AGLSL, and AEL, a wholly owned sub-subsidiary of AGLSL into AGLSL, there would be no allotment of shares by AGLSL, and the share capital of AHSL held by AGLSL and the share capital of AEL held by AHSL will stand cancelled. Pursuant to the Scheme, on merger of AGLSL into AMSL (a wholly owned sub-subsidiary of AGLSL), AMSL would allot its shares to the shareholders of AGLSL in the share swap ratio proposed by AGLSL and AMSL, and the share capital of AMSL currently held by AHSL (a wholly owned subsidiary of AGLSL which would stand merged into AGLSL pursuant to the Scheme prior to the merger of AGLSL into AMSL) will stand cancelled.

3.3 In this regard, the management ("**Management**") of AGLSL and AMSL requested Chitale & Co. ("**C&C**"/"**we**"/"**us**") to provide a report on the equity share entitlement ratio of allotment of equity shares of AMSL (the Amalgamated Company) to be issued to the shareholders of AGLSL (the Amalgamating Company). As stated above, the Appointed Date for the merger pursuant to the Scheme is 1st April 2018.

3.4 We understand that consequent to the merger of AGLSL (the Amalgamating Company) into AMSL (the Amalgamated Company), on account of cancellation of share capital of AMSL (the Amalgamated Company) currently held by AHSL and allotment by AMSL (the Amalgamated Company) of its shares to the shareholders of AGLSL (the Amalgamating Company), the beneficial economic interest of the shareholders of AGLSL (the Amalgamating Company) in the paid-up equity share capital of AMSL (the Amalgamated Company) would be the same as it is in the paid-up equity share capital of AGLSL (the Amalgamating Company).

4. Sources of Information

For the purpose of this valuation exercise, we have relied upon the following information/documents made available to us by the Management of AGLSL and the information available in the public domain:

(a) Draft Scheme of arrangement between the Companies and their respective shareholders to be placed before their respective Board of Directors at their ensuing meeting;

(b) Details of authorized, subscribed, issued and paid-up share capital of AGLSL, AHSL, AEL and AMSL as on 31st March 2018 certified by the company secretary of AGLSL;

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(c) Shareholding pattern of AGLSL, AHSL, AEL and AMSL as on 31st March 2018 certified by the company secretary of AGLSL;

(d) Audited financial statements for the financial year ended 31st March 2017 for AGLSL, AHSL, AEL and AMSL;

(e) Provisional unaudited financial statements for the financial year ended 31st March 2018 for AGLSL, AHSL, AEL and AMSL;

(f) Our discussions from time to time and representations provided by the Management of AGLSL.

5. **Share Swap Ratio**

5.1 Considering the following aspects:

(a) AEL is a wholly owned subsidiary (WOS) of AHSL and AHSL is the WOS of AGLSL;

(b) upon the Scheme becoming effective, existing shareholding of AHSL in AEL and AGLSL in AHSL shall stand cancelled without any payment;

(c) upon the Scheme becoming effective, the share capital of AMSL currently held by AHSL shall stand cancelled without any payment;

(d) upon the Scheme becoming effective, shareholders of AGLSL would be entitled to allotment of shares in AMSL in the same proportion in which they own shares in AGLSL; and

(e) consequently, upon the Scheme becoming effective, the beneficial economic interest of the shareholders of AGLSL in the paid-up equity share capital of AMSL would be the same as it is in the paid-up equity share capital of AGLSL,

the determination of swap ratio would not have any economic impact on the ultimate value of the shareholders of AGLSL and the proposed merger of AGLSL into AMSL will be value neutral to AGLSL's shareholders.

Hence, the determination of swap ratio for allotment of shares of AMSL to the shareholders of AGLSL on merger of AGLSL into AMSL is at best an internal arrangement between AGLSL, AMSL and its shareholders and a detailed valuation of equity shares of AGLSL and AMSL to determine the share swap ratio would not be relevant in the present case. Accordingly, valuation of shares of AGLSL and/or AMSL using the Market Value Method or Discount Cash Flow (Income) Method or Net Asset Value (NAV) Method or a combination of the foregoing would not be relevant in the present case.

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5.2 We have been informed by the Management of AGLSL and AMSL that, considering the foregoing and based on the intended capital structure of AMSL, they have proposed share entitlement ratio of 1 (One) fully paid up equity share of Face Value of Rs. 10/- (Rupees Ten each) of AMSL for every 5 (Five) fully paid up equity share of Face Value of Rs. 2/- (Rupees Two each) held in AGLSL.

5.3 Based on the aforesaid, in particular read with paragraph 3 and 5.1 above and the Caveats below, and considering that all shareholders of AGLSL will, upon merger, become shareholders of AMSL holding beneficial economic interest in the same proportion as they hold in AGLSL, the following proposed share entitlement ratio is fair to the shareholders of AGLSL in relation to the merger:

> **"1(One) fully paid up equity share of Face Value of Rs. 10/- (Rupees Ten each) of AMSL for every 5 (Five) fully paid up equity share of Face Value of Rs. 2/- (Rupees Two each) held in AGLSL."**
>
> Please refer **Annexure 1**.

6. **Caveats**

6.1 We have relied upon the information, data, and explanations set out at para 3 and 4 above, for the purpose of reporting on the ratio of allotment of equity shares of AMSL to the shareholders of AGLSL in connection with the proposed merger. Our recommendation is dependent upon the information furnished to us being complete in all material respects.

6.2 For the purpose of opining on the Share Entitlement Ratio, we have used financial and other information provided by the Management of AGLSL, which we believe to be reliable and our conclusions are dependent on such information being complete and accurate in all material respects. Our scope of work does not enable us to accept responsibility for the accuracy and completeness of the financial and other information provided to us by the Management of AGLSL. We have, therefore, not carried out any due diligence review, independent audit or other test or validation of such financial and other information to establish the accuracy or sufficiency of the financial statements referred to above or of the information, explanations and representations provided to us. We have thus relied upon the: (i) audits carried out by Anand Dua & Associates, Chartered Accountants, of the financials of AGLSL and S.P. Puri & Co. Chartered Accountant of the financial of AMSL provided to us for the financial year ended 31st March 2017; and (ii) the provisional unaudited financials of AGLSL and AMSL for the financial year ended 31st March 2018 provided to us by the Management

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of AGLSL. Accordingly, we do not express any opinion or any other form of assurance thereon and accept no responsibility for the same.

6.3 The Management of AGLSL has further represented that there would be no change in the structure of the paid up equity share capital of AGLSL or AMSL till the Appointed Date and subsequently, till the Scheme is approved.

6.4 We have assumed that the final terms of the scheme of merger will not vary from those set forth in the Draft Scheme reviewed by us.

6.5 This report has been prepared for the Board of Directors of AGLSL and AMSL and solely for the purpose of recommending the share entitlement ratio for issue of equity shares of AMSL to the shareholders of AGLSL in consideration for the merger of AGLSL into AMSL.

6.6 Our report is not nor should it be construed as our opining or certifying the compliance of the proposed merger of AGLSL into AMSL with the provisions of any law including Companies Act, FEMA and Regulations thereunder, Income tax Act, SEBI Act and Regulations thereunder, or as regards any legal implications or issue arising from such proposed merger.

6.7 We have not opined on the fairness of any terms and conditions of the Scheme other than the Exchange Ratio. Further, we have neither opined nor advised on the viability or legality of the proposed structure, mechanics and terms and conditions of the Scheme. We have not provided any opinion whatsoever as to any scenario where only some (and not all) parts of the Scheme take effect (including on account of non-receipt of governmental approvals). Our opinion is not intended to be and does not constitute a recommendation to any shareholder, creditor or other person of AGLSL & AMSL as to how such shareholder, creditor or other person should vote or act on any matters relating to the proposed Scheme.

6.8 The information contained herein and our report is intended only for the sole use and information of the AGLSL & AMSL, and only in connection with the proposed merger as aforesaid including for the purpose of obtaining requisite approvals. It is to be noted that any reproduction, copying or otherwise quoting of this report or any part thereof, other than in connection with the proposed merger as aforesaid, can be done only with our prior permission in writing.

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6.9 No investigation on the AGLSL and AMSL claims to title of assets has been made for the purpose of this report and their claim to such rights has been assumed to be valid. Therefore, no responsibility is assumed for matters of a legal nature.

6.10 We assume no responsibility for any errors in the information furnished by AGLSL and consequential impact on the present exercise.

6.11 By reason of delivering this opinion, neither C&C, nor its partners, directors, manager, employees or agents are required to give expert testimony nor are required to be in attendance in any court or at any governmental or regulatory hearing with reference to the matter dealt with in this opinion, unless prior arrangement has been made with C&C in that regard as an additional engagement.

6.12 We acknowledge that we have no present or contemplated financial interest in the Companies. We have been retained by AGLSL & AMSL to act as advisor to the Board of Directors of AGLSL & AMSL with respect to this opinion and will receive a fee for our services in connection with the delivery of this opinion. Our fee for our services will be payable on delivery of this opinion and is not contingent on the successful completion of the merger.

6.13 We and our affiliates in the past may have provided services to AGLSL & AMSL and its subsidiaries unrelated to the proposed merger, for which services we and such affiliates have received professional fees. Further, we and our affiliates may maintain professional relationships with AGLSL & AMSL its subsidiaries and their respective affiliates.

6.14 Further, AGLSL & AMSL respectively agrees to indemnify and hold harmless C&C, its directors, partners, shareholders, manager, employees and agents from and against any and all costs, expenses, losses, claims, demands, actions, suits or proceedings paid, incurred or suffered by or made or initiated against them or any of them by any third party arising out of or in connection with this engagement, except to the extent that any such costs, expenses, claims, demands, actions, suits or proceedings arise from our willful gross negligence.

7. Distribution of our Report

7.1 This letter report is prepared for the board of directors of AGLSL and AMSL to the extent mandatorily required under applicable laws of India may be produced before judicial, regulatory or government authorities, in connection with the merger envisaged in the Scheme.

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7.2 In no event shall we be liable for any loss, damages, cost or expenses arising in any way from fraudulent acts, misrepresentations or default on part of the AGLSL & AMSL, their directors, employees or agents. In no circumstances shall the liability of Chitale & Co., its partners, directors or employees, relating to the service provided in connection with the engagement set out in this report exceed the amount paid to us in respect of the fees charged for these services.

We would like to record our appreciation for the courtesy and co-operation received by us during the course of our work.

Yours faithfully

Chitale & Co

Chitale & Co
Chartered Accountants
Firm Reg. No. 144857W

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For Artemis Global Life Sciences Limited

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19/5/2018
Gurugram

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Annexure 1

For the reasons set out at paragraph 5.1 of the Report the determination of swap ratio would not have any economic impact on the ultimate value of the shareholders of AGLSL and the proposed merger of AGLSL into AMSL will be value neutral to AGLSL's shareholders.

Accordingly, valuation of shares of AGLSL and/or AMSL using the Market Value Method or Discount Cash Flow (Income) Method or Net Asset Value (NAV) Method or a combination of the foregoing is not relevant in the present case, and has not been carried out.

Valuation Approach	**AGLSL**		**AMSL**	
Asset Approach	N.A.	N.A.	N.A.	N.A.
Income Approach	N.A.	N.A.	N.A.	N.A.
Market Approach	N.A.	N.A.	N.A.	N.A.
Relative Value per Share	N.A.	N.A.	N.A.	N.A.
Exchange Ratio (rounded off)			N.A.	

We understand from the management that on amalgamation of AGLSL into AMSL becoming effective, the issued, subscribed and paid up capital of AMSL shall be 1,32,37,700 equity shares of face value of Rs. 10/- each. On the basis of the proposed capital structure of AMSL, the following proposed share entitlement ratio is fair to the shareholders of AGLSL in relation to the merger:

> **"1(One) fully paid up equity share of Face Value of Rs. 10/- (Rupees Ten each) of AMSL for every 5 (Five) fully paid up equity share of Face Value of Rs. 2/- (Rupees Two each) held in AGLSL."**

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Date: 10/5/2018
Place: Gurugram