



## KRSNAA DIAGNOSTICS LIMITED

Krsnaa Diagnostics Limited (our “Company” or the “Issuer”) was originally incorporated as ‘Krsna Diagnostics Private Limited’ at Pune, Maharashtra as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 22, 2010, issued by the Registrar of Companies, Maharashtra at Pune (“RoC”). The name of our Company was subsequently changed to ‘Krsnaa Diagnostics Private Limited’, pursuant to a fresh certificate of incorporation issued by the RoC on January 29, 2015. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed in the extraordinary general meeting of the Shareholders of our Company held on April 25, 2021 and consequently the name of our Company was changed to its present name pursuant to a fresh certificate of incorporation issued by the RoC on May 6, 2021. For further details relating to the changes in the name of our Company and the registered office of our Company, see “History and Certain Corporate Matters” on page 168.

**Corporate Identity Number:** U74900PN2010PLC138068

**Registered and Corporate Office:** S.No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka – Haveli, Pune - 411 019, Maharashtra; **Telephone:** +91 20 4695 4695; **Contact Person:** Manisha Chitgopekar, Company Secretary and Compliance Officer; **Telephone:** +91 20 4695 4695; **E-mail:** cs@krsnadiagnostics.com; **Website:** www.krsnaadiagnostics.com

### OUR PROMOTER: RAJENDRA MUTHA

**INITIAL PUBLIC OFFERING OF 12,741,036\* EQUITY SHARES OF FACE VALUE OF ₹5 EACH (“EQUITY SHARES”) OF OUR COMPANY FOR CASH AT A PRICE OF ₹954\*\* PER EQUITY SHARE (INCLUDING A PREMIUM OF ₹949 PER EQUITY SHARE) (“OFFER PRICE”) AGGREGATING TO ₹12,133.35 MILLION (“OFFER”). THE OFFER COMPRISES OF A FRESH ISSUE OF 4,215,516\* EQUITY SHARES AGGREGATING TO ₹4,000.00 MILLION (“FRESH ISSUE”) AND AN OFFER FOR SALE OF 8,525,520\* EQUITY SHARES (“OFFERED SHARES”) AGGREGATING TO ₹8,133.35 MILLION, COMPRISING 1,600,000\* EQUITY SHARES AGGREGATING TO ₹1,526.40 MILLION BY PHI CAPITAL TRUST-PHI CAPITAL GROWTH FUND-I, (“SELLING SHAREHOLDER 1”), 3,340,713\* EQUITY SHARES AGGREGATING TO ₹3,187.04 MILLION BY KITARA PIIN 1104 (“SELLING SHAREHOLDER 2”), 3,563,427\* EQUITY SHARES AGGREGATING TO ₹3,399.51 MILLION BY SOMERSET INDUS HEALTHCARE FUND I LIMITED (“SELLING SHAREHOLDER 3”) AND 21,380\* EQUITY SHARES AGGREGATING TO ₹20.40 MILLION BY LOTUS MANAGEMENT SOLUTIONS (ACTING THROUGH MAYUR SIRDASAI) (“SELLING SHAREHOLDER 4”) AND TOGETHER WITH SELLING SHAREHOLDER 1, SELLING SHAREHOLDER 2 AND SELLING SHAREHOLDER 3, THE “SELLING SHAREHOLDERS” AND SUCH OFFER, THE “OFFER FOR SALE”. THE OFFER INCLUDES A RESERVATION OF 232,288\* EQUITY SHARES AGGREGATING TO ₹200.00 MILLION, FOR SUBSCRIPTION BY ELIGIBLE EMPLOYEES (AS DEFINED HEREINAFTER) (THE “EMPLOYEE RESERVATION PORTION”). THE OFFER LESS THE EMPLOYEE RESERVATION PORTION IS HEREINAFTER REFERRED TO AS THE “NET OFFER”. THE OFFER AND THE NET OFFER WILL CONSTITUTE 40.57% AND 39.83% OF THE POST-OFFER PAID UP EQUITY SHARE CAPITAL OF OUR COMPANY, RESPECTIVELY.**

**\*SUBJECT TO FINALISATION OF THE BASIS OF ALLOTMENT.**

**\*\*OUR COMPANY AND THE SELLING SHAREHOLDERS, IN CONSULTATION WITH THE BRLMS, OFFERED A DISCOUNT OF ₹93 PER EQUITY SHARE TO ELIGIBLE EMPLOYEES BIDDING IN THE EMPLOYEE RESERVATION PORTION**

This Offer was made through the Book Building Process, in terms of Rule 19(2)(b) of the Securities Contracts (Regulation) Rules, 1957, as amended (“SCRR”) read with Regulation 31 of the SEBI ICDR Regulations. This Offer was made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations wherein, not less than 75% of the Net Offer was allocated on a proportionate basis to Qualified Institutional Buyers (“QIBs”) (the “QIB Portion”), in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis (“Anchor Investor Portion”), out of which one-third was reserved for domestic Mutual Funds, in accordance with the SEBI ICDR Regulations. Further, 5% of the Net QIB Portion was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the QIB Portion was available for allocation on a proportionate basis to all QIB Bidders (other than Anchor Investors), including Mutual Funds. Further, not more than 15% of the Net Offer was available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer was available for allocation to Retail Individual Bidders (“RIBs”) in accordance with the SEBI ICDR Regulations. Further, 232,288\* Equity Shares aggregating to ₹200.00 million were available for allocation to Eligible Employees. All Bidders, other than Anchor Investors, were mandatorily required to participate in the Offer through the Application Supported by Blocked Amount (“ASBA”) process by providing details of their respective ASBA Account (as defined hereinafter), in which the corresponding Bid Amounts was blocked by the Self Certified Syndicate Banks (“SCSBs”) or under the UPI Mechanism, as the case may be. Anchor Investors were not permitted to participate in the Anchor Investor Portion through the ASBA process. For details, see “Offer Procedure” on page 355.

### RISKS IN RELATION TO THE FIRST OFFER

This being the first public issue of our Company, there has been no formal market for the Equity Shares of our Company. The face value of the Equity Shares is ₹5. The Offer Price or the Floor Price or the Price Band should not be taken to be indicative of the market price of the Equity Shares after the Equity Shares are listed. No assurance can be given regarding an active and/or sustained trading in the Equity Shares nor regarding the price at which the Equity Shares will be traded after listing.

### GENERAL RISK

Investments in equity and equity-related securities involve a degree of risk and investors should not invest any funds in the Offer unless they can afford to take the risk of losing their investment. Investors are advised to read the risk factors carefully before taking an investment decision in the Offer. For taking an investment decision, investors must rely on their own examination of our Company and the Offer, including the risks involved. The Equity Shares in the Offer have not been recommended or approved by the Securities and Exchange Board of India (“SEBI”), nor does SEBI guarantee the accuracy or adequacy of the contents of this Prospectus. Specific attention of the investors is invited to “Risk Factors” on page 24.

### ISSUER’S AND SELLING SHAREHOLDERS’ ABSOLUTE RESPONSIBILITY

Our Company, having made all reasonable inquiries, accepts responsibility for and confirms that this Prospectus contains all information with regard to our Company and the Offer, which is material in the context of the Offer, that the information contained in this Prospectus is true and correct in all material aspects and is not misleading in any material respect, that the opinions and intentions expressed herein are honestly held and that there are no other facts, the omission of which makes this Prospectus as a whole or any of such information or the expression of any such opinions or intentions misleading in any material respect. Each of the Selling Shareholders, severally and not jointly, accepts responsibility for and confirms that the statements specifically made or confirmed by such Selling Shareholder in this Prospectus solely to the extent of information specifically pertaining to itself and its portion of the Equity Shares offered by it in the Offer for Sale, and assumes responsibility that such statements are true and correct in all material respects and are not misleading in any material respect. The Selling Shareholders, severally and not jointly, assume no responsibility for any other statements, including, *inter alia*, any of the statements made by or relating to our Company or any other Selling Shareholder.

### LISTING

The Equity Shares offered through the Red Herring Prospectus are proposed to be listed on the Stock Exchanges. Our Company has received ‘in-principle’ approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated June 4, 2021 and June 22, 2021, respectively. For the purposes of the Offer, the Designated Stock Exchange is NSE. A copy of the Red Herring Prospectus was delivered and a signed copy of this Prospectus shall be filed with the RoC in accordance with Sections 26(4) and 32 of the Companies Act, 2013. For details of the material contracts and documents which were made available for inspection from the date of the Red Herring Prospectus until the Bid/Offer Closing Date, see “Material Contracts and Documents for Inspection” on page 400.

### BOOK RUNNING LEAD MANAGERS

### REGISTRAR TO THE OFFER

|                                                                                                                                                                                                                                                                                                                                                                                                                                                |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |                                                                                                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| <b>JM Financial Limited</b><br>7 <sup>th</sup> Floor, Cnergy<br>Appasaheb Marathe Marg<br>Prabhadevi<br>Mumbai – 400 025<br>Maharashtra<br><b>Telephone:</b> +91 22 6630 3030; +91 22 6630 3262<br><b>E-mail:</b><br>krsnaadiagnostics ipo@jmfml.com<br><b>Website:</b> www.jmfml.com<br><b>Investor grievance e-mail:</b><br>grievance.ibd@jmfml.com<br><b>Contact person:</b> Prachee Dhuri<br><b>SEBI registration no.:</b><br>INM000010361 | <b>DAM Capital Advisors Limited</b><br>(Formerly IDFC Securities Limited)<br>One BKC, Tower C, 15 <sup>th</sup> Floor<br>Unit No. 1511,<br>Bandra Kurla Complex<br>Bandra (East), Mumbai – 400 051<br>Maharashtra<br><b>Telephone:</b> +91 22 4202 2500<br><b>E-mail:</b> krsnaa.ipo@damcapital.in<br><b>Website:</b> www.damcapital.in<br><b>Investor grievance e-mail:</b><br>complaint@damcapital.in<br><b>Contact person:</b> Chandresh Sharma<br><b>SEBI registration no.:</b><br>MB/INM000011336 | <b>Equirus Capital Private Limited</b><br>12 <sup>th</sup> Floor, C Wing<br>Marathon Futurex<br>N M Joshi Marg<br>Lower Parel<br>Mumbai 400 013<br>Maharashtra<br><b>Telephone:</b> +91 22 4332 0700<br><b>E-mail:</b> krsnaa.ipo@equirus.com<br><b>Website:</b> www.equirus.com<br><b>Investor grievance e-mail:</b><br>investorgrievance@equirus.com<br><b>Contact person:</b> Ankesh Jain<br><b>SEBI registration no.:</b><br>INM000011286 | <b>IIFL Securities Limited</b><br>10 <sup>th</sup> Floor, IIFL Centre<br>Kamala City<br>Senapati Bapat Marg<br>Lower Parel (West)<br>Mumbai 400 013<br>Maharashtra<br><b>Telephone:</b> +91 22 4646 4600<br><b>E-mail:</b> krsnaa.ipo@iiflcap.com<br><b>Website:</b> www.iiflcap.com<br><b>Investor grievance e-mail:</b><br>ig.ib@iiflcap.com<br><b>Contact person:</b> Aditya Agarwal /<br>Harshvardhan Jain<br><b>SEBI registration no.:</b> INM000010940 | <b>KFin Technologies Private Limited</b><br>Selenium Tower B<br>Plot 31 & 32, Gachibowli<br>Financial District,<br>Nanakramguda<br>Serilingampally, Hyderabad 500 032<br>Telangana<br><b>Telephone:</b> +91 40 6716 2222<br><b>Email:</b> krsnaa.ipo@kfintech.com<br><b>Website:</b> www.kfintech.com/<br><b>Investor grievance e-mail:</b><br>einward.ris@kfintech.com<br><b>Contact person:</b> M. Murali Krishna<br><b>SEBI registration no.:</b><br>INR000000221 |

### BID/OFFER PROGRAMME

|                            |                                   |                            |                               |
|----------------------------|-----------------------------------|----------------------------|-------------------------------|
| <b>BID/OFFER OPENED ON</b> | <b>WEDNESDAY, AUGUST 4, 2021*</b> | <b>BID/OFFER CLOSED ON</b> | <b>FRIDAY, AUGUST 6, 2021</b> |
|----------------------------|-----------------------------------|----------------------------|-------------------------------|

\* The Anchor Investor Bidding Date was opened and closed one Working Day prior to the Bid/Offer Opening Date, that is on Tuesday, August 3, 2021.

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## SECTION I - GENERAL

### DEFINITIONS AND ABBREVIATIONS

*This Prospectus uses certain definitions and abbreviations which, unless the context otherwise indicates or implies, or unless otherwise specified, shall have the meaning as provided below. References to any legislation, act, regulation, rules, guidelines or policies shall unless the context otherwise requires, be deemed to include all amendments, modifications and replacements notified thereto, as of the date of this Prospectus and any reference to a statutory provision shall include any subordinate legislation made from time to time under that provision.*

*The words and expressions used in this Prospectus but not defined herein, shall have, to the extent applicable, the meanings ascribed to such terms under the Companies Act, the SEBI ICDR Regulations, the SCRA, the Depositories Act or the rules and regulations made thereunder.*

*Notwithstanding the foregoing, terms in “Main Provisions of the Articles of Association”, “Statement of Possible Special Tax Benefits”, “Industry Overview”, “Key Regulations and Policies in India”, “Financial Information” and “Outstanding Litigation and Other Material Developments”, on pages 374, 111, 118, 163, 201 and 326 will have the meaning ascribed to such terms in those respective sections.*

#### General terms

| Term                                  | Description                                                                                                                                                                                                                                                                       |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| our Company/ the Company / the Issuer | Krsnaa Diagnostics Limited, a public limited company incorporated under the Companies Act, 1956 and having its Registered and Corporate Office at S.No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka – Haveli, Pune - 411 019, Maharashtra |
| we / us / our                         | Unless the context otherwise indicates or implies, refers to our Company together with our Subsidiaries, on a consolidated basis                                                                                                                                                  |

#### Company related terms

| Term                                                     | Description                                                                                                                                                                                                                                                                                                        |
|----------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 2014 SPA                                                 | The agreement dated March 25, 2014, entered into between our Company, our Promoter, one of the members of our Promoter Group Sunita Mutha, certain public Shareholders and Krsna Lifesciences Private Limited, pursuant to which our Company purchased certain equity shares of Krsna Lifesciences Private Limited |
| AoA/Articles of Association or Articles                  | The articles of association of our Company, as amended                                                                                                                                                                                                                                                             |
| Audit Committee                                          | Audit committee of our Company, described in “Our Management” on page 177                                                                                                                                                                                                                                          |
| Auditors/ Statutory Auditors                             | Statutory auditors of our Company, being MSKA & Associates                                                                                                                                                                                                                                                         |
| Board/ Board of Directors                                | The board of directors of our Company, as constituted from time to time                                                                                                                                                                                                                                            |
| Chief Financial Officer/ CFO                             | Chief financial officer of our Company, Pawan Daga                                                                                                                                                                                                                                                                 |
| Company Secretary and Compliance Officer                 | Company secretary and compliance officer of our Company, Manisha Chitgopekar                                                                                                                                                                                                                                       |
| CSR Committee/ Corporate Social Responsibility Committee | The corporate social responsibility committee of our Company, described in “Our Management” on page 177                                                                                                                                                                                                            |
| Director(s)                                              | The director(s) on our Board                                                                                                                                                                                                                                                                                       |
| Equity Shares                                            | The equity shares of our Company of face value of ₹5 each                                                                                                                                                                                                                                                          |
| Executive Chairman                                       | Chairperson and executive director of our Company, Rajendra Mutha                                                                                                                                                                                                                                                  |
| Executive Director(s)                                    | Executive Directors of our Company, Rajendra Mutha, Pallavi Bhatevara and Yash Mutha                                                                                                                                                                                                                               |
| Existing Investors SHA                                   | The Amended and Restated Shareholders Agreement dated December 22, 2018, entered into between our Promoter, the Investors, Pallavi Bhatevara and the persons listed in Schedule 1 therein, as amended                                                                                                              |
| Existing Investors WCA                                   | The Waiver and Amendment Agreement dated May 14, 2021, entered into between the parties to the Existing Investors SHA                                                                                                                                                                                              |
| Independent Directors                                    | Independent directors of our Company                                                                                                                                                                                                                                                                               |
| Investors                                                | Collectively, Somerset, Kitara, Phi Capital and Mayur Sirdesai (as a partner and acting on behalf of M/s Lotus Management Solutions)                                                                                                                                                                               |
| IPO Committee                                            | The IPO committee of our Board, constituted to facilitate the Offer, comprising of Rajendra Mutha, Yash Mutha, Pallavi Bhatevara and Prem Pradeep                                                                                                                                                                  |
| Kitara                                                   | Kitara PIIN 1104                                                                                                                                                                                                                                                                                                   |

| Term                                  | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
|---------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| KMP/ Key Managerial Personnel         | Key managerial personnel of our Company in terms of Regulation 2(1)(bb) of the SEBI ICDR Regulations and Section 2(51) of the Companies Act, 2013 and as further described in “ <i>Our Management-Key Managerial Personnel</i> ” on page 193                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Managing Director                     | The managing director of the Company, Pallavi Bhatevara                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Materiality Policy                    | The policy adopted by our Board on May 13, 2021, for identification of material: (a) outstanding litigation proceedings; (b) Group Companies; and (c) creditors, pursuant to the requirements of the SEBI ICDR Regulations and for the purposes of disclosure in the Draft Red Herring Prospectus, the Red Herring Prospectus and this Prospectus                                                                                                                                                                                                                                                                                                                                                                     |
| Minority Shareholders                 | The persons listed in Schedule 1 to the Existing Investors SHA                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| MoA/ Memorandum of Association        | The memorandum of association of our Company, as amended                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Nomination and Remuneration Committee | The nomination and remuneration committee of our Company, described in “ <i>Our Management</i> ” on page 177                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Nominee Director(s)                   | Nominee director of our Company, Prem Pradeep                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Non-Executive Director                | A Director not being an Executive Director of our Company                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Phi Capital                           | Phi Capital Trust-Phi Capital Growth Fund-I                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Preference Shares                     | Collectively, the Series A CCPS, Series B CCCPS, and Series C CCPS. These Preference Shares are not outstanding as on the date of this Prospectus.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Project Consultant                    | Oriens Advisors LLP, the project consultant appointed by our Company for purposes of certifying certain details in relation to the capital expenditure proposed to be incurred by our Company from the Net Proceeds                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Promoter                              | The Promoter of our Company, being Rajendra Mutha. For details, see “ <i>Our Promoter and Promoter Group</i> ” on page 196                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Promoter Group                        | Persons and entities constituting the promoter group of our Company, pursuant to Regulation 2(1)(pp) of the SEBI ICDR Regulations and as disclosed in “ <i>Our Promoter and Promoter Group</i> ” on page 196                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Registered and Corporate Office       | The registered and corporate office of our Company, situated at S.No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka – Haveli, Pune - 411 019, Maharashtra                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Restated Financial Statements         | The restated financial information of our Company, which comprise the restated statement of assets and liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019, and the restated statement of profit and loss, the restated statement of changes in equity and the restated statement of cash flows for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and the summary of significant accounting policies, read together with the annexures and notes thereto, which have been prepared in accordance with the Companies Act, 2013 and Ind AS, as applicable, and restated in accordance with the SEBI ICDR Regulations. For details, see “ <i>Financial Statements</i> ” on page 201. |
| RoC/Registrar of Companies            | The Registrar of Companies, Maharashtra at Pune                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Selling Shareholders                  | Collectively, Somerset, Kitara, Phi Capital and Mayur Sirdesai (as a partner and acting on behalf of M/s Lotus Management Solutions)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Series A CCPS                         | Series A fully paid-up compulsory convertible preference shares of our Company of face value of ₹123                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Series B CCCPS                        | Series B fully paid-up compulsory convertible cumulative preference shares of our Company of face value of ₹250.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Series C CCPS                         | Series C fully paid-up compulsory convertible preference shares of our Company of face value of ₹250                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Shareholders                          | The holders of the Equity Shares from time to time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Somerset                              | Somerset Indus Healthcare Fund I Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Split                                 | Each equity share of face value of ₹10 each of our Company was split into 2 Equity Shares of face value of ₹5                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Stakeholders Relationship Committee   | The stakeholders’ relationship committee of our Company, described in “ <i>Our Management</i> ” on page 177                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Subsidiaries                          | Subsidiaries of our Company namely, (i) KDPL Diagnostics (Amritsar) Private Limited; (ii) KDPL Diagnostics (Bathinda) Private Limited; (iii) KDPL Diagnostics (Jalandhar) Private Limited; (iv) KDPL Diagnostics (Ludhiana) Private Limited; (v) KDPL Diagnostics (Patiala) Private Limited; (vi) KDPL Diagnostics (SAS Nagar) Private Limited; and (vii) Krsnaa Diagnostics (Mohali) Private Limited                                                                                                                                                                                                                                                                                                                 |



## Offer related terms

| Term                                           | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Abridged Prospectus                            | Abridged prospectus means a memorandum containing such salient features of a prospectus as may be specified by the SEBI in this behalf                                                                                                                                                                                                                                                                                                                                                                                       |
| Acknowledgement Slip                           | The slip or document issued by a Designated Intermediary(ies) to a Bidder as proof of registration of the Bid cum Application Form                                                                                                                                                                                                                                                                                                                                                                                           |
| Allot/ Allotment/ Allotted                     | Unless the context otherwise requires, allotment of Equity Shares offered pursuant to the Fresh Issue and transfer of the Offered Shares by the Selling Shareholders pursuant to the Offer for Sale to successful Bidders                                                                                                                                                                                                                                                                                                    |
| Allotment Advice                               | Note or advice or intimation of Allotment sent to the successful Bidders who have been or are to be Allotted the Equity Shares after the Basis of Allotment has been approved by the Designated Stock Exchange                                                                                                                                                                                                                                                                                                               |
| Allottee                                       | A successful Bidder to whom the Equity Shares are Allotted                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Anchor Investor                                | A Qualified Institutional Buyer, who applied under the Anchor Investor Portion in accordance with the requirements specified in the SEBI ICDR Regulations and the Red Herring Prospectus                                                                                                                                                                                                                                                                                                                                     |
| Anchor Investor Allocation Price               | The price at which Equity Shares were allocated to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus, which was decided by our Company and the Selling Shareholders, in consultation with the BRLMs during the Anchor Investor Bidding Date                                                                                                                                                                                                                                                        |
| Anchor Investor Application Form               | The application form which was used by an Anchor Investor to make a Bid in the Anchor Investor Portion and which was considered as an application for Allotment in terms of the Red Herring Prospectus and this Prospectus                                                                                                                                                                                                                                                                                                   |
| Anchor Investor Bidding Date                   | The day, being one Working Day prior to the Bid/Offer Opening Date, on which Bids by Anchor Investors were submitted, prior to and after which the BRLMs did not accept any Bids from Anchor Investors, and allocation to Anchor Investors was completed                                                                                                                                                                                                                                                                     |
| Anchor Investor Offer Price                    | ₹954, being the final price at which the Equity Shares were issued and Allotted to Anchor Investors in terms of the Red Herring Prospectus and this Prospectus                                                                                                                                                                                                                                                                                                                                                               |
| Anchor Investor Pay-In Date                    | With respect to Anchor Investor(s), is the Anchor Investor Bidding Date, and in the event the Anchor Investor Allocation Price is lower than the Offer Price, not later than two Working Days after the Bid/Offer Closing Date                                                                                                                                                                                                                                                                                               |
| Anchor Investor Portion                        | 60% of the QIB Portion, comprising of 5,628,937* Equity Shares, which was allocated by our Company and the Selling Shareholders in consultation with the BRLMs, to Anchor Investors on a discretionary basis, in accordance with the SEBI ICDR Regulations<br>One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price<br><i>*subject to finalisation of the Basis of Allotment</i> |
| Applications Supported by Blocked Amount/ ASBA | An application, whether physical or electronic, used by ASBA Bidders to make a Bid and authorize an SCSB to block the Bid Amount in the ASBA Account and will include applications made by RIBs using the UPI Mechanism where the Bid Amount will be blocked upon acceptance of UPI Mandate Request by RIBs using the UPI Mechanism                                                                                                                                                                                          |
| ASBA Account                                   | A bank account maintained by ASBA Bidders with an SCSB and specified in the ASBA Form submitted by such ASBA Bidder in which funds were blocked by such SCSB to the extent of the specified in the ASBA Form submitted by such ASBA Bidder and includes a bank account maintained by a Retail Individual Investor linked to a UPI ID, which were blocked in relation to a Bid by a Retail Individual Investor Bidding through the UPI Mechanism                                                                              |
| ASBA Bidders                                   | All Bidders except Anchor Investors                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| ASBA Form                                      | An application form, whether physical or electronic, used by ASBA Bidders to submit Bids which was considered as the application for Allotment in terms of the Red Herring Prospectus and this Prospectus                                                                                                                                                                                                                                                                                                                    |
| Banker(s) to the Offer                         | Collectively, the Escrow Collection Bank(s), Refund Bank(s), Sponsor Bank and Public Offer Account Bank(s), as the case may be                                                                                                                                                                                                                                                                                                                                                                                               |
| Basis of Allotment                             | Basis on which Equity Shares will be Allotted to successful Bidders under the Offer, as described in “Offer Procedure” on page 355                                                                                                                                                                                                                                                                                                                                                                                           |
| Bid                                            | An indication to make an offer during the Bid/Offer Period by an ASBA Bidder pursuant to submission of the ASBA Form, or during the Anchor Investor Bidding Date by an Anchor Investor pursuant to submission of the Anchor Investor Application Form, to subscribe to or purchase the Equity Shares at a price within the Price Band, including all revisions and modifications thereto as permitted under the SEBI ICDR Regulations. The term “Bidding” shall be construed accordingly                                     |

| <b>Term</b>                                           | <b>Description</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
|-------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bid Amount                                            | <p>The highest value of optional Bids indicated in the Bid cum Application Form and payable by the Bidder and, in the case of RIIs Bidding at the Cut off Price, the Cap Price multiplied by the number of Equity Shares Bid for by such RIIs and mentioned in the Bid cum Application Form and payable by the Bidder or blocked in the ASBA Account of the ASBA Bidders, as the case may be, upon submission of the Bid in the Offer, as applicable</p> <p>However, Eligible Employees that applied in the Employee Reservation Portion could apply at the Cut-off Price and the Bid amount was the Cap Price net of Employee Discount, multiplied by the number of Equity Shares Bid for by such Eligible Employee and mentioned in the Bid cum Application Form.</p> |
| Bid cum Application Form                              | The Anchor Investor Application Form or the ASBA Form, as the context requires                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Bid Lot                                               | 15 Equity Shares and in multiples of 15 Equity Shares thereafter                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Bid/ Offer Period                                     | Except in relation to Bid by Anchor Investors, the period between the Bid/Offer Opening Date and the Bid/Offer Closing Date, being August 4, 2021 to August 6, 2021, inclusive of both days                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Bid/Offer Closing Date                                | Except in relation to any Bids received from the Anchor Investors, the date after which the Designated Intermediaries did not accept any Bids, being Friday, August 6, 2021, which was published in all editions of The Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper), and Pune editions of Loksatta (a widely circulated Marathi daily newspaper).                                                                                                                                                                                                                                                                                                           |
| Bid/Offer Opening Date                                | Except in relation to any Bids received from the Anchor Investors, the date on which the Designated Intermediaries started accepting Bids, being Wednesday, August 4, 2021, which was published in all editions of The Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a widely circulated Hindi national daily newspaper), and Pune editions of Loksatta (a widely circulated Marathi daily newspaper)                                                                                                                                                                                                                                                                                                             |
| Bidder                                                | Any prospective investor who made a Bid pursuant to the terms of the Red Herring Prospectus and the Bid cum Application Form and unless otherwise stated or implied, includes an Anchor Investor                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Bidding Centres                                       | Centres at which the Designated Intermediaries accepted the ASBA Forms, i.e., Designated SCSB Branches for SCSBs, Specified Locations for Syndicate, Broker Centres for Registered Brokers, Designated RTA Locations for RTAs and Designated CDP Locations for CDPs                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Book Building Process                                 | Book building process, as provided in Part A of Schedule XIII of the SEBI ICDR Regulations, in terms of which the Offer was made                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Book Running Lead Managers/ BRLMs                     | The book running lead managers to the Offer namely, JM Financial Limited, DAM Capital Advisors Limited ( <i>Formerly IDFC Securities Limited</i> ), Equirus Capital Private Limited and IIFL Securities Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Broker Centres                                        | Broker centres of the Registered Brokers where ASBA Bidders submitted the ASBA Forms, provided that Retail Individual Investors may only submit ASBA Forms at such broker centres if they are Bidding using the UPI Mechanism. The details of such broker centres, along with the names and contact details of the Registered Brokers, are available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )                                                                                                                                                                                                                                            |
| CAN/ Confirmation of Allocation Note                  | Notice or intimation of allocation of the Equity Shares sent to Anchor Investors, who have been allocated the Equity Shares, on/after the Anchor Investor Bidding Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Cap Price                                             | The higher end of the Price Band being ₹954 per Equity Share                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Cash Escrow and Sponsor Bank Agreement                | The agreement dated July 28, 2021, entered into amongst our Company, the Selling Shareholders, the Registrar to the Offer, the BRLMs, and Banker(s) to the Offer in accordance with the UPI Circulars, collection of the Bid Amounts from Anchor Investors, transfer of funds to the Public Offer Account(s) and where applicable remitting refunds, if any, to Bidders, on the terms and conditions thereof                                                                                                                                                                                                                                                                                                                                                            |
| Client ID                                             | Client identification number maintained with one of the Depositories in relation to the Bidder's beneficiary account.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Collecting Depository Participant/ CDP                | A depository participant as defined under the Depositories Act, 1996, registered with SEBI and who was eligible to procure Bids at the Designated CDP Locations as per the list available on the websites of BSE and NSE                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Collecting Registrar and Share Transfer Agents/ CRTAs | Registrar and share transfer agents registered with SEBI and who were eligible to procure Bids at the Designated RTA Locations in terms of, among others, circular no. CIR/CFD/POLICYCELL/11/2015 dated November 10, 2015 issued by SEBI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

| Term                               | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
|------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Cut-off Price                      | <p>Offer Price of ₹954 per Equity Share, finalised by our Company and the Selling Shareholders, in consultation with the BRLMs, which was within the Price Band.</p> <p>Only Retail Individual Investors and Eligible Employees Bidding under the Employee Reservation Portion were entitled to Bid at the Cut-off Price. QIBs and Non-Institutional Investors were not entitled to Bid at the Cut-off Price</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| DAM Capital                        | DAM Capital Advisors Limited ( <i>Formerly IDFC Securities Limited</i> )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Demographic Details                | Details of the Bidders including the Bidder's address, name of the Bidder's father/husband, investor status, occupation and bank account details and UPI ID, where applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| Designated CDP Locations           | Such locations of the CDPs where Bidders could have submitted the ASBA Forms. The details of such Designated CDP Locations, along with names and contact details of the Collecting Depository Participants eligible to accept ASBA Forms were made available on the respective websites of the Stock Exchanges ( <a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a> )                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Designated Date                    | The date on which funds are transferred from the Escrow Account(s) and the amounts blocked are transferred from the ASBA Accounts, as the case may be, to the Public Offer Account(s) or the Refund Account(s), as appropriate, in terms of the Red Herring Prospectus and this Prospectus, after the finalisation of the Basis of Allotment in consultation with the Designated Stock Exchange, following which Equity Shares may be Allotted to successful Bidders in the Offer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Designated Intermediaries          | <p>In relation to ASBA Forms submitted by Retail Individual Investors (not using the UPI Mechanism) authorizing an SCSB to block the Bid Amount in the ASBA Account, Designated Intermediaries shall mean SCSBs.</p> <p>In relation to ASBA Forms submitted by Retail Individual Investors (Bidding using the UPI Mechanism) where the Bid Amount was blocked upon acceptance of UPI Mandate Request by such RII using the UPI Mechanism, Designated Intermediaries shall mean Syndicate, sub-syndicate, Registered Brokers, CDPs and RTAs.</p> <p>In relation to ASBA Forms submitted by QIBs and NIIs, Designated Intermediaries shall mean SCSBs, Syndicate, sub-syndicate, Registered Brokers, CDPs and CRTAs</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Designated RTA Locations           | <p>Such locations of the CRTAs where Bidders could have submitted the ASBA Forms to CRTAs.</p> <p>The details of such Designated CRTA Locations, along with names and contact details of the CRTAs eligible to accept ASBA Forms are available on the respective websites of the Stock Exchanges (<a href="http://www.bseindia.com">www.bseindia.com</a> and <a href="http://www.nseindia.com">www.nseindia.com</a>) and updated from time to time</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Designated SCSB Branches           | Such branches of the SCSBs which could have collected the ASBA Forms, a list of which was made available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes</a> or at such other website as may be prescribed by SEBI from time to time                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Designated Stock Exchange          | National Stock Exchange of India Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Draft Red Herring Prospectus/ DRHP | The draft red herring prospectus dated May 15, 2021 issued in accordance with the SEBI ICDR Regulations, which did not contain complete particulars of the price at which the Equity Shares will be Allotted and the size of the Offer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| Eligible Employee                  | <p>(i) a permanent employee of our Company working in India or out of India; or (ii) a director of our Company, whether whole-time or not but excluding promoter director or an independent director; but excludes: (a) an employee who is the Promoter or belongs to the Promoter Group; (b) a director who either by himself or through his relatives or through any body corporate, directly or indirectly holds more than 10% of the issued and subscribed shares of our Company; and (c) an independent director. It is clarified that Eligible Employees shall only mean those employees who are employees of our Company and are present in India as on the date of the Red Herring Prospectus.</p> <p>The maximum Bid Amount under the Employee Reservation Portion by an Eligible Employee did not exceed ₹500,000. However, the initial Allotment to an Eligible Employee in the Employee Reservation Portion did not exceed ₹200,000. Only in the event of an under-subscription in the Employee Reservation Portion post initial Allotment, such unsubscribed portion may be Allotted on a proportionate basis to Eligible Employees Bidding in the Employee Reservation Portion, for a value in excess of ₹200,000, subject to the total Allotment to an Eligible Employee not exceeding ₹500,000.</p> |
| Eligible FPI(s)                    | FPIs that were eligible to participate in this Offer in terms of applicable laws, other than individuals, corporate bodies and family offices                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |

| Term                              | Description                                                                                                                                                                                                                                                                                                                                                         |
|-----------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Eligible NRI(s)                   | A non-resident Indian, resident in a jurisdiction outside India where it is not unlawful to make an offer or invitation under the Offer and in relation to whom the Red Herring Prospectus and the Bid Cum Application Form constitutes an invitation to subscribe or purchase for the Equity Shares                                                                |
| Employee Discount                 | Our Company and the Selling Shareholders, in consultation with the BRLMs, has offered a discount of ₹93 per Equity Share (9.75% to the Offer Price) to Eligible Employees and which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.                                                                                               |
| Employee Reservation Portion      | 232,288* Equity Shares aggregating ₹200.00 million, available for allocation to Eligible Employees, on a proportionate basis.<br><i>*subject to finalisation of Basis of Allotment</i>                                                                                                                                                                              |
| Equirus                           | Equirus Capital Private Limited                                                                                                                                                                                                                                                                                                                                     |
| Escrow Account(s)                 | Account(s) to be opened with the Escrow Collection Bank(s) and in whose favour the Anchor Investors transferred money through direct credit/NEFT/RTGS/NACH in respect of the Bid Amount when submitting a Bid                                                                                                                                                       |
| Escrow Collection Bank(s)         | The Bank(s) which are clearing members and registered with SEBI as bankers to an issue and with whom the Escrow Account(s) has been opened, in this case being ICICI Bank Limited                                                                                                                                                                                   |
| First Bidder                      | Bidder whose name is mentioned in the Bid cum Application Form or the Revision Form and in case of joint Bids, whose name shall also appear as the first holder of the beneficiary account held in joint names                                                                                                                                                      |
| Floor Price                       | The lower end of the Price Band being ₹933                                                                                                                                                                                                                                                                                                                          |
| Fresh Issue                       | The fresh issue of 4,215,516* Equity Shares by our Company, at ₹954 per Equity Share (including a premium of ₹949 per Equity Share) aggregating to ₹4,000.00* million pursuant to the Red Herring Prospectus and this Prospectus.<br><i>*subject to finalisation of the Basis of Allotment</i>                                                                      |
| General Information Document      | The General Information Document for investing in public offers, prepared and issued in accordance with the circular (SEBI/HO/CFD/DIL1/CIR/P/2020/37) dated March 17, 2020 issued by SEBI, suitably modified and updated pursuant to, among others, the circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 issued by SEBI                               |
| IIFL                              | IIFL Securities Limited                                                                                                                                                                                                                                                                                                                                             |
| JM                                | JM Financial Limited                                                                                                                                                                                                                                                                                                                                                |
| June 2021 Circular                | SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021                                                                                                                                                                                                                                                                                                |
| March 2021 Circular               | SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021                                                                                                                                                                                                                                                                                         |
| Monitoring Agency                 | ICICI Bank Limited                                                                                                                                                                                                                                                                                                                                                  |
| Monitoring Agency Agreement       | Agreement dated July 28, 2021, entered into between our Company and the Monitoring Agency, as applicable                                                                                                                                                                                                                                                            |
| Mutual Fund Portion               | 5% of the Net QIB Portion, or 187,632 Equity Shares, which shall be available for allocation to Mutual Funds only on a proportionate basis, subject to valid Bids being received at or above the Offer Price                                                                                                                                                        |
| Mutual Funds                      | Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996                                                                                                                                                                                                                                                 |
| Net Offer                         | The Offer less the Employee Reservation Portion                                                                                                                                                                                                                                                                                                                     |
| Net Proceeds                      | The proceeds from the Fresh Issue less the Offer related expenses applicable to the Fresh Issue                                                                                                                                                                                                                                                                     |
| Net QIB Portion                   | The portion of the QIB Portion less the number of Equity Shares Allotted to the Anchor Investors                                                                                                                                                                                                                                                                    |
| Non-Institutional Investors/ NIIs | All Bidders that are not QIBs or Retail Individual Investors and who have Bid for Equity Shares for an amount more than ₹200,000 (but not including NRIs other than Eligible NRIs)                                                                                                                                                                                  |
| Non-Institutional Portion         | The portion of the Net Offer being not more than 15% of the Net Offer, consisting of 1,876,312* Equity Shares, which were available for allocation on a proportionate basis to Non-Institutional Investors<br><i>*subject to finalisation of the Basis of Allotment</i>                                                                                             |
| Non-Resident                      | A person resident outside India, as defined under FEMA and includes NRIs, FPIs and FVCIs                                                                                                                                                                                                                                                                            |
| Offer                             | The initial public offering of 12,741,036* Equity Shares for cash at a price of ₹954 each (including a discount of ₹93 to Eligible Employees), aggregating to ₹12,133.35 million comprising the Fresh Issue and the Offer for Sale. The Offer comprises the Net Offer and Employee Reservation Portion<br><i>*subject to finalisation of the Basis of Allotment</i> |

| Term                                              | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
|---------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Offer Agreement                                   | The agreement dated May 15, 2021 as amended pursuant to the amendment to the Offer Agreement dated July 24, 2021, entered into among our Company, the Selling Shareholders and the BRLMs, pursuant to which certain arrangements are agreed to in relation to the Offer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Offer for Sale                                    | The offer for sale of 8,525,520* Equity Shares aggregating to ₹8133.35 million, comprising 1,600,000* Equity Shares aggregating to ₹1,526.40 million by Phi Capital, to 3,340,713* Equity Shares aggregating to ₹3,187.04 million by Kitara, 3,563,427 Equity Shares aggregating to ₹3,399.51 million by Somerset and 21,380 Equity Shares* aggregating to ₹20.40 million by Lotus Management Solutions (acting through Mayur Sirdesai)<br><i>*subject to finalisation of the Basis of Allotment</i>                                                                                                                                                                                                                                                                                                                      |
| Offer Price                                       | ₹954 per Equity Share, being the final price within the Price Band, at which Equity Shares will be Allotted to successful Bidders, other than Anchor Investors. Equity Shares will be Allotted to Anchor Investors at the Anchor Investor Offer Price in terms of the Red Herring Prospectus. The Offer Price will be decided by our Company and the Selling Shareholders, in consultation with the BRLMs on the Pricing Date, in accordance with the Book Building Process and in terms of the Red Herring Prospectus and this Prospectus.<br><br>A discount of ₹93 per Equity Share (9.75% on the Offer Price) has been offered to Eligible Employees bidding in the Employee Reservation Portion. This Employee Discount, has been decided by our Company and the Selling Shareholders, in consultation with the BRLMs |
| Offered Shares                                    | The cumulative number of Equity Shares being offered by the Selling Shareholders in the Offer for Sale comprising of an aggregate of to 8,525,520* Equity Shares aggregating to ₹8133.35 million<br><i>*subject to finalisation of the Basis of Allotment</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| Price Band                                        | Price band ranging from ₹933 per Equity Share (Floor Price) and the maximum price of ₹954 per Equity Share (Cap Price).                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Pricing Date                                      | The date on which our Company and the Selling Shareholders in consultation with the BRLMs, will finalise the Offer Price                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Prospectus                                        | This Prospectus dated August 10, 2021 to be filed with the RoC in accordance with the Companies Act, 2013, and the SEBI ICDR Regulations containing, <i>inter alia</i> , the Offer Price, the size of the Offer and certain other information, including any addenda or corrigenda thereto                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |
| Public Offer Account Bank(s)                      | The banks with which the Public Offer Account(s) is opened for collection of Bid Amounts from Escrow Account(s) and ASBA Accounts on the Designated Date, in this case being ICICI Bank Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Public Offer Account(s)                           | Bank account(s) opened with the Public Offer Account Bank(s) under Section 40(3) of the Companies Act, 2013, to receive monies from the Escrow Account(s) and ASBA Accounts on the Designated Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| QIB Category/ QIB Portion                         | The portion of the Net Offer (including the Anchor Investor Portion) being not less than 75% of the Net Offer, consisting of 9,381,562* Equity Shares aggregating to ₹8,950.01 million which was Allotted to QIBs (including Anchor Investors) on a proportionate basis, including the Anchor Investor Portion (in which allocation shall be on a discretionary basis, as determined by our Company and the Selling Shareholders in consultation with the BRLMs), subject to valid Bids being received at or above the Offer Price<br><i>*subject to finalisation of the Basis of Allotment</i>                                                                                                                                                                                                                           |
| Qualified Institutional Buyers/ QIBs/ QIB Bidders | Qualified institutional buyers as defined under Regulation 2(1)(ss) of the SEBI ICDR Regulations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Red Herring Prospectus/ RHP                       | The red herring prospectus dated July 29, 2021, read together with the corrigendum to the red herring prospectus dated August 5, 2021 issued in accordance with Section 32 of the Companies Act, 2013 and the provisions of the SEBI ICDR Regulations, which did not have complete particulars of the price at which the Equity Shares will be offered and the size of the Offer                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Refund Account(s)                                 | The account(s) opened with the Refund Bank(s), from which refunds, if any, of the whole or part of the Bid Amount to the Anchor Investors shall be made                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| Refund Bank(s)                                    | The Banker(s) to the Offer with whom the Refund Account(s) has been opened, in this case being ICICI Bank Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Registered Brokers                                | Stock brokers registered with the stock exchanges having nationwide terminals, other than the members of the Syndicate who were eligible to procure Bids in terms of circular number CIR/CFD/14/2012 dated October 4, 2012, issued by SEBI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                |

| Term                                                          | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Registrar Agreement                                           | The agreement dated May 13, 2021 among our Company, the Selling Shareholders and the Registrar to the Offer in relation to the responsibilities and obligations of the Registrar to the Offer                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Registrar to the Offer/ Registrar                             | KFin Technologies Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| Retail Individual Investors(s)/ RII(s)                        | Individual Bidders, who have Bid for the Equity Shares for an amount not more than ₹200,000 in any of the bidding options in the Offer (including HUFs applying through their Karta and Eligible NRIs and does not include NRIs other than Eligible NRIs)                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| Retail Portion                                                | The portion of the Net Offer being not more than 10% of the Net Offer consisting of 1,250,874* Equity Shares aggregating to ₹1,193.33 million, which was available for allocation to Retail Individual Investors in accordance with the SEBI ICDR Regulations (subject to valid Bids being received at or above the Offer Price)<br><i>*subject to finalisation of the Basis of Allotment</i>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Revision Form                                                 | Form used by the Bidders to modify the quantity of the Equity Shares or the Bid Amount in any of their ASBA Form(s) or any previous Revision Form(s) QIB Bidders and Non-Institutional Investors are not allowed to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion were allowed to revise their Bids during the Bid/Offer Period and withdraw their Bids until Bid/Offer Closing Date                                                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Self-Certified Syndicate Bank(s)/ SCSB(s)                     | (i) The banks registered with SEBI, offering services in relation to ASBA (other than through UPI Mechanism), a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=34</a> or <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=35</a> , as applicable, or such other website as updated from time to time, and<br>(ii) The banks registered with SEBI, enabled for UPI Mechanism, a list of which is available on the website of SEBI at <a href="https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40">https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&amp;intmId=40</a> or such other website as updated from time to time |
| Share Escrow Agent                                            | Escrow agent appointed pursuant to the Share Escrow Agreement, namely, KFin Technologies Private Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Share Escrow Agreement                                        | Agreement dated July 28, 2021, entered into amongst the Selling Shareholders, our Company and the Share Escrow Agent in connection with the transfer of Equity Shares under the Offer by the Selling Shareholders and credit of such Equity Shares to the demat account of the Allottees                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Specified Locations                                           | Bidding centres where the Syndicate accepted ASBA Forms from Bidders, a list of which will be included in the Bid cum Application Form                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
| Sponsor Bank                                                  | The Banker to the Offer registered with SEBI, which has been appointed by our Company to act as a conduit between the Stock Exchanges and NPCI in order to push the UPI Mandate Request and/or payment instructions of the RIIs using the UPI and carry out other responsibilities, in terms of the UPI Circulars, in this case being ICICI Bank Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Stock Exchanges                                               | Collectively, BSE Limited and National Stock Exchange of India Limited.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Syndicate Agreement                                           | Agreement dated July 28, 2021, into among our Company, the Selling Shareholders, the BRLMs and the Syndicate Members in relation to collection of Bid cum Application Forms by Syndicate                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Syndicate Members                                             | Intermediaries (other than the BRLMs) registered with SEBI who were permitted to accept bids, applications and place order with respect to the Offer and carry out activities as an underwriter, namely, Equirus Securities Private Limited, JM Financial Services Limited and Sharekhan Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| Syndicate/members of the Syndicate                            | Together, the BRLMs and the Syndicate Members                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| Systemically Important Non-Banking Financial Company/ NBFC-SI | Systemically important non-banking financial company as defined under Regulation 2(1)(iii) of the SEBI ICDR Regulations                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| Underwriters                                                  | JM Financial Limited, DAM Capital Advisors Limited (Formerly IDFC Securities Limited), Equirus Capital Private Limited, IIFL Securities Limited, Equirus Securities Private Limited, JM Financial Services Limited and Sharekhan Limited                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Underwriting Agreement                                        | The agreement dated August 10, 2021 among the Underwriters, our Company and the Selling Shareholders                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
| UPI                                                           | Unified Payments Interface, which is an instant payment mechanism, developed by NPCI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              |

| Term                | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
|---------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| UPI Circulars       | The SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/138 dated November 1, 2018, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/50 dated April 3, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, SEBI circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019, SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020, SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2021/2480/1/M dated March 16, 2021, SEBI circular no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021 read with SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021 with and any subsequent circulars or notifications issued by SEBI in this regard |
| UPI ID              | ID created on Unified Payment Interface (UPI) for single-window mobile payment system developed by the NPCI                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| UPI Mandate Request | A request (intimating the Retail Individual Investor, by way of a notification on the UPI linked mobile application as disclosed by SCSBs on the website of SEBI and by way of an SMS directing the Retail Individual Investor to such UPI linked mobile application) to the Retail Individual Investor using the UPI Mechanism initiated by the Sponsor Bank to authorize blocking of funds equivalent to the Bid Amount in the relevant ASBA Account through the UPI linked mobile application, and the subsequent debit of funds in case of Allotment                                                                                                                                                                                          |
| UPI Mechanism       | The Bidding mechanism that may be used by Retail Individual Investors to make Bids in the Offer in accordance with UPI Circulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| UPI PIN             | Password to authenticate UPI transaction                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| Working Day         | All days on which commercial banks in Mumbai, Maharashtra, India are open for business, provided however, for the purpose of announcement of the Price Band and the Bid/Offer Period, "Working Day" shall mean all days, excluding all Saturdays, Sundays and public holidays on which commercial banks in Mumbai, Maharashtra, India are open for business and the time period between the Bid/Offer Closing Date and listing of the Equity Shares on the Stock Exchanges, "Working Day" shall mean all trading days of the Stock Exchanges excluding Sundays and bank holidays in India in accordance with circulars issued by SEBI                                                                                                             |

### Conventional and general terms and abbreviations

| Term                               | Description                                                                                                                                          |
|------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------|
| ₹/Rs./Rupees/INR                   | Indian Rupees                                                                                                                                        |
| A/c                                | Account                                                                                                                                              |
| AIFs                               | Alternative investment funds as defined in and registered under the SEBI AIF Regulations                                                             |
| BSE                                | BSE Limited                                                                                                                                          |
| CAGR                               | Compounded Annual Growth Rate                                                                                                                        |
| Calendar Year or year              | Unless the context otherwise requires, shall refer to the twelve month period ending December 31                                                     |
| CDSL                               | Central Depository Services (India) Limited                                                                                                          |
| Companies Act, 1956                | Companies Act, 1956, and the rules, regulations, notifications, modifications and clarifications made thereunder, as the context requires            |
| Companies Act, 2013/ Companies Act | Companies Act, 2013 and the rules, regulations, notifications, modifications and clarifications thereunder, to the extent notified                   |
| COVID-19                           | A public health emergency of international concern as declared by the World Health Organization on January 30, 2020 and a pandemic on March 11, 2020 |
| CSR                                | Corporate social responsibility                                                                                                                      |
| Demat                              | Dematerialised                                                                                                                                       |
| Depositories Act                   | Depositories Act, 1996                                                                                                                               |
| Depository or Depositories         | NSDL and CDSL                                                                                                                                        |
| DIN                                | Director Identification Number                                                                                                                       |
| DP ID                              | Depository Participant's Identification Number                                                                                                       |
| DP/ Depository Participant         | A depository participant as defined under the Depositories Act                                                                                       |
| DPIIT                              | The Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry                                                       |
| EBITDA                             | Earnings before interest, tax, depreciation and amortisation                                                                                         |
| EEA                                | European Economic Area                                                                                                                               |
| EGM                                | Extraordinary general meeting                                                                                                                        |
| EPS                                | Earnings per share                                                                                                                                   |
| FDI                                | Foreign direct investment                                                                                                                            |

| Term                             | Description                                                                                                                                                                                                                                                                                                                                                                                                                                                              |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| FEMA                             | Foreign Exchange Management Act, 1999, including the rules and regulations thereunder                                                                                                                                                                                                                                                                                                                                                                                    |
| FEMA Rules                       | Foreign Exchange Management (Non-debt Instruments) Rules, 2019                                                                                                                                                                                                                                                                                                                                                                                                           |
| Financial Year, Fiscal, FY/ F.Y. | Period of twelve months ending on March 31 of that particular year, unless stated otherwise                                                                                                                                                                                                                                                                                                                                                                              |
| FPI(s)                           | A foreign portfolio investor who has been registered pursuant to the SEBI FPI Regulations                                                                                                                                                                                                                                                                                                                                                                                |
| Fugitive Economic Offender       | A fugitive economic offender as defined under the Fugitive Economic Offenders Act, 2018                                                                                                                                                                                                                                                                                                                                                                                  |
| FVCI                             | Foreign Venture Capital Investors (as defined under the Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000) registered with SEBI                                                                                                                                                                                                                                                                                               |
| GDP                              | Gross domestic product                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| GoI                              | Government of India                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| GST                              | Goods and services tax                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| HUF                              | Hindu undivided family                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| I.T. Act                         | The Income Tax Act, 1961                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| ICAI                             | The Institute of Chartered Accountants of India                                                                                                                                                                                                                                                                                                                                                                                                                          |
| ICDS                             | Income Computation and Disclosure Standards                                                                                                                                                                                                                                                                                                                                                                                                                              |
| IFRS                             | International Financial Reporting Standards                                                                                                                                                                                                                                                                                                                                                                                                                              |
| IGAAP                            | In accordance with the accounting principles generally accepted in India, including the Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards Amendment) Rules, 2016 (as amended)                                                                                                                                                                 |
| Ind AS                           | The Indian Accounting Standards notified under Section 133 of the Companies Act and referred to in the Ind AS Rules                                                                                                                                                                                                                                                                                                                                                      |
| Ind AS Rules                     | Companies (Indian Accounting Standards) Rules, 2015                                                                                                                                                                                                                                                                                                                                                                                                                      |
| IPO                              | Initial public offer                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| IRDAI                            | Insurance Regulatory Development Authority of India                                                                                                                                                                                                                                                                                                                                                                                                                      |
| IT                               | Information technology                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| MCA                              | Ministry of Corporate Affairs, Government of India.                                                                                                                                                                                                                                                                                                                                                                                                                      |
| Mn/ mn                           | Million                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| N.A. or NA                       | Not applicable                                                                                                                                                                                                                                                                                                                                                                                                                                                           |
| NACH                             | National Automated Clearing House                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| NAV                              | Net asset value                                                                                                                                                                                                                                                                                                                                                                                                                                                          |
| NEFT                             | National electronic fund transfer                                                                                                                                                                                                                                                                                                                                                                                                                                        |
| Non-Resident                     | A person resident outside India, as defined under FEMA                                                                                                                                                                                                                                                                                                                                                                                                                   |
| NPCI                             | National payments corporation of India                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| NRE Account                      | Non-resident external account established in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016                                                                                                                                                                                                                                                                                                                                                 |
| NRI/ Non-Resident Indian         | A person resident outside India who is a citizen of India as defined under the Foreign Exchange Management (Deposit) Regulations, 2016 or is an 'Overseas Citizen of India' cardholder within the meaning of section 7(A) of the Citizenship Act, 1955                                                                                                                                                                                                                   |
| NSDL                             | National Securities Depository Limited                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| NSE                              | National Stock Exchange of India Limited                                                                                                                                                                                                                                                                                                                                                                                                                                 |
| OCB/ Overseas Corporate Body     | A company, partnership, society or other corporate body owned directly or indirectly to the extent of at least 60% by NRIs including overseas trusts in which not less than 60% of the beneficial interest is irrevocably held by NRIs directly or indirectly and which was in existence on October 3, 2003 and immediately before such date had taken benefits under the general permission granted to OCBs under the FEMA. OCBs are not allowed to invest in the Offer |
| OPBDIT                           | Operating profit before depreciation, interest and tax                                                                                                                                                                                                                                                                                                                                                                                                                   |
| P/E Ratio                        | Price/earnings ratio                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| PAN                              | Permanent account number allotted under the I.T. Act                                                                                                                                                                                                                                                                                                                                                                                                                     |
| RBI                              | Reserve Bank of India                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| Regulation S                     | Regulation S under the U.S. Securities Act                                                                                                                                                                                                                                                                                                                                                                                                                               |
| RONW                             | Return on net worth                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
| RTGS                             | Real time gross settlement                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| Rule 144A                        | Rule 144A under the U.S. Securities Act                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| SCRA                             | Securities Contracts (Regulation) Act, 1956                                                                                                                                                                                                                                                                                                                                                                                                                              |
| SCRR                             | Securities Contracts (Regulation) Rules, 1957                                                                                                                                                                                                                                                                                                                                                                                                                            |
| SEBI                             | Securities and Exchange Board of India constituted under the SEBI Act                                                                                                                                                                                                                                                                                                                                                                                                    |
| SEBI Act                         | Securities and Exchange Board of India Act, 1992                                                                                                                                                                                                                                                                                                                                                                                                                         |
| SEBI AIF Regulations             | Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012                                                                                                                                                                                                                                                                                                                                                                                  |



| <b>Term</b>                       | <b>Description</b>                                                                                                           |
|-----------------------------------|------------------------------------------------------------------------------------------------------------------------------|
| SEBI FPI Regulations              | Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019                                       |
| SEBI FVCI Regulations             | Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000                                 |
| SEBI ICDR Regulations             | Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018                      |
| SEBI Listing Regulations          | Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015                   |
| SEBI Merchant Bankers Regulations | Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992                                                  |
| SEBI Takeover Regulations         | Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011                   |
| SEBI VCF Regulations              | Securities and Exchange Board of India (Venture Capital Fund) Regulations, 1996 as repealed pursuant to SEBI AIF Regulations |
| State Government                  | Government of a state of India                                                                                               |
| US GAAP                           | Generally Accepted Accounting Principles in the United States of America                                                     |
| USA/ U.S. / US                    | The United States of America                                                                                                 |
| USD / US\$                        | United States Dollars                                                                                                        |
| U.S. Securities Act               | United States Securities Act of 1933, as amended                                                                             |
| VCFs                              | Venture capital funds as defined in, and registered with SEBI under, the SEBI VCF Regulations                                |
| Wilful Defaulter                  | Wilful Defaulter as defined under Regulation 2(1)(III) of the SEBI ICDR Regulations                                          |

## Technical and industry related terms

| Term                  | Description                                                                                                                                                                                                                       |
|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Adjusted EBITDA       | Adjusted EBITDA means profit / (loss) for the period plus income tax expense plus finance costs plus depreciation and amortization expenses plus loss / (gain) on fair value movement of Compulsory Convertible Preference Shares |
| Adjusted Total Income | Adjusted Total Income means total income minus gain on fair value movement of Compulsory Convertible Preference Shares                                                                                                            |
| BMD                   | Bone Mineral Densitometry                                                                                                                                                                                                         |
| CBC                   | Complete Blood Count                                                                                                                                                                                                              |
| CT                    | Computed Tomography                                                                                                                                                                                                               |
| DEXA                  | Dual Energy X-ray Absorptiometry                                                                                                                                                                                                  |
| EQAS                  | External Quality Assurance Services                                                                                                                                                                                               |
| ERP                   | Enterprise Resource Planning                                                                                                                                                                                                      |
| FDI                   | Free Diagnostic Initiative                                                                                                                                                                                                        |
| ICMR                  | Indian Council of Medical Research                                                                                                                                                                                                |
| IIT                   | Indian Institute of Technology                                                                                                                                                                                                    |
| IMS                   | Information Management System                                                                                                                                                                                                     |
| ISO                   | International Organizations for Standardization                                                                                                                                                                                   |
| MoHFW                 | Ministry of Health and Family Welfare, Government of India                                                                                                                                                                        |
| MRI                   | Magnetic Resonance Imaging                                                                                                                                                                                                        |
| NABL                  | National Accreditation Board for Testing and Calibration Laboratories                                                                                                                                                             |
| NABH                  | National Accreditation Board for Hospitals & Healthcare Providers                                                                                                                                                                 |
| NCD                   | Non-Communicable Disease                                                                                                                                                                                                          |
| NHM                   | National Health Mission                                                                                                                                                                                                           |
| NSS                   | National Sample Survey                                                                                                                                                                                                            |
| OEM                   | Original Equipment Manufacturer                                                                                                                                                                                                   |
| PACS                  | Picture Archiving and Communications System                                                                                                                                                                                       |
| PET-CT                | Positron Emission Tomography–Computed Tomography                                                                                                                                                                                  |
| PHSC                  | Punjab Health Systems Corporation                                                                                                                                                                                                 |
| PMASBY                | Pradhan Mantri Atma Nirbhar Swasth Bharat Yojana                                                                                                                                                                                  |
| PMJAY                 | Pradhan Mantri Jan Arogya Yojana                                                                                                                                                                                                  |
| PPP                   | Public private partnership                                                                                                                                                                                                        |
| RT-PCR                | Reverse Transcription Polymerase Chain Reaction                                                                                                                                                                                   |
| SDG                   | Sustainable Development Goal                                                                                                                                                                                                      |
| TRF                   | Test Requisition Form                                                                                                                                                                                                             |
| USG                   | Ultrasound (Sonography)                                                                                                                                                                                                           |
| VGF                   | Viability Gap Funding                                                                                                                                                                                                             |

## **CERTAIN CONVENTIONS, USE OF FINANCIAL INFORMATION AND MARKET DATA AND CURRENCY OF PRESENTATION**

### **Certain Conventions**

All references in this Prospectus to “India” are to the Republic of India and its territories and possessions and all references herein to the “Government”, “Indian Government”, “GoI”, “Central Government” or the “State Government” are to the Government of India, central or state, as applicable.

All references herein to the “US”, the “U.S.” or the “United States” are to the United States of America and its territories and possessions.

Unless indicated otherwise, all references to page numbers in this Prospectus are to page numbers of this Prospectus.

### **Financial Data**

Unless stated or the context requires otherwise, the financial information in this Prospectus is derived from our Restated Financial Statements.

Our Company’s financial year commences on April 1 of the immediately preceding calendar year and ends on March 31 of that particular calendar year, so all references to a particular financial year or fiscal are to the 12-month period commencing on April 1 of the immediately preceding calendar year and ending on March 31 of that particular calendar year. Unless the context requires otherwise, all references to a year in this Prospectus are to a calendar year and references to a Fiscal/Fiscal Year are to the year ended on March 31, of that calendar year. Certain other financial information pertaining to our Group Companies is derived from their respective audited financial statements.

### **Restated Financial Statements and transition from Indian GAAP to Ind AS**

Our Restated Financial Statements have been compiled from (i) our audited financial statements as at and for the year ended March 31, 2021, prepared in accordance with Ind AS; and (ii) our audited financial statements as at and for the years ended March 31, 2020 and 2019 prepared in accordance with Indian GAAP.

Further, in order to comply with the requirements of the SEBI ICDR Regulations, (a) our audited financial statements as at and for the Fiscal ended March 31, 2020, which were prepared in accordance with Indian GAAP, were subjected to a special purpose audit as per Ind AS by our Statutory Auditors; and (b) our audited financial statements as at and for the Fiscal ended March 31, 2019, which were audited in accordance with Indian GAAP, have been converted into Ind AS, on a proforma basis in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 and Guidance Note on Reports in Company Prospectus (Revised 2019) issued by the ICAI.

Our Restated Financial Statements have been prepared in terms of the requirements of Section 26 of the Companies Act, the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time.

There are significant differences between Ind AS, US GAAP and IFRS. Our Company does not provide reconciliation of its financial information to IFRS or US GAAP. We have not attempted to explain those differences or quantify their impact on the financial data included in this Prospectus and it is urged that you consult your own advisors regarding such differences and their impact on our Company’s financial data. For details in connection with risks involving differences between Ind AS, U.S. GAAP and IFRS see “*Risk Factors – Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.*”. The degree to which the financial information included in this Prospectus will provide meaningful information is entirely dependent on the reader’s level of familiarity with Indian accounting policies and practices, the Companies Act, 2013 and the SEBI ICDR Regulations. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Prospectus should accordingly be limited.

## Non-GAAP Financial Measures

Certain non-GAAP and certain other statistical information relating to our operations and financial measures relating to our financial performance such as, Adjusted EBITDA, Adjusted EBITDA Margin, Adjusted Total Income, EBITDA, Return on Net Worth, net worth, net asset value per share and debt equity ratio have been included in this Prospectus. We compute and disclose such non-GAAP financial measures relating to our financial performance as we consider such information to be useful measures of our business and financial performance. These non-GAAP financial measures and other statistical and other information relating to operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore, may not be comparable to financial measures of similar nomenclature that may be computed and presented by other companies and are not measures of operating performance or liquidity defined by Ind AS and may not be comparable to similarly titled measures presented by other companies.

Unless the context otherwise indicates, any percentage amounts, as set forth in “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 24, 142 and 288, respectively, and elsewhere in this Prospectus have been calculated on the basis of our Restated Financial Statements.

In this Prospectus, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures in decimals have been rounded off to the second decimal and all percentage figures have been rounded off to two decimal places. In certain instances, (i) the sum or percentage change of such numbers may not conform exactly to the total figure given; and (ii) the sum of the numbers in a column or row in certain tables may not conform exactly to the total figure given for that column or row.

Further, any figures sourced from third party industry sources may be rounded off to other than to the second decimal to conform to their respective sources.

## Industry and Market Data

Unless stated otherwise, industry and market data used in this Prospectus has been obtained or derived from the report titled “Assessment of the diagnostic industry in India with a special focus on government spending” dated July 2021 by CRISIL (“**CRISIL Report**”) and publicly available information as well as other industry publications and sources. The CRISIL Report has been commissioned by our Company and has been exclusively prepared for the purpose of the Offer. CRISIL Limited was appointed by our Company on February 20, 2021. CRISIL submitted the CRISIL Report to our Company on May 14, 2021 and a further updated version on July 23, 2021. The CRISIL Report is subject to the following disclaimer:

*“CRISIL Research, a division of CRISIL Limited (CRISIL) has taken due care and caution in preparing this report (Report) based on the Information obtained by CRISIL from sources which it considers reliable. However, CRISIL does not guarantee the accuracy, adequacy or completeness of the Data / Report and is not responsible for any errors or omissions or for the results obtained from the use of Data / Report. This Report is not a recommendation to invest / disinvest in any entity covered in the Report and no part of this Report should be construed as an expert advice or investment advice or any form of investment banking within the meaning of any law or regulation. CRISIL especially states that it has no liability whatsoever to the subscribers / users / transmitters/ distributors of this Report. Without limiting the generality of the foregoing, nothing in the Report is to be construed as CRISIL providing or intending to provide any services in jurisdictions where CRISIL does not have the necessary permission and/or registration to carry out its business activities in this regard. Krsnaa Diagnostics Limited will be responsible for ensuring compliances and consequences of non-compliances for use of the Report or part thereof outside India. CRISIL Research operates independently of, and does not have access to information obtained by CRISIL’s Ratings Division / CRISIL Risk and Infrastructure Solutions Ltd (CRIS), which may, in their regular operations, obtain information of a confidential nature. The views expressed in this Report are that of CRISIL Research and not of CRISIL’s Ratings Division / CRIS. No part of this Report may be published/reproduced in any form without CRISIL’s prior written approval.”*

Although we believe that the industry and market data used in this Prospectus is reliable, it has not been independently verified by us, the Selling Shareholders, the BRLMs, or any of our or their respective affiliates or advisors, and none of these parties makes any representation as to the accuracy of this information. The data used in these sources may have been reclassified by us for the purposes of presentation and may also not be comparable. Industry sources and publications may also base their information on estimates and assumptions that may prove to be incorrect. The extent to which the industry and market data presented in this Prospectus is meaningful

depends upon the reader's familiarity with, and understanding of, the methodologies used in compiling such information. There are no standard data gathering methodology in the industry in which our Company conducts business and methodologies and assumptions may vary widely among different market and industry sources. Such information involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those discussed in *“Risk Factors - Industry information included in this Prospectus has been derived from the CRISIL Report prepared by CRISIL Limited and exclusively commissioned and paid for by our Company for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate”* on page 42.

In accordance with the SEBI ICDR Regulations, the section *“Basis for the Offer Price”* on page 108 includes information relating to our peer group companies. Such information has been derived from publicly available sources, and neither we nor the BRLMs have independently verified such information.

## Currency and Units of Presentation

All references to *“Rupees”* or *“₹”* or *“Rs.”* are to Indian Rupees, the official currency of the Republic of India.

All references to *“U.S.\$”*, *“U.S. Dollar”*, *“USD”* or *“U.S. Dollars”* are to United States Dollars, the official currency of the United States of America.

In this Prospectus, our Company has presented certain numerical information. All figures have been expressed in millions. One million represents ‘10 lakhs’ or 1,000,000. However, figures that have been sourced from third-party industry sources may be expressed in denominations other than millions and such figures appear in this Prospectus expressed in such denominations as provided in their respective sources.

## Time

All references to time in this Prospectus are to Indian Standard Time. Unless indicated otherwise, all references to a year in this Prospectus are to a calendar year.

## Exchange Rates

This Prospectus may contain conversions of certain other currency amounts into Indian Rupees that have been presented solely to comply with the requirements of the SEBI ICDR Regulations. These conversions should not be construed as a representation that such currency amounts could have been, or can be converted into Indian Rupees, at any particular rate, or at all.

The exchange rates of USD into Indian Rupees for the periods indicated are provided below.

(in ₹)

| Currency | Exchange rate as on |                |                               |
|----------|---------------------|----------------|-------------------------------|
|          | March 31, 2021      | March 31, 2020 | March 31, 2019 <sup>(1)</sup> |
| 1 USD    | 73.50               | 75.39          | 69.17                         |

Source: [www.rbi.org.in](http://www.rbi.org.in) and [www.fbil.org.in](http://www.fbil.org.in)

<sup>(1)</sup> Exchange rate as on March 29, 2019, as FBIL reference rate is not available for March 30, 2019 and March 31, 2019 being a Saturday and Sunday, respectively.

## Notice to Prospective Investors in the United States

The Equity Shares have not been recommended by any U.S. federal or state securities commission or regulatory authority. Furthermore, the foregoing authorities have not confirmed the accuracy or determined the adequacy of this Prospectus or approved or disapproved the Equity Shares. Any representation to the contrary is a criminal offence in the United States. In making an investment decision, investors must rely on their own examination of our Company and the terms of the Offer, including the merits and risks involved. The Equity Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the **“U.S. Securities Act”**) or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (a) in the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Prospectus as **“U.S. QIBs”**) in transactions exempt from the registration requirements of the U.S. Securities Act and (b) outside the United States in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales are made.

For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”.

### **Notice to Prospective Investors in the European Economic Area and the United Kingdom**

This Prospectus has been prepared on the basis that all offers of Equity shares in Member States of the European Economic Area (“**EEA**”) (each a “**Member State**”) or the United Kingdom (“**UK**”) will be made pursuant to an exemption under the Prospectus Regulation from the requirement to produce a prospectus for offers of Equity Shares. The expression “Prospectus Regulation” means Regulation (EU) 2017/1129 of the European Parliament and Council EC (and amendments thereto). Accordingly, any person making or intending to make an offer within the EEA or the UK of Equity Shares which are the subject of the placement contemplated in this Prospectus should only do so in circumstances in which no obligation arises for our Company, any of the Selling Shareholders or any of the members of the BRLMs to produce a prospectus for such offer. None of our Company, the Selling Shareholders and the BRLMs have authorised, nor do they authorise, the making of any offer of Equity Shares through any financial intermediary, other than the offers made by the Members of the Syndicate which constitute the final placement of Equity Shares contemplated in this Prospectus.

### **Information to Distributors**

Solely for the purposes of the product governance requirements contained within: (a) EU Directive 2014/65/EU on markets in financial instruments, as amended (“**MiFID II**”); (b) Articles 9 and 10 of Commission Delegated Directive (EU) 2017/593 supplementing MiFID II; and (c) local implementing measures (together, the “**MiFID II Product Governance Requirements**”), and disclaiming all and any liability, whether arising in tort, contract or otherwise, which any “manufacturer” (for the purposes of the MiFID II Product Governance Requirements) may otherwise have with respect thereto, the Equity Shares have been subject to a product approval process, which has determined that such Equity Shares are: (i) compatible with an end target market of retail investors and investors who meet the criteria of professional clients and eligible counterparties, each as defined in MiFID II; and (ii) eligible for distribution through all distribution channels as are permitted by MiFID II (the “**Target Market Assessment**”). Notwithstanding the Target Market Assessment, “distributors” (for the purposes of the MiFID II Product Governance Requirements) (“**Distributors**”) should note that: the price of the Equity Shares may decline and investors could lose all or part of their investment; the Equity Shares offer no guaranteed income and no capital protection; and an investment in the Equity Shares is compatible only with investors who do not need a guaranteed income or capital protection, who (either alone or in conjunction with an appropriate financial or other adviser) are capable of evaluating the merits and risks of such an investment and who have sufficient resources to be able to bear any losses that may result therefrom. The Target Market Assessment is without prejudice to the requirements of any contractual, legal or regulatory selling restrictions in relation to the Offer. For the avoidance of doubt, the Target Market Assessment does not constitute: (a) an assessment of suitability or appropriateness for the purposes of MiFID II; or (b) a recommendation to any investor or group of investors to invest in, or purchase, or take any other action whatsoever with respect to the Equity Shares. Each Distributor is responsible for undertaking its own target market assessment in respect of the Equity Shares and determining appropriate distribution channels.

## FORWARD-LOOKING STATEMENTS

This Prospectus contains certain statements which are not statements of historical fact and may be described as “forward-looking statements”. These forward-looking statements include statements which can generally be identified by words or phrases such as “aim”, “anticipate”, “are likely”, “believe”, “continue”, “can”, “could”, “expect”, “estimate”, “intend”, “may”, “likely”, “objective”, “plan”, “propose”, “will continue”, “seek to”, “will achieve”, “will likely”, “will pursue” or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of our Company are also forward-looking statements. All statements regarding our expected financial conditions, results of operations, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to our business strategy, plans, revenue and profitability (including, without limitation, any financial or operating projections or forecasts) and other matters discussed in this Prospectus that are not historical facts. However, these are not the exclusive means of identifying forward-looking statements.

These forward-looking statements are based on our current plans, estimates and expectations and actual results may differ materially from those suggested by such forward-looking statements. All forward-looking statements are subject to risks, uncertainties and assumptions about us that could cause actual results to differ materially from those contemplated by the relevant forward-looking statement. This may be due to risks or uncertainties associated with our expectations with respect to, but not limited to, regulatory changes pertaining to the industries we cater and our ability to respond to them, our ability to successfully implement our strategies, our growth and expansion, technological changes, our exposure to market risks, general economic and political conditions in India and globally, which have an impact on our business activities or investments, the monetary and fiscal policies of India, inflation, deflation, unanticipated turbulence in interest rates, foreign exchange rates, equity prices or other rates or prices, the performance of the financial markets in India and globally, changes in domestic laws, regulations and taxes, changes in competition in our industry and incidence of any natural calamities and/or acts of violence.

Certain important factors that could cause actual results to differ materially from our expectations include, but are not limited to, the following:

- A substantial portion of our revenue from operations depend on payments under contracts with public health agencies. If we are unable to negotiate and retain similar fee arrangements, if the contracts are cancelled, or if we are unable to realize payments due to us.
- Most of our diagnostic centres have been established and are operated under PPP contracts awarded by government agencies through a competitive bidding process. There can be no assurance that we will qualify for, or that we will successfully compete and win such tenders.
- The COVID-19 pandemic may significantly affect our results of operations, financial position and cash flows.
- We rely on our information technology systems and the telecommunication network in India in providing our diagnostic services and managing our operations, and any disruption to such systems or networks could adversely affect our business operations, reputation and financial performance.
- Business interruption at our diagnostic centres and our tele-radiology reporting hub could result in significant losses and reputational damage to our business.

For a further discussion of factors that could cause our actual results to differ, see “Risk Factors”, “Our Business” and “Management’s Discussion and Analysis of Financial Position and Results of Operations” on pages 24, 142 and 288, respectively. By their nature, certain market risk disclosures are estimates and could be materially different from what actually occurs in the future. As a result, actual future gains or losses could be materially different from those that have been estimated. Forward-looking statements reflect our current views as of the date of this Prospectus and are not a guarantee of future performance. These statements are based on our management’s belief and assumptions, which in turn are based on currently available information. Although we believe that the assumptions on which such statements are based are reasonable, any such assumptions as well as statements based on them could prove to be inaccurate.

We cannot assure investors that the expectations reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Neither our Company, the Directors, the Selling Shareholders, nor the Syndicate or any of their respective affiliates have any obligation to update or otherwise revise any statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, even if the underlying assumptions do not come to fruition. In accordance with the SEBI ICDR Regulations, our Company and each of the Selling Shareholders

(in respect of statements/ disclosures made by them in this Prospectus) with respect to themselves and the Equity Shares offered by them in the Offer shall, severally and not jointly, shall ensure that investors in India are informed of material developments from the date of the Red Herring Prospectus and this Prospectus until the date of Allotment.



## SECTION II - SUMMARY OF THE OFFER DOCUMENT

This section is a general summary of certain disclosures included in this Prospectus and is not exhaustive, nor does it purport to contain a summary of all the disclosures in this Prospectus or all details relevant to prospective investors. This summary should be read in conjunction with, and is qualified in its entirety by, the more detailed information appearing elsewhere in this Prospectus, including the sections titled “Risk Factors”, “Our Business”, “Industry Overview”, “Capital Structure”, “The Offer”, “Financial Information”, “Objects of the Offer” and “Outstanding Litigation and Other Material Developments” on pages 24, 142, 118, 79, 63, 201, 92 and 326 respectively of this Prospectus.

### Primary business of our Company

We are one of the largest differentiated diagnostic service provider in India (Source: CRISIL Report). We provide a range of technology-enabled diagnostic services such as imaging (including radiology), pathology/clinical laboratory and tele-radiology services to public and private hospitals, medical colleges and community health centres pan-India. We focus on the public private partnership (“PPP”) diagnostics segment and have the largest presence in the diagnostic PPP segment (Source: CRISIL Report). We operate an extensive network of diagnostic centres across India and as of June 30, 2021, we operated 1,823 diagnostic centres offering both radiology and pathology services in 13 states across India.

### Summary of industry (Source: CRISIL Report)

The diagnostic industry in India has been estimated to be between ₹710 billion and ₹730 billion in Fiscal 2021, clocking a CAGR of 13% to 14% between Fiscal 2017 and Fiscal 2020, mirroring the growth from healthcare delivery services. The industry is expected to grow at approximately 15% and achieve a value of ₹920 billion to ₹980 billion between Fiscal 2021 and Fiscal 2023. Going forward, the government’s share within the diagnostic industry is projected to grow at a CAGR of between 14% and 17% to ₹135 billion between Fiscal 2020 and Fiscal 2023, driven by government-led programs, extensive PPP models and increasing focus towards healthcare at municipal corporation level.

### Name of Promoter

As on the date of this Prospectus, Rajendra Mutha is our Promoter. For further details, see “Our Promoter and Promoter Group” at page 196.

### The Offer

|                                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
|------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Offer <sup>1</sup></b>          | 12,741,036* Equity Shares for cash at price of ₹954** per Equity Share (including a premium of 949 per Equity Share), aggregating to ₹12,133.35 million                                                                                                                                                                                                                                                                                            |
| <b>of which</b>                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                    |
| <b>Fresh Issue <sup>1^</sup></b>   | 4,215,516* Equity Shares aggregating to ₹4,000.00 million                                                                                                                                                                                                                                                                                                                                                                                          |
| <b>Offer for Sale <sup>2</sup></b> | 8,525,520* Equity Shares aggregating to ₹8,133.35 million by the Selling Shareholders, comprising of 1,600,000* Equity Shares aggregating to ₹1,526.40 million by Phi Capital, to 3,340,713* Equity Shares aggregating to ₹3,187.04 million by Kitara, 3,563,427* Equity Shares aggregating to ₹3,399.51 million by Somerset and 21,380* Equity Shares aggregating to ₹20.40 million by Lotus Management Solutions (acting through Mayur Sirdesai) |

\*subject to finalisation of the Basis of Allotment

\*\*Our Company and the Selling Shareholders, in consultation with the BRLMs, offered a discount of ₹93 per Equity Share to Eligible Employees Bidding in the Employee Reservation Portion

<sup>^</sup> The Offer includes the Employee Reservation Portion.

<sup>1</sup> The Offer has been authorized by a resolution of our Board dated May 13, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated May 14, 2021.

<sup>2</sup> The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. For details, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 331.

The Offer and Net Offer shall constitute 40.57% and 39.83% of the post-Offer paid up Equity Share capital of our Company.

For further details, see “The Offer” and “Offer Structure” on pages 63 and 350, respectively.

## Objects of the Offer

Our Company proposes to utilise the Net Proceeds towards funding the following objects:

(in ₹ million)

| Particulars                                                                                                 | Amount which will be financed from the Net Proceeds <sup>(1)(3)</sup> |
|-------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| Finance the cost of establishing diagnostics centres at Punjab, Karnataka, Himachal Pradesh and Maharashtra | 1,508.10                                                              |
| Repayment/pre-payment, in full or part, of borrowings from banks and other lenders availed by our Company   | 1,460.81                                                              |
| General corporate purposes*                                                                                 | 817.41                                                                |
| <b>Total*</b>                                                                                               | <b>3,786.32</b>                                                       |

\*subject to finalisation of the Basis of Allotment

## Aggregate pre-Offer equity shareholding of our Promoter and members of our Promoter Group and Selling Shareholders

| Sr. No.                     | Particulars                                                                   | Pre-Offer equity share capital |                                 |
|-----------------------------|-------------------------------------------------------------------------------|--------------------------------|---------------------------------|
|                             |                                                                               | No. of Equity Shares           | % of total Equity Share capital |
| Promoter and Promoter Group |                                                                               |                                |                                 |
| 1.                          | Rajendra Mutha                                                                | 8,029,920                      | 29.53                           |
| 2.                          | Krsna Diagnostics (Mumbai) Private Limited                                    | 567,756                        | 2.09                            |
| Total (A)                   |                                                                               | 8,597,676                      | 31.62                           |
| Selling Shareholders        |                                                                               |                                |                                 |
| 1.                          | Phi Capital                                                                   | 6,368,040                      | 23.42                           |
| 2.                          | Kitara                                                                        | 4,454,284                      | 16.38                           |
| 3.                          | Somerset                                                                      | 4,454,284                      | 16.38                           |
| 4.                          | Lotus Management Solutions (acting through and represented by Mayur Sirdesai) | 21,380                         | 0.08                            |
| Total (B)                   |                                                                               | 15,297,988                     | 56.26                           |
| Total (A+B)                 |                                                                               | 23,895,664                     | 87.88                           |

For further details, see “Capital Structure” at page 79.

## Summary of Restated Financial Statements

The following information has been derived from our Restated Financial Statements:

(₹ in million, except per share data)

| Particulars                                                                | As at and for the Fiscal ended |                |                |
|----------------------------------------------------------------------------|--------------------------------|----------------|----------------|
|                                                                            | March 31, 2021                 | March 31, 2020 | March 31, 2019 |
| Equity Share Capital <sup>§</sup>                                          | 64.95                          | 51.63          | 51.63          |
| Net worth                                                                  | 2,318.65                       | (1,969.77)     | (849.21)       |
| Revenue from operations                                                    | 3,964.56                       | 2,584.27       | 2,092.35       |
| Total income                                                               | 6,614.76                       | 2,713.79       | 2,143.15       |
| Profit/ (loss) for the year/period                                         | 1,849.29                       | (1,119.51)     | (580.57)       |
| Total comprehensive income for the year/period                             | 1,849.01                       | (1,119.99)     | (579.90)       |
| Earnings/(loss) per Equity Share*                                          |                                |                |                |
| - Basic (in ₹)                                                             | 320.72                         | (216.94)       | (120.28)       |
| - Diluted (in ₹)                                                           | 24.51                          | (216.94)       | (120.28)       |
| Net asset value per Equity Share (in ₹)*                                   | 356.99                         | (381.51)       | (164.48)       |
| Total borrowings                                                           | 2,317.79                       | 2,312.49       | 1,692.06       |
| Borrowings : current                                                       | 347.44                         | 922.80         | 539.57         |
| Borrowings : non-current (including current maturities of long term debts) | 1,970.35                       | 1,389.69       | 1,152.50       |

<sup>§</sup> As on the date of the Red Herring Prospectus, the issued, subscribed and paid-up Equity Share capital of our Company is ₹135.96 million. For details of allotments in Equity Shares made subsequent to March 31, 2021, see “Capital Structure” on page 79.

\*Earnings per Equity Share and net asset value for Fiscal 2021 are reported prior to the Series A CCPS and Series C CCPS

conversion and Split, and for Fiscals 2020 and 2019 are reported prior to the Preference Shares conversion and Split. For further details, see “Other Financial Information” beginning on page 284.

For further details, see “Restated Financial Statements” on page 201.

### Qualifications of the Statutory Auditors

There are no qualifications included by our Statutory Auditors in the financial statements that have not been given effect to in the Restated Financial Statements.

### Summary of outstanding litigation

As on the date of this Prospectus, there is no criminal, statutory, tax or material civil litigation, which is outstanding and which involves our Company or our Subsidiaries.

As on the date of this Prospectus, our Company has no Group Companies.

A summary of outstanding litigation proceedings as on the date of this Prospectus involving our Promoter and one of our Directors, as disclosed in “Outstanding Litigation and Material Developments” in terms of the SEBI ICDR Regulations and the Materiality Policy is provided below:

| (in ₹ million)                                 |                 |                 |
|------------------------------------------------|-----------------|-----------------|
| Particulars                                    | Number of cases | Amount Involved |
| <b>Litigation by our Company</b>               |                 |                 |
| Criminal proceedings                           | 1               | -*              |
| <b>Total</b>                                   | <b>1</b>        | <b>-*</b>       |
| <b>Litigation against our Promoter</b>         |                 |                 |
| Direct tax proceedings                         | 1               | 0.40            |
| <b>Total</b>                                   | <b>1</b>        | <b>0.40</b>     |
| <b>Litigation against our Directors</b>        |                 |                 |
| Actions by statutory or regulatory authorities | 1               | -*              |
| <b>Total</b>                                   | <b>1</b>        | <b>-</b>        |

\*to the extent quantifiable at this stage

For further details, see “Outstanding Litigation and Other Material Developments” on page 326.

### Risk factors

Specific attention of Investors is invited to the section “Risk Factors” on page 24. Bidders are advised to read the risk factors carefully before taking an investment decision in the Offer.

### Summary of contingent liabilities of our Company

A summary table of our contingent liabilities as of March 31, 2021, as disclosed in the Restated Financial Statements is set forth below:

| (₹ in million) |                                                                       |        |
|----------------|-----------------------------------------------------------------------|--------|
| Sr. No.        | Particulars                                                           | Amount |
| 1.             | Other money for which the Company is contingently liable <sup>#</sup> | 36.50  |
| 2.             | Dividend                                                              | -      |

<sup>#</sup> The Company had availed bank guarantee facility of ₹334.00 million with Janata Sahakari Bank Limited against the property of Mr. Narayan Chighalikar and Mrs. Shubhangi Chighalikar, for which the Company had paid the sum of ₹36.50 million to Mr. Narayan Chighalikar, the proprietor of Yash Construction.

For further details of our contingent liabilities, see “Restated Financial Statements- Contingent Liabilities” at page 281 and “Risk Factors- We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialise, may adversely affect our financial condition” on page 41.

## Related party transactions

A summary of related party transactions entered into by our Company with related parties and as reported in the Restated Financial Statements is set forth below.

(₹ in million)

| Sr. No.  | Nature of transaction                           | Fiscal 2021 | Fiscal 2020 | Fiscal 2019 |
|----------|-------------------------------------------------|-------------|-------------|-------------|
| <b>A</b> | <b>Compensation to Key Managerial Personnel</b> |             |             |             |
| 1        | Pallavi Bhatevara                               | 4.88        | 5.09        | 3.66        |
| 2        | Rajendra Mutha                                  | 6.28        | 8.38        | 8.40        |
| 3        | Yash Mutha                                      | 3.53        | 1.80        | 0.30        |
| 4        | Pawan Daga                                      | 0.37        | -           | -           |
| <b>B</b> | <b>Expenses incurred</b>                        |             |             |             |
| 1        | Sunita Mutha – Rent Expense                     | 35.64       | 22.66       | 21.20       |
| 2        | Pallavi Bhatevara – Interest Expense            | 4.08        | 3.09        | 2.53        |
| 3        | Sanjay Pandhare – Interest Expense              | -           | -           | 1.51        |
| <b>C</b> | <b>Loans repaid during the period</b>           |             |             |             |
| 1        | Rajendra Mutha                                  | 10.00       | 28.05       | 147.38      |
| 2        | Sanjay Pandhare                                 | -           | -           | 10.00       |
| 3        | Pallavi Bhatevara                               | 17.50       | -           | -           |
| <b>D</b> | <b>Loans taken during the period</b>            |             |             |             |
| 1        | Rajendra Mutha                                  | 7.72        | 31.49       | 135.69      |
| 2        | Pallavi Bhatevara                               | 17.50       | 10.00       | -           |
| <b>E</b> | <b>Advances given during the period</b>         |             |             |             |
| 1        | Pallavi Bhatevara                               | -           | -           | 2.02        |
| <b>F</b> | <b>Advances repaid during the period</b>        |             |             |             |
| 1        | Pallavi Bhatevara                               | -           | 2.02        | -           |

For further details, see “Restated Financial Statements – Related Party Disclosures” at page 258.

## Financing arrangements

There have been no financing arrangements whereby our Promoter, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of filing of the Draft Red Herring Prospectus and this Prospectus.

## Weighted average price at which the Equity Shares were acquired by each of our Promoter and the Selling Shareholders in the one year preceding the date of this Prospectus

The weighted average price at which the Equity Shares have been acquired by our Promoter and our Selling Shareholders, in the one year preceding the date of this Prospectus is provided below.

| Name of Promoter/ Selling Shareholder                                         | No. of Equity Shares acquired | Weighted average price per Equity Share (₹) <sup>#</sup> |
|-------------------------------------------------------------------------------|-------------------------------|----------------------------------------------------------|
| <b>Promoter</b>                                                               |                               |                                                          |
| Rajendra Mutha                                                                | 1,363,200                     | 33.87                                                    |
| <b>Selling Shareholders</b>                                                   |                               |                                                          |
| Kitara                                                                        | 4,452,284                     | 67.36                                                    |
| Somerset                                                                      | 4,452,284                     | 67.36                                                    |
| Phi Capital                                                                   | 6,366,040                     | 157.26                                                   |
| Lotus Management Solutions (acting through and represented by Mayur Sirdesai) | 21,180                        | 67.41                                                    |

<sup>#</sup>Pursuant to the certificate dated July 23, 2021 from M/s Pawan Jain and Associates, Chartered Accountants.

### Average cost of acquisition of Equity Shares by our Promoter and Selling Shareholders

The average cost of acquisition of equity shares by our Promoter and the Selling Shareholders, as at the date of this Prospectus, is:

| Name                                                                          | Number of Equity Shares held | Average cost of acquisition per Equity Share (in ₹) <sup>#</sup> |
|-------------------------------------------------------------------------------|------------------------------|------------------------------------------------------------------|
| <b>Promoter</b>                                                               |                              |                                                                  |
| Rajendra Mutha                                                                | 8,029,920                    | 17.79                                                            |
| <b>Selling Shareholders</b>                                                   |                              |                                                                  |
| Kitara                                                                        | 4,454,284                    | 67.35                                                            |
| Somerset                                                                      | 4,454,284                    | 67.35                                                            |
| Phi Capital                                                                   | 6,368,040                    | 157.26                                                           |
| Lotus Management Solutions (acting through and represented by Mayur Sirdesai) | 21,380                       | 67.35                                                            |

<sup>#</sup>Pursuant to the certificate dated July 23, 2021 from M/s Pawan Jain and Associates, Chartered Accountants.

### Details of pre-IPO placement

Our Company does not contemplate any issuance or placement of Equity Shares from the date of this Prospectus until the listing of the Equity Shares.

### Offer of Equity Shares for consideration other than cash in the last one year

Our Company has not issued any Equity Shares for consideration other than cash in the one year preceding the date of this Prospectus.

### Split or consolidation of Equity Shares in the last one year

Except as disclosed below, our Company has not undertaken split or consolidation of its equity shares in the one year preceding the date of this Prospectus:

| Date of split  | Particulars                                                                                         |
|----------------|-----------------------------------------------------------------------------------------------------|
| April 25, 2021 | Each equity share of face value of ₹10 each was split into 2 Equity Shares of face value of ₹5 each |

### SECTION III - RISK FACTORS

An investment in equity shares involves a high degree of risk. Potential investors should carefully consider all the information in this Prospectus, including the risks and uncertainties described below, before making an investment in the Equity Shares. The risks described below are not the only ones relevant to us or our Equity Shares, the industry in which we operate or to India. Additional risks and uncertainties, not currently known to us or that we currently do not deem material may also adversely affect our business, results of operations, cash flows and financial condition. If any or some combination of the following risks, or other risks that are not currently known or believed to be adverse, actually occur, our business, results of operations and financial condition could suffer, the trading price of, and the value of your investment in, our Equity Shares could decline and you may lose all or part of your investment. To the extent the COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section. In order to obtain a complete understanding of our Company and our business, prospective investors should read this section in conjunction with “Industry Overview”, “Our Business”, “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 118, 142, 201 and 288, respectively, as well as the other financial and statistical information contained in this Prospectus. In making an investment decision, prospective investors must rely on their own examination of us and our business and the terms of the Offer including the merits and risks involved.

Potential investors should consult their tax, financial and legal advisors about the particular consequences of investing in the Offer. Unless specified or quantified in the relevant risk factors below, we are unable to quantify the financial or other impact of any of the risks described in this section. Prospective investors should pay particular attention to the fact that our Company is incorporated under the laws of India and is subject to a legal and regulatory environment, which may differ in certain respects from that of other countries.

This Prospectus also contains certain forward-looking statements that involve risks, assumptions, estimates and uncertainties. Our actual results could differ from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Prospectus. For further information, see “Forward-Looking Statements” on page 17.

Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2019, 2020 and 2021 included herein is derived from the Restated Financial Statements, included in this Prospectus, which have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see “Restated Financial Statements” on page 201. Unless otherwise indicated or the context otherwise requires, in this section, references to “the Company”, “our Company”, “we”, “us” or “our”, are to Krsnaa Diagnostics Limited.

Unless otherwise indicated, industry and market data used in this section has been derived from the report titled “Assessment of the diagnostic industry in India with a special focus on government spending” dated July 2021 (the “CRISIL Report”) exclusively prepared and issued by CRISIL Limited commissioned by and paid for by us in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. See also, “– Industry information included in this Prospectus has been derived from the CRISIL Report prepared by CRISIL Limited and exclusively commissioned and paid for by our Company for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.” on page 42.

#### INTERNAL RISK FACTORS

- 1. A substantial portion of our revenue from operations depend on payments under contracts with public health agencies. If we are unable to negotiate and retain similar fee arrangements, if the contracts are cancelled, or if we are unable to realize payments due to us, our business may be materially and adversely affected.**

Over the last few years, the significant majority of our revenue from operations has been generated from contracts with public health agencies. Revenue from sale of service to public health agencies was ₹1,506.61 million, ₹1,884.34 million and ₹2,675.70 million in Fiscals 2019, 2020 and 2021 and represented 72.01%, 72.92% and 67.49%, respectively, of our total revenue from operations in such periods.

Our future success is dependent to a large extent on our ability to maintain good relationships with public health agencies. If our relationship with these entities deteriorate or if we are unable to fulfil our contractual obligations, our contracts may be terminated and these entities may contract with other providers. In addition, certain of these agreements contain restrictive terms such as the inability to assign or sublet a portion of a contract to a third party and prior approval from the public health agency or the facility for appointment of radiologists, anaesthetists and radiographers. In addition, we are required to take prior consent to mortgage, pledge or hypothecate equipment to raise additional funding for our operations and obtain certain operational approvals. Further, these agreements are not always subject to an automatic extension and renewal of such agreements is based on mutually acceptable terms. If we are unable to renew such agreements on terms that are commercially viable, we might not be able to recover the full costs incurred towards setting up of such diagnostic centres.

We may also be exposed to the risk that certain entities, especially public health agencies, may reject, delay or fail to make payment for services rendered. This risk may arise from financial difficulties such as liquidity constraints or on account of human or computer error or gaps in system. In Fiscals 2019, 2020 and 2021, our trade receivables were ₹562.23 million, ₹614.32 million and ₹724.74 million, respectively. For further information on our trade receivables, see “*Restated Financial Statements – Annexure 6 – Note 15*” on page 227. An increase in trade receivables, rejection of invoices or prolonged or repeated failures or delay by such public health agencies to make payments could have a material adverse effect on our business, results of operations, financial condition and prospects. While the agreements entered into by our Company do not contain a standard payment period and given that we work primarily with public health agencies, in our experience 60 days is the typical time-frame for settlement of our invoices. Accordingly, trade receivables due for more than 60 days as of March 31, 2021 was ₹225.97 million (net of provisions) on account of payment delays.

Further, while there have not been any instances where our agreements with public health agencies have not been renewed, cancelled or rejected, we are also exposed to the risk of cancellation of the contract and subsequent blacklisting by public health agencies in case we fail to provide our services effectively, which would adversely affect our ability to obtain additional public private partnership tenders in the future. In case we get blacklisted from participating in future tenders issued by government entities, it could affect our ability to operate and deploy diagnostic centres with private healthcare providers and thereby adversely impact our business, results of operations, financial condition and prospects.

**2. *Most of our diagnostic centres have been established and are operated under public private partnership contracts awarded by government agencies through a competitive bidding process. There can be no assurance that we will qualify for, or that we will successfully compete and win such tenders.***

A majority of our diagnostic centres have been established and are operated under PPP contracts awarded by government agencies through a competitive bidding process. In Fiscals 2019, 2020 and 2021, we bid for eight, two and twelve tenders through a competitive bidding process and were awarded six, two and eight tenders, respectively.

The table below sets forth the state/area/country wise details of the tenders that we bid for and were awarded to us in the periods indicated below:

| Particulars                                           | Fiscal 2019       |                           | Fiscal 2020     |                           | Fiscal 2021                  |                           |
|-------------------------------------------------------|-------------------|---------------------------|-----------------|---------------------------|------------------------------|---------------------------|
|                                                       | Name of state     | Number of tenders bid for | Name of state   | Number of tenders bid for | Name of state/ area/ country | Number of tenders bid for |
| State/ Area / Country wise details of tenders bid for | Maharashtra       | 3                         | Rajasthan       | 1                         | Assam                        | 2                         |
|                                                       | Arunachal Pradesh | 2                         |                 |                           | Jammu & Kashmir              | 2                         |
|                                                       | Uttar Pradesh     | 1                         | Jammu & Kashmir | 1                         | Maharashtra                  | 1                         |
|                                                       | Rajasthan         | 1                         |                 |                           | Madhya Pradesh               | 2                         |
|                                                       | Odisha            | 1                         |                 |                           | Punjab                       | 2                         |
| <b>Total number of tenders bid for</b>                |                   | <b>8</b>                  |                 | <b>2</b>                  |                              | <b>12</b>                 |
| State wise details of tenders won                     | Maharashtra       | 2                         | Rajasthan       | 1                         | Assam                        | 1                         |
|                                                       | Arunachal Pradesh | 2                         |                 |                           | Jammu & Kashmir              | 2                         |
|                                                       | Uttar Pradesh     | 1                         | Jammu &         | 1                         | Maharashtra                  | 1                         |

| Particulars                            | Fiscal 2019   |                           | Fiscal 2020   |                           | Fiscal 2021                  |                           |
|----------------------------------------|---------------|---------------------------|---------------|---------------------------|------------------------------|---------------------------|
|                                        | Name of state | Number of tenders bid for | Name of state | Number of tenders bid for | Name of state/ area/ country | Number of tenders bid for |
|                                        | Rajasthan     | 1                         | Kashmir       |                           | Madhya Pradesh               | 2                         |
|                                        |               |                           |               |                           | Punjab                       | 2                         |
| <b>Total number of tenders awarded</b> |               | <b>6</b>                  |               | <b>2</b>                  |                              | <b>8</b>                  |

Tenders are awarded based on our meeting the prescribed qualification criteria followed by a competitive bidding process. While service quality, technological capacity and performance, health and safety records and personnel, as well as reputation, relevant experience and adequate financial resources are typically important considerations in awarding contracts for such tenders, there can be no assurance that we will be able to meet applicable qualification criteria in the future. Prospective bidders that meet the qualification requirements of the tender are then required to provide financial bids and a tender is usually awarded based on such financial bids. We spend considerable time and resources in the preparation and submission of bids. There can be no assurance that we will be able to bid for tenders where we have been prequalified, or that our bids will be successful. In addition, such tender process may be subject to changes in qualification criteria, unexpected delays and uncertainties. There can be no assurance that the tenders for which we bid will be tendered within a reasonable time, or at all. In the event that new tenders which have been announced and which we plan to bid for are not put up for tender within the announced timeframe, or qualification criteria are modified such that we are unable to qualify, our business and financial prospects may be materially and adversely affected.

Other risks associated with the competitive bidding process include compliance with strict regulatory requirements that may increase our compliance costs. Government tenders are typically awarded to the lowest bidder that meets the technical conditions of the tender, which makes winning tenders difficult. In addition, lowering our pricing in order to win tenders could adversely affect our margins; the tender process is long and may be subject to significant delays; terms and conditions of contracts, including requests for proposals and tenders tend to be more onerous and are often more difficult to negotiate than those for other commercial agreements; and contracts with public health agencies may not include a limit on direct or consequential damages, which could result in our assuming additional risks and incur additional expenses in servicing these contracts.

The growth of our business and operations are directly and significantly dependent on our ability to win new projects, and our future results of operations and cash flows can fluctuate materially depending on the timing of contract awards. Further, all our ongoing projects have been awarded to us for a definite term and the relevant authorities may float tenders for such projects following the expiry of the current term. There is no assurance that we will be awarded such projects at the end of the tender process or be successful in renewing our current projects on terms that are favourable to us.

### **3. *The COVID-19 pandemic may significantly affect our results of operations, financial position and cash flows.***

A pandemic caused by a novel strain of coronavirus (COVID-19) continues to severely impact the global economy. Central and state governmental authorities in India have implemented numerous policies and initiatives to try and reduce the transmission of COVID-19, such as travel bans and restrictions, quarantines, shelter-in-place orders, and business shutdowns. These policies and initiatives have resulted in, among other things, a significant reduction in visits to healthcare institutions, cancellation of elective medical procedures, increased unemployment, and the adoption of work-from-home policies, all of which have had, and we believe will continue to have, an impact on our results of operations, financial position and cash flows.

The further spread of COVID-19, including the rise of variants thereof, and our initiatives to address the pandemic will likely continue to impact our business operations, thereby materially affecting our financial performance. Our revenue from operations increased by 53.41% from ₹2,584.27 million in Fiscal 2020 to ₹3,964.56 million in Fiscal 2021 as a consequence of increased testing related to the impact of COVID-19. We may not be able to sustain such increase in revenue from operations in the future. However, we witnessed a decline in the volumes and corresponding revenues in our radiology business. The number of radiology tests we performed in Fiscal 2020 were 7,176,459 while we conducted 6,319,285 tests in Fiscal 2021. Revenues from our radiology business declined from ₹1,673.43 million in Fiscal 2020 to ₹1,618.81 million in Fiscal 2021. We may incur additional costs in order to provide for the safety of our employees and the



continuity of our operations, including increased frequency of deep cleaning and sanitation at each of our diagnostic centres, additional safety training and processes, enhanced hygiene practices and materials, flexible and remote working where possible, and allowing for greater social distancing for our employees who must work on-site. Additionally, we have introduced various changes at our diagnostic centres relating to the comfort and safety of patients, resulting in increased costs. For example, we had to perform frequent fumigation of our diagnostics centres as well as provide hygiene and safety equipment such as PPE kits, masks, face shields and conducting frequent temperature checks.

Due to the COVID-19 pandemic, we have experienced significant volatility, including periods of material decline compared to prior year periods, in testing volume in our base business (which excludes COVID-19 polymerase chain reaction (“PCR”) molecular pathology testing to diagnose the virus) and this volatility, including periods of material decline, could continue. The COVID-19 pandemic has also highlighted the importance of private participation in diagnostics. To ramp up the testing for COVID-19, the government of Karnataka announced the establishment of RT-PCR labs under the PPP model and has set targets to expedite testing by three times. The country saw opening of new labs to tackle the rising volume of testing requirements and to incorporate swiftness in result delivery (*Source: CRISIL Report*). Although we also have experienced heavy demand for PCR testing as a result of the COVID-19 pandemic, which has had a positive impact on our overall testing volume, the duration and level of the demand for, and reimbursement for, COVID-19 molecular testing is uncertain. We may also experience an adverse impact on cash collections and supply chain disruptions, including shortages, delays and price increases in testing equipment and supplies, as a result of the impact of the COVID-19 pandemic.

We performed over 900,000 COVID-19 PCR tests in Fiscal 2021 and 169,739 COVID-19 PCR tests in the three months ended June 30, 2021. As of June 30, 2021, our Company had capacity to perform 15,000 PCR tests per day, but our testing capacity is dependent on access to multiple testing platforms and the availability of equipment and testing supplies and key personnel. Despite our efforts to obtain adequate clinical trial kits and testing supplies and expand capacity to make clinical trials collection kits and perform clinical trials testing, we may not be successful in meeting the increased demand, and our patients and other stakeholders may perceive our responses to the pandemic as insufficient, inadequate or inferior to that of our competitors, including with respect to availability of testing kits, personnel and time required for delivery of test results.

We believe that the pandemic’s adverse impact on our business operations and financial performance will be impacted by the severity and duration of the pandemic, its continued impact on the healthcare system in India and on the Indian economy in general, the effectiveness of the government’s response to the pandemic and its ability to efficiently administer COVID-19 vaccines across India. These matters beyond our control will continue to evolve over time, and consequently we cannot at this time reasonably estimate or account for the impact of the COVID-19 pandemic on our business operations and financial performance, and any such adverse impact could be material.

Our business operations and consequent financial performance in any financial period is likely to be impacted, depending on the severity of the pandemic in such period in the cities and regions we operate in, and the challenges relating to implementation of COVID-19 vaccinations in such regions and across India. Even after the COVID-19 pandemic has moderated and the business and social distancing restrictions have eased, we may continue to experience similar adverse effects to our business operations and financial performance resulting from a recessionary economic environment that may persist.

**4. *We rely on our information technology systems and the telecommunication network in India in providing our diagnostic services and managing our operations, and any disruption to such systems or networks could adversely affect our business operations, reputation and financial performance.***

We have information technology systems that support our business processes, including for conducting tests, transmission of test results, billing services, quality control, tracking logistics, human resources, finance and other patient service functions. As a result, our business depends on the capacity, reliability and security of our technology systems, as well as the systems of third-party information technology vendors we engage. These systems may be susceptible to outages due to events beyond our control, including fire, floods, power loss, telecommunications failures, natural disasters, break-ins and similar events. In addition, our radiology diagnostic centres have remote review and reporting capabilities, as they are connected to our tele-radiology hub through special image transfer software. While to date we have not experienced any significant disruption of our operations or services provided to patients, there can be no assurance that we will not encounter such disruptions in the future as a result of any such event. If we experience system interruptions, errors or

downtime (which could result from various causes, including changes in client use patterns, technological failure, changes to systems, linkages with third-party systems and power failures) or if we are unable to access necessary technology to effectively serve our patients and manage our operations, our business prospects and financial performance could be materially and adversely affected. Our hardware and software may be susceptible to damage, human error, natural disasters, power loss, sabotage, computer viruses, and other events beyond our control such as interruption in internet services. Managing an effective response to such disruptions may require significant effort on part of our employees and third-party vendors in order to protect our information technology systems. Sustained system failures or interruption of our systems (including systems of third-party information technology vendors) in one or more of our diagnostic centre operations could disrupt our ability to process requisitions, perform testing, provide test results in a timely manner and complete other business administration functions. The occurrence of any such events could adversely affect our business, interrupt our operations, subject us to increased operating costs and expose us to litigation.

**5. *Business interruption at our diagnostic centres and our tele-radiology reporting hub could result in significant losses and reputational damage to our business.***

We operated over 1,823 diagnostic centres across 13 states as of June 30, 2021. We also operate our tele-radiology reporting hub in Pune. Each of our diagnostic centres and particularly our tele-radiology reporting hub is critical to our operations. Any risk of business interruption at our diagnostic centres or at our tele-radiology reporting hub on account of any external factors such as adverse weather, remote geographical locations, natural disasters, fire, riots, terrorism, acts of war, vandalism, extended power failures, internet failures or other unforeseen events could have a material adverse impact on our business operations and results of operations. Further, there may be instances where the network connectivity of our tele-radiology hub to our diagnostic centres is disrupted on account of the aforementioned reasons. Business interruption could also be the result of internal factors such as failure to comply with regulatory requirements and the resulting loss of authorisation to operate the facility, labour conflict or termination or non-renewal of leases. We have a business continuity plan in place for our tele-radiology reporting hub which contemplates that our diagnostic centre at Belgavi, Karnataka be designated as emergency operations centres and get activated in the event of a disruption of operations at our tele-radiology reporting hub. While there have not been any instances of such business disruptions at our diagnostic centres and tele-radiology hub in the last three Fiscals, a business interruption of this kind at our diagnostic centres or at our tele-radiology reporting hub in the future could have a severe negative impact on our overall business, both by direct loss of revenue and profits related to the site, but also through the long-term damage that such a business interruption could inflict on our relationships with patients and our reputation. Any such disruption could also have an adverse impact on our financial condition and results of operation.

**6. *The prices that we can charge for our diagnostic services are dependent on recommended or mandatory fees fixed under the terms of the agreements entered into with public and private healthcare providers.***

The prices that we charge for all our services are fixed under the contracts we enter with public and private healthcare service providers. Reference prices of government services, pricing limits imposed by the government and any government linked insurance schemes may limit our ability to determine or revise the prices of the services we offer. While we conduct feasibility analysis prior to entering into such agreements to establish and operate diagnostic centres, we may not always be successful in accurately determining whether the charges for the diagnostic services we provide will be sufficient to cover our cost of providing such diagnostic services. Other than certain escalation terms, we have limited ability to determine the prices of the services we offer at our diagnostic centres. Further, the escalation clauses included in the agreements we have entered into may not be in line with inflation linked costs or even the actual increase in expenses incurred in our operations. This could have a material adverse effect on our business, results of operations, financial condition and prospects. Further, if the central and state governments implement mandatory pricing regimes, our margins could deteriorate and the prices we charge for our services may not be sufficient to offset our costs and expenses associated with provision of such services. This in turn could have a material adverse effect on our business, results of operations, financial condition and prospects.

**7. *We derive substantial portion of our revenue from the states of Maharashtra, Rajasthan and Karnataka, and any loss of business in such regions could have an adverse effect on our business, results of operations and financial condition.***

While we have an extensive network of diagnostic centres across 13 states in India, as of June 30, 2021, a significant number of our diagnostic centres are located in the states of Karnataka, Rajasthan and

Maharashtra. As of June 30, 2021, we operated 614, 61 and 15 diagnostic centres in Maharashtra, Rajasthan and Karnataka, respectively, which comprised 24.74%, 3.35% and 0.88% of our total network of diagnostic centres, respectively. Further, we derived revenues of ₹1,552.82 million, ₹1,698.77 million and ₹2,791.77 million or 74.21%, 65.74% and 70.42% of our total revenue from operations from these three states in Fiscals 2019, 2020 and 2021, respectively. In the event of a regional slowdown in the economic activity in these regions, or any other developments including political or civil unrest, disruption or sustained economic downturn that reduce the demand for our services in these regions, could adversely affect our business, financial condition and results of operations, which are largely dependent on the performance and other prevailing conditions affecting the economies of these regions.

**8. Delays in the establishment of diagnostic centres could lead to termination of the agreements or cost overruns, which could have an adverse effect on our cash flows, business, results of operations and financial condition.**

We are required to deploy our diagnostic centres, including those to be financed through IPO Proceeds, within healthcare facilities as per the schedule specified in the agreement we enter into with a healthcare provider. Subject to certain customary exceptions such as (i) occurrence and continuance of force majeure events that are not within our control, or (ii) delays that are caused due to reasons solely attributable to the healthcare provider, failure to adhere to contractually agreed timelines or extended timelines could require us to pay liquidated damages as stipulated in the agreements or lead to encashment and appropriation of the bank guarantee or performance security. The counterparty may also be entitled to terminate the agreement in the event of delay in completion of the establishment of the diagnostic centre if the delay is not on account of any of the agreed exceptions. In the event of termination of any of our contracts for such reasons, we may only receive partial payments under such agreements and such payments may be less than our estimated cash flows from such contracts. Further, we may not be able to obtain extensions for the contracts on which we face delays or time overruns or able to achieve entire term of operation as originally envisaged under these agreements, which could adversely affect our ability to maximise gains from such centres.

We have faced delays in completion of setting-up of diagnostic centres and may continue to face delays in completion for certain of diagnostic centres which are in the process of being established. For example, in our contract with Pune Municipal Corporation, we faced delays in establishing centres due to water leakage issue which was subsequently resolved. In another instance, there has been a delay in the handover of the site at Ramanagar, Karnataka by the relevant authority for our diagnostic centre proposed to be established. However, these instances did not result in any financial implications for our Company. Further, setting-up of diagnostic centres requires that we receive the site from the public health agency or private healthcare provider and any delays in handover of the site to establish the diagnostic centre could also result in delays and cost overruns. The scheduled completion targets for establishment of our diagnostic centres are estimates and are subject to delays as a result of unforeseen problems including force majeure events, issues arising out of availability of equipment, unavailability of financing, unanticipated cost increases or changes in scope and inability in obtaining government approvals. There can be no assurance that there will not be delays in the future and any such delays could have adverse effects on our cash flows, business, results of operations and financial condition.

**9. Our Company has recorded restated losses and negative net worth in the past.**

In the past, we have experienced losses and negative net worth, during certain period, primarily on account of fair valuation of the CCPS issued by the Company in accordance with IND AS. Gain on fair value movement of Compulsory Convertible Preference Shares was ₹2,527.84 million and accounted for 38.22% of our total income in Fiscal 2021. We have generated positive cash flows from our operating activities and were ₹582.66 million, ₹378.09 million and ₹1,025.58 million in Fiscals 2019, 2020 and 2021.

| (in ₹ million) |                 |            |
|----------------|-----------------|------------|
| Period         | Profit / (Loss) | Net Worth  |
| Fiscal 2019    | (580.57)        | (849.21)   |
| Fiscal 2020    | (1,119.51)      | (1,969.77) |
| Fiscal 2021    | 1,849.29        | 2,318.65   |

Profits/ losses and net worth are parameters used for the determination of the financial well-being of a company, and we cannot assure you that we will not incur losses in the future or that our net worth or any other financial parameter, which may have an adverse impact on the trading price of our Equity Shares post-

listing, will not be low or negative. Further, our failure to generate profits may adversely affect the market price of our Equity Shares, restrict our ability to pay dividends and impair our ability to raise capital and expand our business.

**10. *We are required to furnish bank guarantees as part of our business. Our inability to arrange such guarantees or the invocation of such guarantees may adversely affect our cash flows and financial condition.***

As part of our business and as is customary, we are required to provide financial and performance bank guarantees in favour of the public health agencies under the respective agreements for the establishment of diagnostic centres we undertake to deploy and operate. In connection with establishment of such diagnostic centres, we typically issue bank guarantees to the relevant agency with whom the contractual arrangement has been entered into.

These guarantees are typically required to be furnished within a few days of the signing of a contract and remain valid up to around 12 months after the liability period prescribed in that contract. We may not be able to continue obtaining new financial and performance bank guarantees in sufficient quantities to match our business requirements. If we are unable to provide sufficient collateral to secure the financial bank guarantees, performance bank guarantees or letters of credit, our ability to enter into new contracts or obtain adequate supplies could be limited and could have a material adverse effect on our business, results of operations and financial condition. Providing security to obtain letters of credit, financial and performance bank guarantees also increases our working capital requirements.

As of June 30, 2021, we had issued bank guarantees amounting to ₹212.64 million towards securing our financial/ performance obligations under our ongoing contracts. We may be unable to fulfil any or all of our obligations under the contracts entered into by us in relation to the set-up of our diagnostic centres due to unforeseen circumstances which may result in a default under our contracts resulting in invocation of the bank guarantees issued by us. If any or all the bank guarantees are invoked, it may result in a material adverse effect on our business and financial condition. Also see, “*Risk Factors – We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialise, may adversely affect our financial condition.*” on page 41.

**11. *Our business is capital intensive. If we experience insufficient cash flows from our operations or are unable to borrow to meet our capital requirements, it may materially and adversely affect our business and results of operations.***

Our business requires significant amount of working capital. A considerable amount of time may elapse between setting up a diagnostic centre including requisite equipment and generating revenues from diagnostic services we provide. There may be circumstances where funds available with us may not be sufficient to fulfil our business commitments, and we may need to incur additional indebtedness, or utilize internal accruals to satisfy our working capital needs. We will continue to require substantial capital in connection with the maintenance and development of our business network and infrastructure. In Fiscals 2019, 2020 and 2021, our capital expenditure towards additions to fixed assets (property, plant and equipment’s, capital work in progress, intangible assets under development and intangible assets) were ₹1,037.49 million, ₹519.00 million and ₹679.45 million, respectively. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Capital Expenditures*” on page 361. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital. The actual amount of our future capital requirements may differ from estimates as a result of, among other factors, unforeseen delays or cost overruns, unanticipated expenses, regulatory changes, economic conditions, technological changes and additional market developments. We have further estimated ₹1,508.10 million for proposing to finance the cost of establishing diagnostics centres at Punjab, Karnataka, Himachal Pradesh and Maharashtra, based on the Project Report. In addition, our ability to arrange financing and the cost of such financing are dependent on various factors, including general economic and capital market conditions, impact of the COVID-19 pandemic, availability of credit from banks, investor confidence, the continued success of our business and operations and regulations conducive to raising capital.

As we pursue our growth strategies, we may be required to raise additional funds by incurring further indebtedness or issuing additional equity to meet our capital expenditures. However, we may be faced with the risk that we may not be able to meet our financial obligations as and when they become due. For further information, see “*Restated Financial Statements – Annexure 6 – 49(C)*” on page 266. If we experience

insufficient cash flows or are unable to borrow funds on a timely basis, or, at all, to meet our working capital and other requirements, or to pay our debts, it could materially and adversely affect our business and results of operations. Management of our working capital requirements involves the timely payment of, or rolling over of, our short-term indebtedness and securing new and additional loans on acceptable terms, or re-negotiation of our payment terms for, our trade payables, collection of trade receivables and preparing and following accurate and feasible budgets for our business operations. If we are unable to manage our working capital requirements, our business, results of operations and financial condition could be materially and adversely affected. There can be no assurance that we will be able to effectively manage our working capital. Should we fail to effectively implement sufficient internal control procedures and management systems to manage our working capital and other sources of financing, we may have insufficient capital to maintain and grow our business, and we may breach the terms of our financing agreements with banks, face claims under cross-default provisions and be unable to obtain new financing, any of which would have a material adverse effect on our business, results of operations and financial condition. For further information on the working capital facilities currently availed of by us, see “*Financial Indebtedness*” on page 321.

**12. We are subject to numerous legal and regulatory requirements governing our activities, and if we fail to comply with such requirements, we may face substantial fines and penalties, which could have a material adverse effect on our business, financial condition and results of operations.**

Our business is subject to, and affected by, extensive, stringent and frequently changing laws and regulations, as well as frequently changing enforcement regimes, including, but not limited to, laws and regulations governing:

- certification or licensing of diagnostic centres;
- sampling conducted by medical doctors or duly authorised personnel;
- compliance with operational, personnel and quality requirements relating to clinical laboratory testing, including quality control audits by regulatory authorities to which we are periodically subject;
- establishment of safety and health standards for employees of diagnostic centres;
- proper handling, transportation and disposal of medical samples, infectious and hazardous waste;
- compliance with certain rules regulating relationships with doctors and hospitals (including laws and regulations prohibiting kickbacks and regulating gifts or fringe benefits); and
- maintaining the privacy of patient data.

In addition, we must meet extensive requirements relating to workplace safety for employees in clinical laboratories who could be exposed to various biological risks, such as blood-borne pathogens. These requirements include work practice controls, protective clothing and equipment, training and medical follow-up and may also include vaccinations and other measures designed to minimise exposure to, and transmission of, blood-borne pathogens.

Certain of our diagnostic centres in Himachal Pradesh, Rajasthan and Tamil Nadu through which we provide our services are “clinical establishments” under the Clinical Establishments (Registration and Regulation) Act, 2010 and the Clinical Establishments (Central Government) Rules, 2012 and the respective state legislation in this regard. These laws and regulations require registration and regulation of clinical establishments in India, prescribe minimum standards, requires clinical establishments to charge rates for its facilities and services within the range as determined by the Central Governments, and provide penalties in case of any contravention. For some of our diagnostic centres that qualify as clinical establishments, we have made applications for registration, for which we are yet to receive final certification from the relevant authority. As of March 31, 2021, we had made applications for registrations for 11 diagnostic centres as clinical establishments for which we are yet to receive certifications. Such centres contributed ₹354.81 million or 8.95% towards our total revenue from operations in Fiscal 2021. For further details, please see “*Risk Factors- We require certain approvals, licenses, registrations and permits for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our business, results of operations and financial condition*” on page 33.

We are also subject to a broad range of safety, health and environmental laws and various labor, workplace and related laws and regulations in the jurisdictions in which we operate, which impose controls on the disposal and storage of raw materials, bio-medical waste and water discharges, on the storage, handling, discharge and disposal of chemicals, employee exposure to hazardous substances and other aspects of our operations. For example, the Biomedical Waste Management Rules, 2016 (“**Biomedical Waste Rules**”) are applicable to all persons generating, collecting, receiving, storing, transporting, treating, disposing or

handling bio-medical waste in any form including hospitals, clinics and pathological laboratories. The Biomedical Waste Rules prescribe different categories of waste and various treatment and disposal options. While there have been no instances of non-compliance with the provisions of the Bio Medical Waste Rules, 2016 or levy of fines or penalties imposed on the Company, any non-compliance in the discharge of medical waste or of other hazardous substances or other pollutants into the soil or water may cause us to be liable to the government and regulatory bodies or to third parties. In addition, we may be required to incur costs to remedy the damage caused by such discharges, pay fines or other penalties for non-compliance. We also enter into separate contracts for collection, transportation, treatment and disposal of bio-medical wastes as well. If the third party vendor with whom we have entered into an agreement is unable to discharge its contractual obligations our operations may be adversely affected.

In addition, some of our imaging procedures emit radiation, which generate medical and other regulated wastes. Storage, use and disposal of these materials and waste products present the risk of accidental environmental contamination and physical injury.

A regulatory agency may conclude that we are not in compliance in all material respects with applicable laws and regulations. If we fail to comply with applicable laws and regulations, if such laws or regulations change in a manner adverse to us or we cannot maintain, renew or secure required permits, licences or other necessary regulatory approvals, we may be unable to operate our business or commercialise services, suffer civil and criminal penalties or fines, or incur additional liabilities from third-party claims. If any of the foregoing were to occur, our reputation could be damaged, important relationships with contract clients or other third parties could be adversely affected and these developments could have a material adverse effect on our business, results of operations, financial condition and prospects. For further details, please see “*Risk Factors – We require certain approvals, licenses, registrations and permits for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our business, results of operations and financial condition*” on page 33.

We are also subject to the laws and regulations governing relationships with employees in such areas as minimum wage, gratuity, provident fund and maximum working hours, overtime, working conditions, hiring and termination of employees, contract labour and work permits. There is a risk that we may inadvertently fail to comply with such regulations, which could lead to enforced shutdowns and other sanctions imposed by the relevant authorities, as well as the withholding or delay in receipt of regulatory approvals.

**13. *Failure to establish and comply with appropriate quality standards when performing imaging, testing and diagnostics services could result in litigation and liability for us and could materially and adversely affect its reputation and results of operations.***

The imaging and diagnostics tests that we perform and services we provide, are intended to supply healthcare professionals with information to help them establish or support diagnoses and prescribe medication and treatment for patient care. Inaccuracies or negligence in performing the testing and imaging services, for example through the misreading of test results, overdose of drugs, the contamination of samples or errors caused by testing equipment, could lead to incorrect diagnoses by doctors, adverse reactions by patients to the substances used in diagnostic testing, prescriptions of inappropriate treatment or decisions by doctors and other healthcare professionals not to prescribe treatment when treatment is required. While there have not been any instances of inaccuracies or negligence in the past that resulted in material liabilities, any such instances in the future, may lead to illness, harm, death or other adverse effects or liabilities, which could in turn subject us to malpractice claims from patients. Further, we are also generally exposed to liabilities relating to its employees’ contact with hazardous samples and waste.

Claims and litigation or any negative publicity against us by either patients or employees may result in liability for the harm or other adverse effects caused. Payments related to such liabilities may adversely affect our financial position and results of operations. The process of defending such cases, including the malpractice claims discussed above, even when we may be successful in their defence, is costly, could distract management from executing our strategy and could result in substantial damage to our Company’s reputation in the medical community and adverse publicity leading to substantial damage to our reputation in the general public, each of which could materially and adversely affect our business. To the extent we are held liable for negligence, it could have a material adverse effect on our business, results of operations, financial condition and prospects.

**14. Any inadequacy in packaging, collection of, or failure or delay in the delivery of, specimens to our diagnostic centres could compromise or destroy the integrity of such specimens, which could adversely affect our business, results of operations and financial condition.**

The process of collecting specimens is highly dependent on the skill and performance of our front-end employees. Any losses or errors in the specimen collection, preparation, labelling and storage process could result in us not being able to effectively provide our services and adversely affect our business and reputation.

The packaging, timely pickup, transportation and delivery of specimens depend on several factors beyond our control, including weather and road conditions, air traffic delays and, in the case of our international operations, delays at customs check points. Any disruptions in transportation services on account of natural disasters, strikes, lock-outs, terrorism, inadequacies in the road or air infrastructure, weather related problems, or other events beyond our control could affect our ability to receive specimens and generate test results in a timely manner. As a result, we may experience loss of specimens, delays and inefficiencies, including mislabelling of specimen, which are not within our control. If we are unable to deliver or receive specimens at our diagnostic centres in a timely manner, their integrity as well as the outcome of results may be compromised, or the reporting of results of tests to patients may be delayed, which could adversely affect our reputation. Further, specimens may be lost, damaged or contaminated due to mishandling while in transit. In the event specimens are lost, destroyed, damaged or contaminated, we may incur additional costs, such as the cost of re-administering tests or from delays in the generation of critical test results. The occurrence of any such events could adversely affect our reputation, business, results of operations and financial condition.

**15. We rely on third parties for certain aspects of our operations, and any deficiency in services provided by them could adversely affect our business and reputation.**

We rely on third parties for certain aspects of our operations including but not limited to logistics, business coordinators and reporting doctor consultants. For example, in Fiscal 2021 and in the three months ended June 30, 2021, we relied on the services of 160 and 190 qualified consultant doctors for our operations, respectively. We cannot assure you that there will be no disruptions in the provision of such services or that these third-parties will adhere to their contractual obligations. If there is a disruption in the third-party services, or breach of contractual obligations, or if the third-party service providers discontinue their service agreements with us, our business could be adversely affected and may result in litigation or other costs. Such additional costs, in addition to the cost of entering into agreements with third-parties in the same industry, may adversely affect our business, results of operations and financial condition. If any third party service provider terminates its contractual arrangement with our Company, we cannot assure you that we will be able to replace it with other third party service provider in a timely manner and at acceptable terms, or at all.

We cannot assure you that the performance of such third-parties will meet our required specifications or performance parameters. Our third-party service providers are contractually obligated to provide their service in accordance with the requirements and standards set forth in our contractual arrangements with them, however, we have limited control over such third parties and we may be subject to liability in case of their non-compliance with their contractual obligations. A failure by such third parties to perform their obligations as stipulated or at all may result in us not being able to effectively provide our services and adversely affect our business, financial condition and results of operations.

**16. We require certain approvals, licenses, registrations and permits for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our business, results of operations and financial condition.**

Our operations are subject to extensive government regulation and we are required to obtain and maintain a number of statutory and regulatory permits and approvals under central, state and local government rules in the geographies in which we operate, generally for carrying out our business and for each of our diagnostic centres. For further information in relation to such approvals, see “Government and Other Approvals” on page 329. Our Company obtains material permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate its diagnostic centres. The regulatory licenses that we require are typically granted for a limited term and are subject to renewal at the end of such terms. Certain approvals may have lapsed in their normal course and our Company has either made applications to the appropriate authorities for renewal of such licenses and/or approvals or is in the process of making such applications. We have made the following applications for certain material approvals:

| S. No. | State       | Centre        | Nature of Approval                                                                                          | Date of Expiry | Date of Application        |
|--------|-------------|---------------|-------------------------------------------------------------------------------------------------------------|----------------|----------------------------|
| 1.     | Rajasthan   | Jaipur        | Certificate under the Rajasthan Government Clinical Establishment (Registration and Regulation) Rules, 2013 | N/A            | January 11, 2019           |
| 2.     | Rajasthan   | Churu         | Certificate under the Rajasthan Government Clinical Establishment (Registration and Regulation) Rules, 2013 | N/A            | January 11, 2019           |
| 3.     | Rajasthan   | Udaipur       | Certificate under the Rajasthan Government Clinical Establishment (Registration and Regulation) Rules, 2013 | N/A            | January 11, 2019           |
| 4.     | Tamil Nadu  | Nagercoil     | Certificate under the Tamil Nadu Clinical Establishments (Regulation) Act, 1997                             | N/A            | November 28, 2019          |
| 5.     | Tamil Nadu  | Shivgangai    | Certificate under the Tamil Nadu Clinical Establishments (Regulation) Act, 1997                             | N/A            | November 28, 2019          |
| 6.     | Tamil Nadu  | Theni         | Certificate under the Tamil Nadu Clinical Establishments (Regulation) Act, 1997                             | N/A            | November 28, 2019          |
| 7.     | Tamil Nadu  | Thiruvavur    | Certificate under the Tamil Nadu Clinical Establishments (Regulation) Act, 1997                             | N/A            | November 28, 2019          |
| 8.     | Maharashtra | SMBT Hospital | Agreement under Biomedical Waste Management Rules, 2016                                                     | June 30, 2021  | Agreement is under renewal |

Our licenses and approvals are subject to various conditions, including periodic renewal and maintenance standards that are subject to inspection and may require us to incur substantial expenditure. Any actual or alleged failure on our part to comply with the terms and conditions of such regulatory licenses and registrations could expose us to significant compliance costs or liabilities or could affect our ability to continue our operations. Further, in the event certain accreditations, are made compulsory, either by law or as a condition for empanelment, our business and operations may be adversely affected until such time we receive such accreditations.

If we fail to obtain or renew any applicable approvals, licenses, registrations or consents in a timely manner, we may not be able to undertake certain operations of our business, or at all, which may affect our business or results of operations. We cannot assure you that the approvals, licenses, registrations or permits issued to us will not be suspended or revoked in the event of non-compliance or alleged non-compliance with any terms or conditions thereof, or pursuant to any regulatory action. In addition, any suspension, revocation or termination of one or more of our operational licenses may also lead to consequences under the terms of our other licenses. Any failure to renew the approvals that have expired, or to apply for and obtain the required approvals, licenses, registrations or consents, or any suspension or revocation of any of the approvals, licenses, registrations or consents that have been or may be issued to us, may adversely affect our business, results of operations and financial condition.

**17. The diagnostics industry in India is highly competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition.**

The diagnostics industry in India is highly competitive with several companies present in the market, and therefore it is challenging to improve market share and profitability. Our competitors include diagnostic healthcare service providers in India, hospital-based diagnostic centres, independent clinical laboratories, other smaller-scale providers of diagnostic services (with more established local and regional presence in certain geographies) such as pathology, radiology laboratories and preventive care providers as well as international service providers which may establish and expand their operations in future. We compete on the breadth of our test offerings, the geographical reach of our network, our ability to accurately undertake scans or process specimens and report data in a timely manner and our patient relationships. Some of our competitors may have greater financial, research and development, marketing and other resources, broader service offerings, more experience in obtaining regulatory approvals or greater geographic reach.



Also, the pricing-related competition may intensify in the near future which may have an adverse impact on the results of our operations, including our profit margins. Increase in the number of comparable diagnostic healthcare facilities may exert additional pricing pressure on some or all of our services. In addition, we may price our services differently in different regions of India, which may lead to patient dissatisfaction. Our competitors may also succeed in providing services that are more effective, popular or cheaper than ours, which may render our services uncompetitive. Our larger competitors may modify their business model to benefit from increased cost efficiencies and provide services similar to ours at a significant discount to our prices. If we are unable to compete effectively, our business could decline or contract and our business, results of operations and financial condition could be adversely affected.

**18. *We may be unable to retain or recruit trained professionals, which may adversely impact the reputation of our brand and materially and adversely affect our results of operations and cash flows.***

Our ability to meet continued success and future business challenges depends on our ability to attract, recruit and retain qualified, experienced, talented and skilled professionals. Without a sufficient number of qualified employees, our operations and delivery of services could suffer. Competition for qualified technicians and pathologists is intense, both in retaining our existing employees and when replacing or finding additional suitable employees. Competition among diagnostic companies for qualified employees, particularly qualified radiologists, is intense and the ability to retain and attract qualified individuals is critical to our success. As of June 30, 2021, we had 2,053 permanent employees. Although the attrition rate of our employees was 30.04%, 21.82% and 20.25% in Fiscal 2019, 2020 and 2021, respectively, we cannot guarantee that we will be able to recruit and retain qualified and capable employees. The loss of the services of our personnel or our inability to recruit or train a sufficient number of experienced personnel or our inability to manage the attrition levels in different employee categories may have an adverse effect on our financial results and business prospects. Further, if we cannot hire additional qualified personnel or retain them, our ability to expand our business may be impacted. As we intend to continue to expand our operations and develop new products, we will need to continue to attract and retain experienced management, pathologists and radiologists. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting suitable employees.

**19. *We depend on third-parties to provide us our testing equipment and reagents, and any failure to continue to do so or recall of existing testing equipment and reagents could adversely affect our business, results of operations and financial condition.***

We depend on third-party vendors and suppliers to procure our imaging equipment, testing equipment and reagents and we enter into contractual arrangements with them. However, we cannot assure you that we will be able to continue to obtain adequate supplies of equipment, reagents and test kits, in a timely manner and without any defects, in the future. Any such reductions or interruptions in the supply of equipment or reagents, defects in reagent and test kits and any inability on our part to find alternate sources for the procurement of such items, may have an adverse effect on our ability to provide our services in a timely or cost effective manner. Further, the procurement cost of foreign manufactured imaging equipment, testing equipment and reagents may increase due to depreciation of Indian Rupee, and the suppliers may therefore demand to re-negotiate the supply contracts with us. In the event of an increase in the price of such items, we cannot assure you that we will be able to correspondingly increase the price of our services.

Further, the agreements under which we procure our testing equipment and reagents have minimum offtake requirements and we are required to purchase certain minimum quantities of or value of purchases from the suppliers with whom we have contracted. Any disruption in our business could result in us not meeting our minimum purchase obligations under these agreements resulting in an event of default. Such default could potentially disrupt our supply of reagents, and adversely affect our business, results of operations and financial condition.

In addition, under our agreements with such suppliers, the supplier typically has the discretion to extend the contract period or increase the cost per sample with mutual consent on account of a default in the purchase of a committed amount of reagents or payment of the fee. Further, typically the contract can be terminated by either party without any cause, by giving thirty days prior written notice. In addition, manufacturers may discontinue the supply of, or recall reagents, test kits, instruments or equipment which could adversely affect our operations. Any such recall or termination and consequent removal of the installed equipment can adversely affect our operations.

**20. Disruption to or failure of transportation services for samples or test kits and other materials could materially and adversely affect our business and financial results.**

The transportation of test samples is handled internally by us. The proper and efficient handling of samples during collection and transportation by our couriers is essential for maintaining our integrity and ensuring safety from accidental exposure to and contamination by potentially infectious microorganisms. The vehicles used to transport samples must satisfy relevant legal, practical and technical requirements, which vary depending on the type of sample transported. These requirements include, for example, the use of appropriate transport containers and packaging, the temperature at which samples must be transported and the duration of the journey. Mishandling samples in the collection and transportation process can increase the likelihood of errors in laboratory testing. There is also a risk that poor infrastructure, heavy traffic and remote laboratory locations could result in transportation delays, which could have detrimental effects on samples or result in late deliveries both of which could cause actual or reputational damage to our business and adversely affect our financial condition and results of operation.

**21. We are required to comply with certain restrictive covenants under our financing agreements. Any non-compliance may lead to, amongst others, suspension of further drawdowns, which may adversely affect our business, results of operations, financial condition and cash flows.**

As of June 30, 2021, our total outstanding borrowings amounted to ₹2,093.43 million. Some of the financing arrangements entered into by us include conditions that require our Company to obtain respective lenders' consent prior to carrying out certain activities (including certain corporate actions) and entering into certain transactions. Failure to meet these conditions or obtain these consents could have significant consequences on our business and operations. These covenants vary depending on the requirements of the financial institution extending such loan and the conditions negotiated under each financing agreement. Some of the corporate actions that require prior consents from certain lenders include, amongst others, changes to the capital structure of the Company, and changes in the MoA and AoA of the Company. Failure to comply with such covenants may restrict or delay certain actions or initiatives that we may propose to take from time to time. Some of our lenders are also entitled to appoint directors on the Board of our Company. Further, certain of our financing arrangements require us to mortgage or create security over the equipment that we deploy at our diagnostic centres. In the event of any breach by of us of the terms of our financing agreement, lenders may invoke the security and look to possess our equipment.

Our borrowing arrangement with IndusInd Bank Limited ("IndusInd"), includes a mandatory prepayment clause, wherein our Company is required to mandatorily prepay the outstanding borrowings, or a part of it, availed from IndusInd (without any prepayment charge) in the event our Company undertakes (a) a fresh equity issuance pursuant to an IPO and/or any other mode of equity infusion during the tenor of the facility; (b) sale of an asset of our Company as permitted by IndusInd; or (c) excess cash generated by our Company, in accordance with the terms of the borrowing arrangement with IndusInd. As on June 30, 2021, our borrowings from IndusInd accounted for 64.12% of our overall borrowings. In this regard, IndusInd vide a letter dated April 23, 2021 has waived the requirement of mandatory prepayment by our Company on account of undertaking the Offer. Accordingly, pursuant to the waiver granted by IndusInd, the mandatory prepayment obligation under the borrowing arrangement with IndusInd will not impact the receivables or the cash flow of our Company. Further, majority of our loan agreements include a standard mandatory prepayment clause, applicable under certain circumstances, including but not limited to non-payment, breach of the covenants in the transaction documents, security being jeopardised, cessation of business, inability to pay debts and insolvency, which may result in our Company being required to prepay the entire outstanding borrowings availed from such lenders.

In addition, we have also availed certain unsecured loans from one of our Directors, which may be recalled at any time, details of which are included in the table below:

| Name of Director (lender) | Loan amount (₹ million) | Amount outstanding as of June 30, 2021 (₹ million) | Rate of interest (p.a.) | Date of agreement |
|---------------------------|-------------------------|----------------------------------------------------|-------------------------|-------------------|
| Pallavi Bhatevara         | 5.10                    | 5.10                                               | 12%                     | May 20, 2015      |
|                           | 13.44                   | 13.44                                              | 12%                     | August 17, 2017   |
| <b>Total</b>              | <b>18.54</b>            | <b>18.54</b>                                       |                         |                   |

Certain of our secured loans may also permit the lenders to recall the loan on demand. Such recalls on

borrowed amounts may be contingent upon happening of an event beyond our control and there can be no assurance that we will be able to persuade our lenders to give us extensions or to refrain from exercising such recalls which may adversely affect our operations and cash flows. A failure to observe the covenants under our financing arrangements or to obtain necessary waivers may lead to the termination of our credit facilities, acceleration of amounts due under such facilities, suspension of further access/ withdrawals, either in whole or in part, for the use of the facility and/or restructuring of our debt. For further information, see “*Financial Indebtedness*” on page 321.

**22. *Some of our diagnostic centres are required, and other diagnostic centres may be required in the future, to provide free or subsidised diagnostic services to patients belonging to economically disadvantaged sections of the society and certain other patients.***

Under the terms of PPP agreements for the operation of our diagnostic centres, we are required to provide free or subsidised diagnostic services for certain tests to patients belonging to economically weak sections of the society and certain other patients. As of November 2020, free diagnostic laboratory services have been implemented in 33 states and union territories. In 11 states and union territories these services have been implemented under the PPP mode while in 22 states and union territories it is under in-house model. In addition, free diagnostic CT scan services have been implemented in 13 states and union territories under the PPP mode while in 10 states and union territories it is under the in-house mode (*Source: CRISIL Report*). Further, we may be required to provide free or subsidised diagnostic services for certain tests to specific sections or classes of patients with respect to the healthcare facilities in which we operate. We may also be required to provide free or subsidised diagnostic services at the existing diagnostic centres pursuant to any social welfare legislation enacted in this regard. The provision of free or subsidised diagnostic services may adversely affect our revenues and our business, financial condition and results of operations. Further, any failure to provide free or subsidised diagnostic services may be considered a breach of the relevant agreement and the public health agency may terminate such arrangements in the event of our failure to comply with their terms.

**23. *There are certain outstanding legal proceedings involving our Company, our Promoter and one of our Independent Directors. Any adverse outcome in these proceedings or in any litigation proceedings in which our Company may get involved in, in the future, may have an adverse impact on our reputation, business, financial condition, results of operations and cash flows.***

There are certain outstanding legal proceedings involving our Company, our Promoter and one of our Independent Directors, which are currently outstanding. These relate to a criminal proceedings by our Company, an outstanding direct tax matter against our Promoter and an outstanding SEBI adjudication proceeding to which one of our Independent Directors is a party. For further details, see the section “*Outstanding Litigation and Other Material Developments*” on page 326.

There can be no assurance that these proceedings or other legal proceedings which we may get involved in, in the future, will be decided in our favor or in favour of our Promoter and/ or Director (as the case may be). In addition, we cannot assure you that no additional liability will arise out of these proceedings that could divert our management’s time and attention and consume financial resources. Any adverse order or direction in these cases by the concerned authorities even though not quantifiable, may have an adverse effect on our business, results of operations and financial condition. For further information, see “*Outstanding Litigation and Material Developments*” on page 326.

**24. *We may be subject to liabilities and negative publicity arising from the risks of providing diagnostic services including those resulting from claims of malpractice and medical negligence.***

We, as an operator of the diagnostic centres, are exposed to the risk of legal claims and regulatory actions arising out of the diagnostic services provided by us. The existence of such claims may tarnish our professional standing and market reputation of and/or that of the doctors and medical professionals involved. In addition, the reputational consequences of any claims may materially and adversely affect our business and operations. Regardless of their validity, negative publicity arising from such claims may also affect the number of patients visiting our healthcare facilities and may adversely affect the revenue generated by our healthcare facilities. While there have not been any claims or litigations against our Company on account of malpractice and medical negligence in the past, if any such claims in future succeed, we may become liable for the damages and other financial consequences, which may materially and adversely affect our financial condition and results of operations. While we have procured medical claim insurance, there is no certainty

that such insurance or indemnity will be adequate to satisfy all the claims arising from malpractice or medical negligence. Any successful claims against us in excess of the insurance coverage or the indemnity may adversely affect our business, financial condition, results of operations, cash flows and prospects.

**25. *Failure to introduce new tests, services, equipment and technologies could adversely affect our business, results of operations and financial condition.***

The diagnostic healthcare services industry is subject to constant innovations in, and improvements to tests and services, processes and technologies. In order to maintain our position in our industry, we must continue to anticipate and keep abreast of the demands and needs of our patients through investing in technologies to develop new tests and services and improve existing tests and services. If we fail to anticipate trends in the industry, or we are not able to introduce or develop new tests, services and technologies before or at least concurrently with our competitors and at competitive prices, our business, results of operations and financial condition may be adversely affected.

Our success in continuing to introduce new tests, technology and services depends on our ability to contract with equipment vendors and test developers on favourable terms, as well as our employees' ability to familiarise themselves with the new equipment or technology and accurately interpret tests. While we currently benefit from a strong bargaining position because of the high volume of tests we perform, a decrease in testing volume, which would cause a decrease in our bargaining power, would negatively affect our ability to purchase testing equipment on favourable terms. An inability to import equipment or test kits would decrease the number of tests or types of services that we offer. It, therefore, becomes critical for our Company to continuously update and upgrade the equipment we operate. If we are unable to import equipment or test kits or obtain new tests, technology and services on favourable terms, or at all, or if our employees have difficulty adjusting to the new equipment or technology, its testing methods and offerings may become outdated and its testing volumes and revenues may be adversely affected, which could have a material adverse effect on its business, results of operations, financial condition and prospects.

In addition, competition among manufacturers for a greater share of the diagnostic healthcare equipment market may accelerate the development of new technologies and consequently the obsolescence of our equipment, and we may not have the financial ability to acquire new or improved equipment and may not be able to maintain a competitive equipment base. Other companies or individuals, including our competitors, may obtain patents or other rights that would prevent, limit or interfere with our ability to provide certain testing services or operate our business or that may increase our costs or reduce our revenues. We may consequently be unable to deliver our diagnostic healthcare services in as efficient and effective a manner that our patients may expect and, as a result, our business, prospects, financial condition and results of operations may be materially and adversely affected.

**26. *Technological advancement may lead to more cost-effective technologies or non-invasive diagnostic healthcare tests that can be performed without the use of specialized diagnostic healthcare service centres or laboratories, which could adversely affect our business, financial condition, results of operations and cash flows.***

Advances in technology may lead to the development of more cost-effective technologies or non-invasive diagnostic healthcare tests which are more convenient and/or less expensive than our current solutions, such as drive-through testing, point-of-care testing equipment that can be operated by physicians or other healthcare providers in their offices or by patients themselves without requiring the services of free-standing clinical laboratories. Development of such technology and its use by our patients could reduce the demand for our laboratory testing services and negatively affect our income. Further, manufacturers of laboratory equipment and test kits could seek to increase their sales by marketing point-of-care laboratory equipment to physicians and by selling test kits approved for home use to both physicians and patients. Increased testing by physicians in their offices and home use by patients could affect the market for our laboratory testing services and negatively affect our income. Moreover, advancements in the availability of testing equipment that can be operated locally and that do not require free-standing clinical laboratories or advancements in self-testing kits that can be operated by patients themselves for such tests could also result in a decrease in the volume of tests from which we receive a substantial portion of our revenue. Any of these scenarios may have a significant adverse effect on our business, financial condition and results of operations.

**27. *Employee misconduct or failure of our internal processes or procedures could harm us by impairing our ability to attract and retain patients and subject us to significant legal liability and reputational harm.***

Our business is exposed to the risk of employee misconduct or the failure of our internal processes and procedures. Our business operations involve significant interaction with patients. Misconduct by employees could involve the improper use or disclosure of confidential information, which could result in costly litigation and serious reputational or financial harm. While we strive to monitor, detect and prevent fraud or misappropriation by our employees, through various internal control measures and insurance coverage, we may be unable to adequately prevent or deter such activities in all cases. While we have been able to identify such issues in the past, there could be instances of fraud and misconduct by our employees, which may go unnoticed for certain periods of time before corrective action is taken. In addition, we may be subject to regulatory or other proceedings in connection with any such unauthorized transaction, fraud or misappropriation by our employees, which could adversely affect our goodwill, business prospects and future financial performance. Even when we identify instances of fraud and other misconduct and pursue legal recourse or file claims with our insurance carriers, we cannot assure you that we will recover any amounts lost through such fraud or other misconduct.

***28. In the past there have been certain non-compliances with respect to certain provisions of Companies Act, regulatory filings and corporate actions taken by our Company. Consequently, we may be subject to regulatory actions and penalties for any past or future non-compliance and our business, financial condition and reputation may be adversely affected.***

In the past, our compliances for managing our secretarial records and compliances have been inadequate as a result of which there have been non-compliances with certain provisions of the Companies Act and regulatory filings by our Company. We cannot assure you that there are no other instances of non-compliances or irregularities in regulatory filings made by our Company. This may subject us to regulatory actions and/or penalties which may adversely affect our business, financial condition and reputation.

There have also been inaccuracies in respect of the filings made by our Company with the RoC. For example, there are certain factual inaccuracies in the PAS 3 form filed by Company in relation to the allotment of shares on March 31, 2015. The Company had made an allotment of 1,160,000 equity shares to Rajendra Mutha (the Promoter) pursuant to conversion of an unsecured loan furnished by him to the Company, into Equity Shares. While the form of consideration for allotment of such Equity Shares was “other than cash”, the Company, in the form PAS-3 filed with the RoC, erroneously indicated such consideration to be a “cash” consideration. Further certain corporate records of our Company are untraceable, including the challans evidencing the payment of fee towards (i) Form 5 filed with the RoC in relation to the amendment of the Memorandum of Association undertaken on February 12, 2013 and (ii) the Form SH-7 filed with the RoC in relation to the amendment of the Memorandum of Association undertaken on March 26, 2015.

There can be no assurance that there will be no other instances of such inadvertent non-compliances with statutory requirements, which may subject us to regulatory action, including monetary penalties, which may adversely affect our business and reputation.

***29. Failure or malfunction of our equipment could adversely affect our ability to conduct our operations.***

Our operations are subject to risks inherent in the use of complex medical equipment. We may experience failures or there could be injury to our employees or others either because of defects, faulty maintenance or repair, or improper use or lack of timely servicing of our equipment. Any significant malfunction or breakdown of our equipment may entail significant repair and maintenance costs and cause disruptions in our operations. In Fiscals 2019, 2020 and 2021, we incurred ₹58.85 million, ₹100.56 million and ₹98.67 million, respectively, as expenses towards our comprehensive and annual maintenance contracts with original equipment manufacturers for servicing our diagnostic testing equipment. Any injury caused by our medical equipment in our diagnostic centres due to equipment defects, improper maintenance or improper operation could subject us to liability claims. While there have not been any instances of failure or malfunctioning of our equipment in the past three Fiscals that have had a material impact on our operations, we cannot assure you that we would be able effectively respond to any such events in future, in a timely manner and at an acceptable cost, or that such faulty or malfunctioning equipment will not result in a significant downtime of the machine or that the time taken to repair or replace such equipment will be short. Any of these could lead to an inability to effectively provide our services and therefore, adversely affect our business and reputation.

**30. *We are dependent on a number of Key Management Personnel, including our senior management, and the loss of or our inability to attract or retain such persons could adversely affect our business, results of operations and financial condition.***

We are dependent upon the collective services of all the members of our Company's senior management team, including, among others, our Promoter, who oversee our day-to-day operations, strategy and growth of our business. The loss of or inability to attract or retain, the services of any of these persons or several of these persons could have an adverse effect on our business. In particular, the expertise, experience and services of Rajendra Mutha, our Promoter and other members of our senior management team, including our Key Management Personnel helps us to execute our growth strategy and have been integral to our business. For further information, see "Our Management" on page 177. If one or more of these Key Management Personnel are unwilling or unable to continue in their present positions, we may not be able to replace them with persons of comparable skill and expertise promptly or at all, which could have a material adverse effect on our business, financial results and prospects. We may also be required to increase our levels of employee compensation more rapidly than in the past to remain competitive in attracting skilled employees that our business requires. Moreover, we may be required to substantially increase the number of our senior management team in connection with any future growth plans, and we may face difficulties in doing so due to the competition and paucity in the industry for such personnel. Our failure to hire or retain qualified personnel could materially impair our ability to implement any plan for growth and expansion.

**31. *We may, in the future, engage in acquisitions and joint ventures. We may not be able to complete such transactions, and such transactions, if executed, pose significant risks.***

Our future success may depend on our ability to acquire other businesses or technologies or enter into joint ventures that could complement, enhance or expand our current business or offerings and services or that might otherwise offer us growth opportunities. We may face competition from other companies in pursuing acquisitions and joint ventures. Our ability to enter into such transactions may also be limited by applicable antitrust laws and other regulations in India. To the extent that we are successful in making acquisitions, we may have to expend substantial amounts of cash, incur debt and assume loss-making divisions. We may not be able to complete such transactions due to a failure to secure financing. Any future acquisitions we undertake may be financed through cash provided by operating activities, borrowings under our credit facilities and/or other debt or equity financing. All of these could reduce our cash available for other purposes.

Any transactions that we are able to identify and complete may involve a number of risks, including but not limited to:

- the diversion of management's attention to negotiate the transaction and then integrate the acquired businesses or joint ventures;
- the possible adverse effects on our operating results during the negotiation and integration process;
- significant costs, charges or write-downs;
- the potential loss of patients or employees of the acquired business;
- delays or reduction in realizing expected synergies;
- unexpected liabilities relating to a joint venture or acquired business; and
- our potential inability to achieve our intended objectives for the transaction.

We may also enter into strategic alliances or joint ventures to explore such opportunities or make significant investments in entities that we do not control to capitalize on such business opportunities, and there can be no assurance that such strategic alliances, joint ventures or investments will be successful. There can also be no assurances that we will be able to achieve synergies that we seek and generate the expected benefits. Further, if we acquire another company we could face difficulty in integrating the acquired operations, or we may incur higher than anticipated costs, or incur unknown liabilities that could materially and adversely affect our financial condition, cash flows and results of operations.

In addition, the key personnel of the acquired company may decide not to work for us. These difficulties could disrupt our ongoing business, distract our management and employees and increase our expenses. There can be no assurance that we will be able to achieve the strategic purpose of such acquisition or operational integration or our targeted return on investment. In addition, we may be unable to maintain uniform standards, controls, procedures and policies with respect to an acquired business, and this may lead to operational inefficiencies. To the extent that we are successful in making acquisitions, we may have to expend substantial amounts of cash, incur debt and assume loss-making divisions.

**32. We have certain contingent liabilities that have not been provided for in our financial statements, which if they materialise, may adversely affect our financial condition.**

As of March 31, 2021, our Restated Financial Statements disclosed the following contingent liabilities that have not been provided for were as follows:

| Particulars                                                            | Amount<br>(in ₹ million) |
|------------------------------------------------------------------------|--------------------------|
| Other monies for which the Company is contingently liable <sup>#</sup> | 36.50                    |
| <b>Total</b>                                                           | <b>36.50</b>             |

<sup>#</sup> The Company had availed bank guarantee facility of ₹334.00 million with Janata Sahakari Bank Limited against the property of Mr. Narayan Chighlikar and Mrs. Shubhangi Chighlikar, for which the Company had paid the sum of ₹36.50 million to Mr. Narayan Chighlikar, the proprietor of Yash Construction.

For further information on our contingent liabilities, see “Restated Financial Statements – Annexure 6 – Note 53” on page 281.

If a significant portion of these liabilities materialize, it could have an adverse effect on our business, financial condition and results of operations.

**33. Financial difficulties of patients or third-party payers may result in payment delays or require us to write off debts.**

We encounter third-party credit risk where we are reliant on the ability of a third party to pay for services we provide. We are exposed to varying levels of third-party credit risk depending on whether we bill patients directly for a service, or whether we invoice public or private healthcare providers. For example, under certain contracts, we are required to submit our invoices to public health agencies for diagnostics services rendered by us in accordance with the terms of our contractual arrangements with such counter-parties. We submit our invoices to the respective authorities along with relevant documentation as per the contract. Following multiple levels of verification, scrutiny and audits, our invoices are approved and payment is made to our Company. However, this process could in certain instances be delayed on account of changes in administration and requests for additional information. Any such delays could result in a delay in receipt of payment for services rendered by our Company. Further, if a third-party payer or an entity with which we have a contractual relationship experiences financial difficulties, we may be unable to collect amount payable to us, resulting in write-offs of such debt. Significant or recurring delays in receiving payment, or incidents of bad debts, could have a material adverse effect on our business, results of operations, financial condition and prospects.

**34. We could be exposed to risks relating to the handling of personal information, including medical data.**

Further, we must comply with privacy laws and regulations with respect to the use, storage and disclosure of protected patients’ health information, as well as laws pertaining to the electronic transmission of such information, such as the Information Technology (Reasonable security practices and procedures and sensitive personal data on information) Rules, 2011. In the ordinary course of our business, we receive certain personal information about our patients, including by electronic means. Accordingly, we depend upon our internal information technology system for the storage and transmission of such confidential information. The proposed legislation such as the draft Digital Information Security in Healthcare Act and the Personal Data Protection Bill 2019, which is yet to become effective, also requires healthcare facilities and institutions to protect the privacy of their patients or clients and prohibit unauthorized disclosure of personal information, including medical data. Compliance with new and evolving privacy and security laws, regulations and requirements may result in increased operating costs and may constrain or require us to alter our operations, which may in turn affect our business, financial condition, results of operations and prospects. Deficiencies in managing our information systems and data security practices may lead to leaks of patient records, test results, prescriptions, lab records and other confidential and sensitive information which could adversely impact our business and damage our reputation.

We have taken measures to maintain the confidentiality of our clients’ medical and personal information, however these measures may not always be effective in protecting our patients’ medical information. While we have not faced any such breach or theft of confidential and other sensitive information of our patients or

procedures or any kind of data leakage in the past, any breach of our confidentiality obligations to our patients, including due to data leakages or improper use of such medical information notwithstanding the safeguards that we have implemented, could expose us to fines, potential liabilities and legal proceedings, such as litigation or regulatory proceedings, which would adversely impact our reputation, business, operations and financial condition.

**35. *We are subject to risks associated with expansion into new geographic regions.***

We intend to grow our network of diagnostic centres across all states in India and selectively outside India by leveraging our experience of deploying and operating centres. Since March 31, 2021, we have been awarded with 10 new tenders for establishing additional diagnostic centres. We are at various stages of implementation of such tenders and are expected to be completed over the next few years. As part of our expansion strategy, we may also look to extend our presence internationally. Such arrangements will typically be governed by the local law of the country in which the diagnostic centre is proposed to be established. Expansion into new geographic regions, including different parts of India or internationally, subjects us to various challenges, including those relating to our lack of familiarity with the culture and economic conditions of these new regions, language barriers, difficulties in staffing and managing such operations, and the lack of brand recognition and reputation in such regions. For example, we had in the past sought to establish diagnostic centre in Yemen in Fiscal 2013 for which we had incorporated a subsidiary, Krsna International Limited. However, on account of the civil war in the country, we were required to abandon our proposed operations. As a result, we could not recover the outstanding export dues from Krsna International Limited in Yemen amounting to ₹31.01 million despite continuous follow-up, and had to make a provision of ₹31.01 million towards doubtful advances in Fiscal 2017. While our Company is in the process of arranging and taking the necessary permissions and/or approvals from authorised dealer banks, we cannot assure you we will get necessary approval from authorized dealer banks for write-off of the unrealized export bill or that any similar instances in future will not adversely impact our financial condition and result of operations. The risks involved in entering new geographic markets and expanding operations, may be higher than expected, and we may face significant competition in such markets. By expanding into new geographical regions, we could be subject to additional risks associated with establishing and conducting operations, including: compliance with a wide range of laws, regulations and practices, including uncertainties associated with changes in laws, regulations and practices and their interpretation; exposure to expropriation or other government actions; and political, economic and social instability.

**36. *Industry information included in this Prospectus has been derived from the CRISIL Report prepared by CRISIL Limited and exclusively commissioned and paid for by our Company for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.***

We have availed the services of an independent third party research agency, CRISIL Limited appointed by us on February 20, 2021, to prepare an industry report titled “Assessment of the diagnostic industry in India with a special focus on government spending” dated July 2021, for purposes of inclusion of such information in this Prospectus. The CRISIL Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Although we believe that the data may be considered to be reliable, the accuracy, completeness and underlying assumptions are not guaranteed and dependability cannot be assured. Investors are cautioned against placing undue reliance on such audited financial information of our Company and should rely only on the Restated Financial Statements included herein. While we have taken reasonable care in the reproduction of the information, the information has not been prepared or independently verified by us, or the BRLMs or any of our or their respective affiliates or advisors and, therefore, we make no representation or warranty, express or implied, as to the accuracy or completeness of such facts and statistics. Due to possibly flawed or ineffective collection methods or discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies and should not be unduly relied upon. Further, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Prospectus.

In addition, the industry measures and other relevant information identified and included in the CRISIL Report takes into account such information for certain key players operating in Indian diagnostics industry only to the extent available to CRISIL (as indicated in the CRISIL Report and reflected in the “Industry Overview – Competitive Mapping of Key Players” on page 135). For example, we have derived certain



industry information in this Prospectus from the CRISIL Report, and the CRISIL Report highlights certain industry and market data relating to us and our competitors, which is not based on any standard methodology and subject to various assumptions. In particular, certain industry measures, such as, OPBDIT, OPBDIT per patient and operating income, may have been calculated differently for us and our competitors in the CRISIL Report since there are no standard data gathering methodologies in our industry. In addition, the financial information of our Company derived from the CRISIL Report is based on the audited financial information of our Company for the relevant periods as indicated in the CRISIL Report and are therefore not comparable to our Restated Financial Statements. We cannot assure you that CRISIL's assumptions are correct or will not change and accordingly our position in the market may differ from that presented in this Prospectus.

**37. *The loss of accreditation required to operate one or more of our diagnostic centres could impact our revenues and also damage our reputation.***

Our quality certifications and accreditations are critical for our brand image. As of June 30, 2021, 14 of our diagnostic centres were accredited by NABL and two diagnostic centres were accredited by NABH. Our systems are also ISO 9001: 2015 certified for quality management. Some of our diagnostic centres are subject to third-party audits for compliance with NABL standards and guidelines. Further, some of our unaccredited diagnostic centres also undergo third-party audits for compliance with NABL standards in order to comply with contractual obligations. While these are typically undertaken at regular intervals, audits at some of our centres are pending due to the COVID-19 pandemic. As of June 30, 2021, audits were pending for two of our unaccredited diagnostic centres in Manipur and Meghalaya on account of the COVID-19 pandemic, and intimation of the same in writing has been provided to the regional Mission Director of the NHM. Currently, these diagnostic centres continue to operate. In the event we fail to comply with the requirement of undergoing third-party audits, we may be in breach of our contracts with the public health agencies. Further, in the event requisite diagnostic centres are found to be non-compliant or do not meet the accreditation criteria following such audits, accreditation for such diagnostic centres could be revoked and we may be subject to penalties. While there have not been any instances in the past where there has been a loss of accreditation of any of our diagnostic centres, if our diagnostic centres and testing services fail to meet accreditation standards, or if we fail to adapt to evolving diagnostic standards, we could lose one or more of our accreditations, which may adversely affect our brand image, reputation and business prospects. To ensure continued accreditation with such agencies, we must ensure consistency and maintain the quality of the services we offer. In the event we are unable to comply with the accreditation criteria or if such agencies find that we are not in compliance with the standards and norms prescribed, our accreditation may be revoked or we may not be granted accreditation. In the event our diagnostic centres are not able to receive the relevant accreditations or such accreditations are cancelled or revoked, it may adversely affect our reputation. Loss of accreditations may also result such diagnostic centres not being allowed to operate resulting in a loss of revenues and thereby impacting our financial condition and results of operation.

**38. *Our operations are human capital intensive and our operations may be materially adversely affected by strikes, work stoppages or increased wage demands by our employees.***

Our operations are human capital intensive and we are dependent on our large work force for operating our diagnostic centres and tele-radiology hub. As of June 30, 2021, we had 2,053 permanent employees and 984 employees on a contract basis. The success of our operations depends on availability of trained and qualified employees and maintaining good relationship with our workforce. Shortage of skilled/ unskilled personnel or work stoppages caused by disagreements with employees could have an adverse effect on our business and results of operations. While we have not experienced any major prolonged disruption in our business operations due to disputes or other problems with our work force in the past, there can be no assurance that we will not experience any such disruption in the future. Such disruptions may adversely affect our business and results of operations and may also divert the management's attention and result in increased costs.

Further, we engage independent contractors through whom we engage contract labour for performance of certain housekeeping and security functions at our diagnostic centres as well as at our corporate office. As of June 30, 2021, we engaged 220 contract labour. Although we do not engage these labourers directly, we are responsible for any wage payments to be made to such labourers in the event of default by such independent contractors. For example, under applicable labour legislations, we are responsible for ensuring that wage payments including contribution towards Provident Fund and Employee State Insurance are made by such independent contractors. In the event of any default on part of the independent contractors to make such payments, we will become liable for such payments. While there have not been any instances, in the last three

Fiscals, where we have become liable to make such payments, any requirement to fund their wage requirements in future may have an adverse impact on our results of operations and our financial condition.

India has stringent labour legislation that protects the interests of workers, including legislation that sets forth detailed procedures for the establishment of unions, dispute resolution and employee removal and legislation that imposes certain financial obligations on employers upon retrenchment. We are also subject to laws and regulations governing relationships with employees, in such areas as minimum wage and maximum working hours, overtime, working conditions, hiring and terminating of employees and work permits.

**39. *We conduct certain business operations on leased premises and our inability to renew such leases may adversely affect our business, results of operations and financial condition.***

Certain of our diagnostic centres are located on premises that are not owned by the public health agency or the private healthcare providers. Further, our registered and corporate offices are located on premises that are leased by our Company. In relation to our diagnostic centres, while we are typically provided the premises on which we conduct our operations, there is no assurance that such arrangements will continue to be made. In case we are required to enter into lease and leave and license agreements for a substantial portion of our operations in the future, in the event of any deficiency in the title of the owners from whose premises we operate, breach of the contractual terms of any lease, leave and license agreements, or if any of the owners of these premises do not renew the agreements under which we occupy the premises, or if they seek to renew such agreements on terms and conditions unfavorable to us, or if they terminate our agreements, we may suffer a disruption in our operations and will have to look for alternate premises. We may be unable to relocate our diagnostic centres and other offices in a timely manner or at acceptable terms, which may adversely affect our business, results of operations and financial condition.

Further, some of our lease agreements and leave and license agreements may not have been duly stamped as per applicable law or registered with the registering authority of the appropriate jurisdiction. An instrument not duly stamped, or insufficiently stamped, is not admitted as evidence in any Indian court or may even attract a penalty as prescribed under applicable law, which could adversely affect our business, results of operations and financial condition.

**40. *We are significantly dependent on the patients and customers of the healthcare facilities within which we deploy and operate our diagnostic centres. A failure to obtain and retain new customers by such facilities or the loss of existing customers could impact our ability to successfully grow our business.***

We operate all our diagnostic centres within public and private healthcare facilities and are significantly dependent on the captive customer base of such facilities. In addition, we do not operate any standalone diagnostic centres and do not offer referral commissions to private clinics and healthcare professionals to refer patients to our diagnostic centres. Accordingly, our ability to grow our customer base is dependent on such healthcare providers. Any decline in the customers of such facilities could result in a decline in the number of our customers and for the service we offer.

**41. *Our business and operations would suffer in the event of computer system failures, cyber-attacks or deficiencies in our cyber-security.***

Our ability to execute our business strategy depends, in part, on the continued and uninterrupted performance of our IT systems, which support our operations. Despite the implementation of security measures, our internal computer systems, and those of third parties on which we rely, are vulnerable to damage from, among others, computer viruses, malware, natural disasters, terrorism, war, telecommunication and electrical failures, cyber-attacks or cyber-intrusions over the Internet, attachments to emails, persons inside our organization, or persons with access to systems inside our organization or similar disruptive problems. The risk of a security breach or disruption, particularly through cyber-attacks or cyber intrusion, including by computer hackers, foreign governments, and cyber terrorists, has generally increased as the number, intensity and sophistication of attempted attacks and intrusions from around the world have increased. If such an event were to occur and cause interruptions in our operations, it could result in a material disruption of our product development programs. Any such security breach may compromise information stored on our networks and may result in significant data losses or theft of personally identifiable information. A cybersecurity breach could also hurt our reputation by adversely affecting the patients' perception of the security of their information. In addition, a cybersecurity attack could result in other negative consequences, including

disruption of our internal operations, increased cyber security protection costs, lost revenue, regulatory actions or litigations.

**42. *An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.***

The principal types of coverage under our insurance policies include group medical and accident insurance, machinery and vehicle insurance, money-transit and infidelity guarantee, key-man insurance for our Promoter, directors' and officers' liability and professional indemnity insurance. Our insurance cover for property, plant and equipment as of March 31, 2019, 2020 and 2021 was ₹2,341.30 million, ₹2,939.78 million and ₹3,517.53 million, respectively, while our net block of property, plant and equipment was ₹2,223.89 million, ₹2,735.82 million and ₹3,072.80 million as of March 31, 2019, 2020 and 2021, respectively. Consequently, our insurance cover as a percentage of net block of property, plant and equipment was 105.28%, 107.46% and 114.47%, as of March 31, 2019, 2020 and 2021, respectively.

The insurance coverage which we maintain is reasonably adequate to cover the normal risks associated with the operation of our business. Even if we have insurance for the incident giving rise to the loss, we may be required to pay a significant deductible on any claim for recovery of such a loss, or the amount of the loss may exceed our coverage for the loss. However, we cannot assure you that any claim under the insurance policies maintained by us will be honoured fully, in part or on time, or that we have obtained sufficient insurance to cover all our losses. In addition, our insurance coverage expires from time to time. We apply for the renewal of our insurance coverage in the normal course of our business, and while we have no reason to believe that we will not be able to renew our existing insurance coverage as and when such policies expire, or obtain comparable coverage from similar institutions as may be necessary or appropriate to conduct our businesses as now conducted, we cannot assure you that such renewals will be granted in a timely manner, or at acceptable cost, or at all. To the extent that we suffer loss or damage, or successful assertion of one or more large claims against us for events for which we are not insured, or for which we did not obtain or maintain insurance, or which is not covered in full or part by insurance, exceeds our insurance coverage or where our insurance claims are rejected, the loss would have to be borne by us and our results of operations, financial condition and cash flows could be adversely affected. For further information on our insurance arrangements, see "*Our Business – Insurance*" on page 161.

**43. *Our inability to protect or use our intellectual property rights or comply with intellectual property rights of others may adversely affect our business.***

We consider our brands and intellectual property to be amongst our most valuable assets and we have certain trademarks registered in India. As of June 30, 2021, we had five trademarks registered in India. These include our registration for the mark "Krsna" (under classes 5 and 44), "Krsnaa Diagnostics" and "Let's Do Good" and "Krsnaa Diagnostics Let's Do Good" (under class 44). Further, there are certain trademark applications made by our Company that are currently pending including our logo, Ayaksham and "Krsna D" (under class 44) with the Registrar of Trademarks under the Trade Marks Act, 1999. Further, certain of our applications have been refused or objected to. For further information, see "*Our Business – Intellectual Property*" on page 159.

Our inability to obtain or maintain these registrations may adversely affect our competitive business position. The measures we take to protect our intellectual property include relying on Indian and foreign laws and initiating legal proceedings, which may not be adequate to prevent unauthorized use of our intellectual property by third parties. Notwithstanding the precautions we take to protect our intellectual property rights, it is possible that third parties may copy or otherwise infringe on our rights, which may have an adverse effect on our business, results of operations and financial condition. We may also be unable to prevent infringement of our trademark and a passing off action may not provide sufficient protection until such time that we are able to register our trademark.

Further, our tests and diagnostic services may infringe on the intellectual property rights of others. While we take care to ensure that we comply with the intellectual property rights of others, we cannot determine with certainty whether we are infringing any existing third-party intellectual property rights, which may force us to alter our offerings. We may also be susceptible to claims from third parties asserting infringement and other related claims. If such claims are raised in the future, these claims could result in costly litigation, divert management's attention and resources, subject us to significant liabilities and require us to enter into potentially expensive royalty or licensing agreements or to cease certain offerings. Infringement and other

intellectual property claims, regardless of their merit, can be expensive and time-consuming to litigate. If we are found to have infringed on the intellectual proprietary rights of others, we might be forced to do one or more of the following: (i) cease performing or selling the services that incorporate the challenged intellectual property; (ii) pay for and obtain licenses from the holder of the infringed intellectual property right; (iii) re-engineer our tests and services and develop non-infringing technology; (iv) restructure our business processes; (v) provide indemnification to patients for third-party breaches of intellectual property pursuant to our contracts with such parties; or (vi) pay damages, court costs and legal fees, including any increased damages for any infringement that is deemed to be wilful. Any requirement to re-engineer our tests or change our business processes could substantially increase our costs, force us to interrupt product sales or delay new test releases. Infringement claims could also arise in the future as patents could be issued on tests or processes that we may be performing, particularly in such emerging areas as gene-based testing and other specialty testing. Any of the foregoing could have an adverse effect on our business, results of operations and financial condition.

**44. *We may be unable to successfully implement or manage our growth strategy.***

As part of our future growth strategy, we are seeking to increase the penetration of our existing services in the Indian market and in particular expand on the basis of our existing model of public private partnerships. We intend to do this by expanding our network of diagnostic centres, focusing on specialized diagnostic services, the selective acquisitions of diagnostic centres or chains, growing our digital capabilities and maintaining social impact. Our ability to successfully execute these expansion plans, to the extent they proceed, will depend on various factors, including among others:

- availability of tenders floated by public healthcare entities;
- the availability, terms and costs of financing required to fund setting-up of additional diagnostic centres;
- unexpected delays in completing constructions or acquisitions;
- our ability to negotiate commercially viable lease terms;
- our ability to identify suitable acquisition targets;
- successfully integrate new diagnostic centres into our existing operations;
- obtaining or renewing required statutory and regulatory approvals and licenses;
- demand for our services;
- our ability to train and manage our staff; and
- general economic conditions.

We cannot assure you that we will be able to execute our plans and, to the extent they proceed, that we will be able to complete them within our budget or desired timelines, achieve an adequate return on our investment or maintain current or prospective growth rates. Even if we are able to implement some or all of the initiatives of our business strategy successfully, our operating results may not improve to the extent we anticipate, or at all.

Even if we are successful in obtaining new business, failure to manage our growth could adversely affect our financial condition. We may experience extended periods of very rapid growth, and if we are not able to manage our growth effectively, our business and financial condition could materially suffer. Our growth may significantly strain our managerial, operational and financial resources and systems. To manage our growth effectively, we will have to continue to implement and improve our operational, financial and management controls, reporting systems and procedures. In addition, we must effectively expand, train and manage our employees. We will be unable to manage our businesses effectively if we are unable to alleviate the strain on resources caused by growth in a timely and successful manner.

**45. *Our business and prospects may be adversely affected if we are unable to maintain and grow our brand image.***

Our brand and reputation are critical for the success of our business and operations. We believe that the brand “Krsnaa” is associated with quality health care services at affordable rates. Our ability to maintain and improve our brand image is dependent on factors such as quality, affordability, accuracy and efficiency of our diagnostic services, turnaround time and patient satisfaction, the performance of our network, the introduction of new tests and services and our ability to maintain strong relationships with public and private healthcare institutions. Further, as we expand into new geographic markets within India or internationally, and as the market becomes increasingly competitive, maintaining and enhancing our brand image may become costly and difficult.

Our services are designed to diagnose diseases and other health conditions. While there have not been any past material incidences of errors, users of our services have a greater sensitivity to errors than users of services or products that are not intended for the diagnosis, treatment and prevention of diseases. We train our medical personnel, including technicians and other staff to provide accurate and timely test results. However, any delays or inaccuracies in the results we provide, including due to inherent limitations in the technology and equipment used or due to wrong interpretation of test results by doctors, may result in the wrong treatment being prescribed to a patient, which may cause potential harm to such patient. In addition, if our personnel make errors in the handling and labelling of patient specimens, or in the operation of our complex medical equipment, or if they inadequately or improperly extract specimens from patients causing bodily harm, our test results may not be accurate and we may become liable under healthcare or other laws for acts or omissions by our employees, which may adversely affect our brand and reputation. Further, we provide intimation of certain critical test results or in emergency situations to doctors by phone. Any lapse, miscommunication or failure may cause serious harm to patients and could adversely affect our brand and reputation.

**46. *We have in the past entered into related party transactions and may continue to do so in the future, which may potentially involve conflicts of interest with the equity shareholders.***

We have entered into transactions with certain related parties, including our Promoter, certain members of our Promoter Group, certain current and former Directors and Key Managerial Personnel of our Company. In particular, we have entered into various transactions with such parties in relation to, amongst others, remuneration, rent expense and purchase of consumables and others. While we believe that all such transactions have been conducted on an arm's length basis, we cannot assure you that we might have obtained more favourable terms had such transactions been entered into with unrelated parties. Further, it is likely that we may enter into additional related party transactions in the future. Such related party transactions may potentially involve conflicts of interest.

In Fiscals 2019, 2020 and 2021, the aggregate amount of such related party transactions was ₹37.60 million, ₹41.02 million and ₹54.77 million, respectively. The percentage of the aggregate value of such related party transactions to our revenue from operations in Fiscals 2019, 2020 and 2021 was 1.80%, 1.59% and 1.38%, respectively. For further information on our related party transactions, see "Restated Financial Statements" on page 201. We cannot assure you that such transactions, individually or in the aggregate, will always be in the best interests of our minority shareholders and will not have an adverse effect on our business, results of operations, cash flows and financial condition.

**47. *We are subject to risks arising from interest rate and foreign currency exchange rate fluctuations, which could adversely affect our business, financial condition and results of operations.***

Interest rates for borrowings have been volatile in India in recent periods. Our operations are partly funded by debt and increases in interest rate and a consequent increase in the cost of servicing such debt may have an adverse effect on our results of operations and financial condition. Changes in prevailing interest rates affect our interest expense in respect of our borrowings. A portion of our debt facilities carry interest at variable rates. While we may exercise any right available to us under our financing arrangements to terminate the existing debt financing arrangement on the respective reset dates and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms or that these agreements, if entered into, will protect us adequately against interest rate risks. Further, if such arrangements do not protect us adequately against interest rate risks, they would result in higher costs. In addition, we may experience foreign exchange losses and gains in respect of transactions denominated in foreign currencies. Interest rate variation and losses in respect of our foreign currency transactions could have an adverse impact on our financial condition and results of operations.

**48. *Our Promoter and certain of our Directors have interests in our Company other than their normal remuneration or benefits and reimbursement of expenses.***

Our Promoter and certain of our Directors are interested in our Company, in addition to regular remuneration or benefits and reimbursement of expenses. Our Promoter and certain of our Directors holding Equity Shares may take or block actions with respect to our business which may conflict with the best interests of our Company or that of minority shareholders. For further information on the interest of our Promoter and

Directors, other than reimbursement of expenses incurred or normal remuneration or benefits, see “Our Management” and “Our Promoter and Promoter Group” on pages 177 and 196, respectively.

**49. Our ability to access capital at attractive costs depends on our credit ratings. Non-availability of credit ratings or a poor rating may restrict our access to capital and thereby adversely affect our business and results of operations.**

The cost and availability of capital, among other factors, depend on our credit rating. Details of our credit ratings in the past three Fiscals are set out in the table below:

| Rating Agency | Facilities            | Fiscal 2019 | Fiscal 2020       | Fiscal 2021         |
|---------------|-----------------------|-------------|-------------------|---------------------|
| CRISIL        | Long Term Facilities  | -           | CRISIL BBB/Stable | CRISIL BBB/Positive |
| CRISIL        | Short Term Facilities | -           | CRISIL A3+        | CRISIL A3+          |

Our credit rating reflects, amongst other things, the rating agency’s opinion of our financial strength, operating performance, strategic position, and ability to meet our obligations. Our inability to obtain such credit rating in a timely manner or any non-availability of credit ratings, or poor ratings, or any downgrade in our ratings may increase borrowing costs and constrain our access to capital and lending markets and, as a result, could adversely affect our business and results of operations. In addition, non-availability of credit ratings could increase the possibility of additional terms and conditions being added to any new or replacement financing arrangements.

**50. Various challenges currently faced by the healthcare industry in India may also adversely affect our business, results of operations and financial condition.**

We are impacted by various challenges currently faced by the Indian healthcare industry. Among the significant concerns include the provision of quality patient care at affordable costs. For example, healthcare costs in India have increased significantly over the past decade, and there have been and may continue to be proposals by legislators and regulators to limit the rate of increase, or lower, healthcare costs in India. Certain proposals by the Government of India, if passed, could impose, among other things, limitations on the prices we will be able to charge for our diagnostic healthcare services. The Indian Council of Medical Research has permitted antigen and antibody testing subject to state-wise regulations, to scale up testing in the country in response to the COVID-19 pandemic. The erstwhile price cap of ₹4,500 for RT-PCR tests has been significantly revised downwards to ₹500 - ₹1,500 across states (*Source: CRISIL Report*). Further, various state governments have capped and fixed prices for high resolution CT – chest scans up to ₹3,000 per scan for COVID-19 patients.

In addition, our business, results of operations and cash flows may be adversely affected by other factors that affect the broader Indian healthcare industry, such as:

- general economic conditions which adversely impact the quantum of disposable income that can be allocated for healthcare services;
- demographic changes, such as the increase in the percentage of elderly patients, which could result in increased government expenditures for healthcare services, in turn resulting in proposals to limit the rate of increase of healthcare costs in India;
- the rate of expansion of health insurance coverage in India, as well as the number of and healthcare costs associates with uninsured and underinsured patients;
- seasonal cycles of illness as a function of varying climate, weather conditions and disease outbreaks; and
- recruitment and retention of qualified healthcare professionals.

Any failure by us to effectively address these and other factors could have an adverse effect on our business, results of operations and financial condition.

**51. The Central or State Governments may exercise rights of eminent domain in respect of the land on which the facilities within which our diagnostic centres are situated.**

The Central or State Governments in India may exercise their rights of eminent domain, or compulsory acquisition in respect of our diagnostic centres. The (Indian) Land Acquisition Act, 1894 allows the Central and State Governments to exercise rights of eminent domain or, compulsory acquisition. If such right is used in respect of the land on which any of the facilities within which our diagnostic centres are located or being

constructed, we could be required to relinquish the facility along with the relevant diagnostic centre. While we may be indirectly compensated for such acquisition given that our diagnostic centres are based on a hospital partnership model, the compensation may not reflect the costs incurred by us in establishing such diagnostic centres. The likelihood of such actions may increase as the Central and State governments seek to acquire or re-zone such land for the development of infrastructure projects such as roads, airports, railways and any other public purpose. Any such action in respect of one or more of the existing, or future, clinical establishments in our portfolio may adversely affect our business, financial condition, results of operations, cash flows and prospects.

- 52. *We have in this Prospectus included certain non-GAAP financial and operational measures and certain other industry measures related to our operations and financial performance that may vary from any standard methodology that is applicable across the diagnostics industry. We rely on certain assumptions and estimates to calculate such measures, therefore such measures may not be comparable with financial, operational or industry related statistical information of similar nomenclature computed and presented by other similar companies.***

Certain non-GAAP financial measures and certain other industry measures relating to our operations and financial performance, such as, Adjusted Total Income, Adjusted EBITDA, Adjusted EBITDA Margin, return on net worth and net asset value per share, have been included in this Prospectus. We compute and disclose such non-GAAP financial and operational measures, and such other industry related statistical and operational information relating to our operations and financial performance as we consider such information to be useful measures of our business and financial performance, and because such measures are frequently used by securities analysts, investors and others to evaluate the operational performance of the diagnostics businesses, many of which provide such non-GAAP financial and operational measures, and other industry related statistical and operational information.

These non-GAAP financial and operational measures, and such other industry related statistical and operational information relating to our operations and financial performance may not be computed on the basis of any standard methodology that is applicable across the industry and therefore may not be comparable to financial and operational measures, and industry related statistical information of similar nomenclature that may be computed and presented by other diagnostic companies. Such supplemental financial and operational information is therefore of limited utility as an analytical tool, and investors are cautioned against considering such information either in isolation or as a substitute for an analysis of our Restated Financial Information disclosed elsewhere in this Prospectus. Also, see *“Risk Factors – Industry information included in this Prospectus has been derived from the CRISIL Report prepared by CRISIL Limited and exclusively commissioned and paid for by our Company for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.”* on page 42.

- 53. *We face significant competition from standalone diagnostic centres.***

In addition to diagnostic healthcare service providers in India and hospital-based diagnostic centres, we also face competition from independent and standalone diagnostic centres. Standalone diagnostic centres, which have a single centre, make up for 45-50% share of the market. Low entry barriers and the absence of stringent regulations have enabled small pathology labs and radiology centres to grow. They carry out basic tests that require minimal investment and space and typically have a conventional X-ray and an ultrasound machine (Source: CRISIL Report). Standalone diagnostic centres could potentially operate in areas where we may not otherwise be able to operate given the equipment that we deploy and resources required by us to establish and operate our diagnostic centres. If the number of standalone diagnostic centres were to continue to increase, our business, results of operations and financial condition could be adversely affected.

- 54. *Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior shareholders’ approval.***

We propose to utilise the Net Proceeds towards financing the costs of establishing diagnostic centres in Punjab, Karnataka, Himachal Pradesh and Maharashtra, repayment or prepayment of certain borrowings (in full or in part, including accrued interest) availed by our Company and for general corporate purposes. For further information of the proposed objects of the Issue, see *“Objects of the Offer”* on page 92. At this stage, we cannot determine with any certainty if we would require the Net Proceeds to meet any other expenditure or fund any exigencies arising out of competitive environment, business conditions, economic conditions or other factors beyond our control. In accordance with Sections 13(8) and 27 of the Companies Act 2013, we

cannot undertake any variation in the utilisation of the Net Proceeds without obtaining the shareholders' approval through a special resolution. In the event of any such circumstances that require us to undertake variation in the disclosed utilisation of the Net Proceeds, we may not be able to obtain the shareholders' approval in a timely manner, or at all. Any delay or inability in obtaining such shareholders' approval may adversely affect our business or operations.

Further, our Promoter would be required to provide an exit opportunity to Shareholders who do not agree with our proposal to change the objects of the Issue or vary the terms of such contracts, at a price and manner as prescribed by SEBI. Additionally, the requirement on Promoter to provide an exit opportunity to such dissenting shareholders may deter the Promoter from agreeing to the variation of the proposed utilisation of the Net Proceeds, even if such variation is in the interest of our Company. Further, we cannot assure you that the Promoter or the controlling shareholders of our Company will have adequate resources at their disposal at all times to enable them to provide an exit opportunity at the price prescribed by SEBI.

In light of these factors, we may not be able to undertake variation of objects of the Issue to use any unutilized proceeds of the Issue, if any, or vary the terms of any contract referred to in this Prospectus, even if such variation is in the interest of our Company. This may restrict our Company's ability to respond to any change in our business or financial condition by re-deploying the unutilised portion of Net Proceeds, if any, or varying the terms of contract, which may adversely affect our business and results of operations.

**55. *Our funding requirements and proposed deployment of the Net Proceeds of the Offer have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.***

We intend to use the Net Proceeds for the purposes described in “*Objects of the Offer*” on page 92. The objects of the Offer have not been appraised by any bank or financial institution. Whilst a monitoring agency will be appointed for monitoring utilisation of the Net Proceeds, the proposed utilisation of Net Proceeds is based on current conditions, internal management estimates based on the terms of our current financing documents and are subject to changes in external circumstances or costs, or in other financial condition, business or strategy, as discussed further below. Based on the competitive nature of our industry, we may have to revise our business plan and/ or management estimates from time to time and consequently our funding requirements may also change. Our internal management estimates may exceed fair market value or the value that would have been determined by third party appraisals, which may require us to reschedule or reallocate our project and capital expenditure and may have an adverse impact on our business, financial condition, results of operations and cash flows.

Further, pending utilization of Net Proceeds towards the Objects of the Offer, our Company will have to deposit the Net Proceeds temporarily in deposits with one or more scheduled commercial banks included in Second Schedule of Reserve Bank of India Act, 1934, in a manner as may be approved by our Board. Accordingly, prospective investors in the Offer will need to rely upon our management's judgment with respect to the use of Net Proceeds.

Further, except as disclosed in the section “*Objects of the Offer*” on page 92, we have not entered into any definitive agreements with suppliers to utilize the Net Proceeds for this object of the Offer and have relied on the quotations received from third parties for estimation of the cost. For aspects of such capital expenditure for which we are yet to place orders for, we have obtained quotations from various vendors, most of which are valid for a certain period of time and may be subject to revisions, and other commercial and technical factors. We are yet to place orders for 24.85% of the total value of equipments proposed to be financed from the Net Proceeds, aggregating to ₹296.14 million. For further details, see “*Objects of the Offer*” on page 92. Moreover, except to the extent of equipments for which we have placed orders, the estimated cost for financing the diagnostics centres at Punjab, Karnataka, Himachal Pradesh and Maharashtra are based on quotations received from third parties, independent assessment by the project consultant, certain management estimates and current conditions and are subject to change, owing to prospective changes in external circumstances, costs, and other financial conditions. There could be delays as a result of, among other things, requirement of obtaining approvals from statutory or regulatory authorities, contractors' or external agencies' failure to perform, exchange rate fluctuations, unforeseen engineering problems, disputes with workers, increase in input costs of construction materials and labour costs, incremental preoperative expenses, taxes and duties, interest and finance charges, EPC and non-EPC costs, cost escalation and/or force majeure events (including the continuing impact of the COVID-19 pandemic), any of which could give rise to cost overruns and delays in our implementation schedules. If our actual capital expenditures on these significantly exceed



our budgets, or even if our budgets were sufficient to cover these projects, we may not be able to achieve the intended economic benefits of these projects, which in turn may materially and adversely affect our financial condition, results of operations, cash flows, and prospects. There can be no assurance that we will be able to complete the aforementioned establishment of diagnostic centres in accordance with the proposed schedule of implementation and any delay could have an adverse impact on our growth, prospects, cash flows and financial condition.

**56. After the completion of the Offer, our Promoter along with the Promoter Group will continue to control our Company.**

After the completion of the Offer, our Promoter along with the Promoter Group will continue to control our Company and exercise significant influence over our business policies and affairs and all matters requiring shareholders' approval, including the composition of our Board, the adoption of amendments to our certificate of incorporation, the approval of mergers, strategic acquisitions or joint ventures or the sales of substantially all of our assets, and the policies for dividends, lending, investments and capital expenditures. This concentration of ownership also may delay, defer or even prevent a change in control of our Company and may make some transactions more difficult or impossible without the support of such controlling shareholders. The interests of the Promoter and Promoter Group as our controlling shareholder could conflict with our interests or the interests of its other shareholders. We cannot assure you that our Promoter will act to resolve any conflicts of interest in our favour and any such conflict may adversely affect our ability to execute our business strategy or to operate our business.

**57. We have issued Equity Shares during the preceding twelve months at a price which may be below the Offer Price.**

We have issued Equity Shares in the last 12 months at a price which may be lower than the Offer Price, as set out in the table below (on a pre-split basis). For further information, see "Capital Structure" at page 79.

| <b>Date of Allotment</b> | <b>No. of Equity Shares Allotted</b> | <b>Face Value per Equity Share (₹)</b> | <b>Issue Price per Equity Share (₹)</b> | <b>Nature of consideration</b> | <b>Reason of allotment</b>                         |
|--------------------------|--------------------------------------|----------------------------------------|-----------------------------------------|--------------------------------|----------------------------------------------------|
| March 23, 2021           | 600,960                              | 10                                     | 250                                     | Cash^                          | Allotment pursuant to conversion of Series-B CCCPS |
| March 31, 2021           | 730,904                              | 10                                     | 10                                      | Cash                           | Rights issue                                       |
| July 23, 2021            | 8,123,828                            | 5                                      | 61.50 <sup>\$</sup>                     | Cash^                          | Allotment pursuant to conversion of Series A CCPS  |
| July 23, 2021            | 6,077,772                            | 5                                      | 125.00 <sup>\$\$</sup>                  | Cash^                          | Allotment pursuant to conversion of Series C CCPS  |

^ Consideration for such equity shares was paid upfront at the time of allotment of Series A CCPS, Series B CCCPS and Series C CCPS, with agreed terms of conversion.

\$ This issue price per Equity Share, excludes an additional premium of ₹0.17 per Equity Share, accounted in the securities premium of the Company at the time of allotment of Series A CCPS.

\$\$ This issue price per Equity Share, excludes an additional premium of ₹39.48 per Equity Share, accounted in the securities premium of the Company at the time of allotment of Series C CCPS.

The prices at which Equity Shares were issued by us in the past year should not be taken to be indicative of the Price Band, Offer Price and the trading price of our Equity Shares after listing.

**58. Our customers may engage in certain transactions in or with countries or persons that are subject to U.S. and other sanctions.**

U.S. law generally prohibits U.S. persons from directly or indirectly investing or otherwise doing business in or with certain countries that are the subject of comprehensive sanctions and with certain persons or businesses that have been specially designated by the OFAC or other U.S. government agencies. Other governments and international or regional organizations also administer similar economic sanctions. We provide services to our customers, who may be doing business with, or located in, countries to which certain OFAC-administered and other sanctions apply. Although we believe we have compliance systems in place that are sufficient to block prohibited transactions, there can be no assurance that we will be able to fully monitor all of our transactions for any potential violation. Although we do not believe that we are in violation

of any applicable sanctions, if it were determined that transactions in which we participate violate U.S. or other sanctions, we could be subject to U.S. or other penalties, and our reputation and future business prospects in the United States or with U.S. persons, or in other jurisdictions, could be adversely affected. We rely on our staff to be up-to-date and aware of the latest sanctions in place. Further, investors in the Equity Shares could incur reputational or other risks as the result of our customers' dealings in or with countries or with persons that are the subject of U.S. sanctions.

**59. *If we are unable to establish and maintain an effective internal controls and compliance system, our business and reputation could be adversely affected.***

We are responsible for establishing and maintaining adequate internal measures commensurate with the size and complexity of operations. Our internal audit functions make an evaluation of the adequacy and effectiveness of internal systems on an ongoing basis so that our diagnostic centres adhere to our policies, compliance requirements and internal guidelines. We periodically test and update our internal processes and systems and there have been no past material instances of failure to maintain effective internal controls and compliance system. However, we are exposed to operational risks arising from the potential inadequacy or failure of internal processes or systems, and our actions may not be sufficient to ensure effective internal checks and balances in all circumstances.

We take reasonable steps to maintain appropriate procedures for compliance and disclosure and to maintain effective internal controls over our financial reporting so that we produce reliable financial reports and prevent financial fraud. As risks evolve and develop, internal controls must be reviewed on an ongoing basis. Maintaining such internal controls requires human diligence and compliance and is therefore subject to lapses in judgment and failures that result from human error. Any lapses in judgment or failures that result from human error can affect the accuracy of our financial reporting, resulting in a loss of investor confidence and a decline in the price of our equity shares.

Further, our operations are subject to anti-corruption laws and regulations. These laws generally prohibit us and our employees and intermediaries from bribing, being bribed or making other prohibited payments to government officials or other persons to obtain or retain business or gain some other business advantage. We participate in collaborations and relationships with third parties whose actions could potentially subject us to liability under these laws or other local anti-corruption laws. While our code of conduct requires our employees and intermediaries to comply with all applicable laws, and we continue to enhance our policies and procedures in an effort to ensure compliance with applicable anti-corruption laws and regulations, these measures may not prevent the breach of such anti-corruption laws, as there are risks of such breaches in emerging markets, such as India, including within the healthcare sector. If we are not in compliance with applicable anti-corruption laws, we may be subject to criminal and civil penalties, disgorgement and other sanctions and remedial measures, and legal expenses, which could have an adverse impact on our business, financial condition, results of operations and liquidity. Likewise, any investigation of any potential violations of anti-corruption laws by the relevant authorities could also have an adverse impact on our business and reputation.

**60. *We are dependent on government policies and budget allocations for diagnostic centres that we intend to establish in future and our overall growth.***

We are focused on operating diagnostic centres within existing facilities of public healthcare agencies. Our future operations are dependent on the policies and budgetary allocations available to such public healthcare agencies to deploy diagnostic centres within their existing facilities. Any change in the policy by state or central government or a reduction in healthcare expenditure by such state or central government could have an adverse impact on our business, financial condition and results of operation.

**61. *Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.***

We have not declared dividend in the past. For further information, see “Dividend Policy” on page 200. The declaration and payment of dividends will be recommended by our Board of Directors and approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and applicable law, including the Companies Act, 2013. We may retain all future earnings, if any, for use in the operations and expansion of the business. As a result, we may not declare dividends in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our Board and will

depend on factors that our Board deems relevant, including among others, our future earnings, financial condition, cash requirements, business prospects and any other financing arrangements. We cannot assure you that we will be able to pay dividends in the future. Accordingly, realization of a gain on Shareholders' investments will depend on the appreciation of the price of the Equity Shares. There is no guarantee that our Equity Shares will appreciate in value.

**62. *We will not receive any proceeds from the Offer for Sale. The Selling Shareholders will receive the net proceeds from the Offer for Sale.***

The Offer consists of a Fresh Issue and an Offer for Sale. The Selling Shareholders, namely Phi Capital, Kitara, Somerset and Lotus Management Solutions (acting through and represented by Mayur Sirdesai) shall be entitled to the net proceeds from the Offer for Sale, which comprise proceeds from the Offer for Sale net of Offer expenses shared by the Selling Shareholders, and our Company will not receive any proceeds from the Offer for Sale. Each of the Selling Shareholders are 'public shareholders' and none of them form part of the Promoter Group of the Company.

**63. *U.S. holders should consider the impact of the passive foreign investment company rules in connection with an investment in our Equity Shares.***

A foreign corporation will be treated as a passive foreign investment company ("PFIC") for U.S. federal income tax purposes for any taxable year in which either: (i) at least 75% of its gross income is "passive income" or (ii) at least 50% of its gross assets during the taxable year (based on the quarterly values of the assets during a taxable year) are "passive assets," which generally means that they produce passive income or are held for the production of passive income.

Our Company believes it was not a PFIC for fiscal year ended March 31, 2021, and does not expect to be a PFIC for the current year or any future years. However, no assurance can be given that our Company will or will not be considered a PFIC in the current or future years. The determination of whether or not our Company is a PFIC is a factual determination that is made annually after the end of each taxable year, and there can be no assurance that our Company will not be considered a PFIC in the current taxable year or any future taxable year because, among other reasons, (i) the composition of our Company's income and assets will vary over time, and (ii) the manner of the application of relevant rules is uncertain in several respects. Further, our Company's PFIC status may depend on the market price of its Equity Shares, which may fluctuate considerably.

## **EXTERNAL RISK FACTORS**

### **RISKS RELATING TO INDIA**

**64. *Political, economic or other factors that are beyond our control may have an adverse effect on our business and results of operations.***

The Indian economy and its securities markets are influenced by economic developments and volatility in securities markets in other countries. Investors' reactions to developments in one country may have adverse effects on the market price of securities of companies located elsewhere, including India. Adverse economic developments, such as rising fiscal or trade deficit, in other emerging market countries may also affect investor confidence and cause increased volatility in Indian securities markets and indirectly affect the Indian economy in general. Any of these factors could depress economic activity and restrict our access to capital, which could have an adverse effect on our business, financial condition and results of operations and reduce the price of our Equity Shares. Any financial disruption could have an adverse effect on our business, future financial performance, shareholders' equity and the price of our Equity Shares.

We are dependent on domestic, regional and global economic and market conditions. Our performance, growth and market price of our Equity Shares are and will be dependent to a large extent on the health of the economy in which we operate. There have been periods of slowdown in the economic growth of India. Demand for our products may be adversely affected by an economic downturn in domestic, regional and global economies. Economic growth in the countries in which we operate is affected by various factors including domestic consumption and savings, balance of trade movements, namely export demand and movements in key imports, global economic uncertainty and liquidity crisis, volatility in exchange currency rates, and annual rainfall which affects agricultural production. Consequently, any future slowdown in the

Indian economy could harm our business, results of operations and financial condition. Also, a change in the government or a change in the economic and deregulation policies could adversely affect economic conditions prevalent in the areas in which we operate in general and our business in particular and high rates of inflation in India could increase our costs without proportionately increasing our revenues, and as such decrease our operating margins.

**65. *If there is any change in laws or regulations, including taxation laws, or their interpretation, such changes may significantly affect our financial statements.***

Any change in Indian tax laws could have an effect on our operations. For instance, the Taxation Laws (Amendment) Act, 2019 prescribes certain changes to the income tax rate applicable to companies in India. According to this Act, companies can henceforth voluntarily opt in favour of a concessional tax regime (subject to no other special benefits/exemptions being claimed), which would ultimately reduce the effective tax rate for Indian companies from 34.94% to approximately 25.17%. Any such future amendments may affect our other benefits such as exemption for income earned by way of dividend from investments in other domestic companies and units of mutual funds, exemption for interest received in respect of tax free bonds, and long-term capital gains on equity shares if withdrawn by the statute in the future, and the same may no longer be available to us. Any adverse order passed by the appellate authorities/ tribunals/ courts would have an effect on our profitability.

Due to the COVID-19 pandemic, the Government of India also passed the Taxation and Other Laws (Relaxation of Certain Provisions) Act, 2020, implementing relaxations from certain requirements under, amongst others, the Central Goods and Service Tax Act, 2017 and Customs Tariff Act, 1975.

Further, the Government of India has announced the Union Budget for Fiscal 2021, pursuant to which the Finance Act of 2021 has introduced various amendments. In addition, unfavourable changes in or interpretations of existing, or the promulgation of new laws, rules and regulations including foreign investment laws governing our business, operations and group structure could result in us being deemed to be in contravention of such laws or may require us to apply for additional approvals. We may incur increased costs relating to compliance with such new requirements, which may also require management time and other resources, and any failure to comply may adversely affect our business, results of operations and prospects. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may affect the viability of our current business or restrict our ability to grow our business in the future.

We cannot predict whether any new tax laws or regulations impacting our services will be enacted, what the nature and impact of the specific terms of any such laws or regulations will be or whether, if at all, any laws or regulations would have an adverse effect on our business.

**66. *The occurrence of natural or man-made disasters or outbreak of global pandemics, such as the COVID-19 pandemic, could adversely affect our results of operations, cash flows and financial condition. Hostilities, terrorist attacks, civil unrest and other acts of violence could adversely affect the financial markets and our business.***

The occurrence of natural disasters, including cyclones, storms, floods, earthquakes, tsunamis, tornadoes, fires, explosions, infectious disease outbreaks such as the COVID-19 pandemic and man-made disasters, including acts of terrorism and military actions, could adversely affect our results of operations, cash flows or financial condition. Terrorist attacks and other acts of violence or war in India or globally may adversely affect the Indian securities markets. In addition, any deterioration in international relations, especially between India and its neighbouring countries, may result in investor concern regarding regional stability which could adversely affect the price of the Equity Shares. In addition, India has witnessed local civil disturbances in recent years and it is possible that future civil unrest as well as other adverse social, economic or political events in India could have an adverse effect on our business. Such incidents could also create a greater perception that investment in Indian companies involves a higher degree of risk and could have an adverse effect on our business and the market price of the Equity Shares.

**67. A slowdown in economic growth in India could cause our business to suffer.**

Our performance and the growth of our business are necessarily dependent on the health of the overall Indian economy. Any slowdown in the Indian economy or future volatility in global commodity prices could adversely affect our business. India's GDP increased at a CAGR of 6.6% to ₹146 trillion from ₹87 trillion between Fiscal 2012 and Fiscal 2020. The country's GDP contracted by 7.3% (in real terms) in Fiscal 2021 (*Source: CRISIL Report*). Additionally, an increase in trade deficit, a downgrading in India's sovereign debt rating or a decline in India's foreign exchange reserves could negatively affect interest rates and liquidity, which could adversely affect the Indian economy and our business. Any downturn in the macroeconomic environment in India could also adversely affect our business, results of operations, financial condition and the trading price of the Equity Shares.

India's economy could be adversely affected by a general rise in interest rates, adverse weather conditions affecting agriculture, commodity and energy prices as well as various other factors. A slowdown in the Indian economy could adversely affect the policy of the GoI towards our industry, which may in turn adversely affect our financial performance and our ability to implement our business strategy. The Indian economy is also influenced by economic and market conditions in other countries, particularly emerging market conditions in Asia. A decline in India's foreign exchange reserves may also affect liquidity and interest rates in the Indian economy, which could adversely impact our financial condition. A loss of investor confidence in other emerging market economies or any worldwide financial instability may adversely affect the Indian economy, which could materially and adversely affect our business and results of operations and the market price of the Equity Shares.

India has from time to time experienced instances of social, religious and civil unrest and hostilities between neighbouring countries. Military activity or terrorist attacks in the future could influence the Indian economy by disrupting communications and making travel more difficult and such political tensions could create a greater perception that investments in Indian companies involve higher degrees of risk. Events of this nature in the future, as well as social and civil unrest within other countries in Asia, could influence the Indian economy. A number of countries in Asia, including India, as well as countries in other parts of the world, are susceptible to contagious diseases and, for example, have had confirmed cases of diseases such as the highly pathogenic H7N9, H5N1 and H1N1 strains of influenza in birds and swine and more recently, the COVID-19 virus.

Other factors which may adversely affect the Indian economy are scarcity of credit or other financing in India, resulting in an adverse impact on economic conditions in India and scarcity of financing of our developments and expansions; volatility in, and actual or perceived trends in trading activity on India's principal stock exchanges; changes in India's tax, trade, fiscal or monetary policies, like political instability, terrorism or military conflict in India or in countries in the region or globally, including in India's various neighbouring countries; occurrence of natural or man-made disasters; infectious disease outbreaks or other serious public health concerns; prevailing regional or global economic conditions, including in India's principal export markets; and other significant regulatory or economic developments in or affecting India.

**68. Financial instability in other countries may cause increased volatility in Indian financial markets.**

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, United States, United Kingdom, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any worldwide financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us. Although economic conditions vary across markets, loss of investor confidence in one emerging economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively affect the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Further, economic developments globally can have a significant impact on our principal markets. Concerns related to a trade war between large economies may lead to increased risk aversion and volatility in global capital markets and consequently have an impact on the Indian economy. Following the United Kingdom's exit from the European Union ("**Brexit**"), there still remains uncertainty around the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition and results of operation. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition and results of operations and reduce the price of the Equity Shares.

**69. *Significant differences exist between Ind AS and other accounting principles, such as Indian GAAP, U.S. GAAP and IFRS, which investors may be more familiar with and may consider material to their assessment of our financial condition.***

Our Restated Financial Statements has been derived from (i) our audited special purpose interim financial statements as at and for the year ended March 31, 2021 prepared in accordance with Ind AS, (ii) our audited special purpose financial statements as at and for the year ended March 31, 2020 prepared in accordance with Ind AS, and (iii) Ind AS financial information as at and for the year ended March 31, 2019 that have been prepared by making Ind AS adjustments to the audited Indian GAAP financial statements as at and for the year ended March 31, 2019; restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended. For further information, see “*Management’s Discussion and Analysis of Financial Condition and Results of Operations - Presentation of Financial Information*” on page 290. Ind AS differs in certain significant respects from Indian GAAP, IFRS, U.S. GAAP and other accounting principles with which prospective investors may be familiar in other countries. If our financial statements were to be prepared in accordance with such other accounting principles, our results of operations, cash flows and financial position may be substantially different. Prospective investors should review the accounting policies applied in the preparation of our financial statements and consult their own professional advisers for an understanding of the differences between these accounting principles and those with which they may be more familiar. Any reliance by persons not familiar with Indian accounting practices on the financial disclosures presented in this Prospectus should be limited accordingly.

**70. *A downgrade in sovereign ratings of India, may affect the trading price of the Equity Shares.***

Our borrowing costs and our access to the debt capital markets depend significantly on the credit ratings of India. India's sovereign rating decreased from Baa2 with a “negative” outlook to Baa3 with a “negative” outlook by Moody's and from BBB with a “stable” outlook to BBB with a “negative” outlook (Fitch) in June 2020. India's sovereign ratings from S&P is BBB-with a “stable” outlook. Any further adverse revisions to India's credit ratings for domestic and international debt by international rating agencies may adversely impact our ability to raise additional financing and the interest rates and other commercial terms at which such financing is available, including raising any overseas additional financing. A downgrading of India's credit ratings may occur, for example, upon a change of government tax or fiscal policy, which are outside our control. This could have an adverse effect on our ability to fund our growth on favorable terms or at all, and consequently adversely affect our business and financial performance and the price of the Equity Shares.

**71. *Investors may not be able to enforce a judgment of a foreign court against us, our Directors, the Book Running Lead Managers or any of their directors and executive officers in India respectively, except by way of a law suit in India.***

We are incorporated under the laws of India and all of our Directors and key management personnel reside in India. A substantial portion of our assets are also located in India. Where investors wish to enforce foreign judgments in India, they may face difficulties in enforcing such judgments. India exercises reciprocal recognition and enforcement of judgments in civil and commercial matters with a limited number of jurisdictions. In order to be enforceable, a judgment obtained in a jurisdiction which India recognises as a reciprocating territory must meet certain requirements of the Civil Procedure Code, 1908 (the “CPC”).

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments is provided for under Section 13, 14 and Section 44A of the CPC on a statutory basis. Section 44A of the CPC provides that where a certified copy of a decree of any superior court, within the meaning of that Section, obtained in any country or territory outside India which the government has by notification declared to be in a reciprocating territory, may be enforced in India by proceedings in execution as if the judgment had been rendered by a district court in India. However, Section 44A of the CPC is applicable only to monetary decrees and does not apply to decrees for amounts payable in respect of taxes, other charges of a like nature or in respect of a fine or other penalties and does not apply to arbitration awards (even if such awards are enforceable as a decree or judgment).

Among other jurisdictions, the United Kingdom, United Arab Emirates, Singapore and Hong Kong have been declared by the government to be reciprocating territories for the purposes of Section 44A of the CPC. The United States has not been declared by the Government of India to be a reciprocating territory for the purposes of Section 44A of the CPC. A judgment of a court of a country which is not a reciprocating territory may be enforced in India only by a suit upon the judgment under Section 13 of the CPC, and not by proceedings in execution. Section 13 of the CPC provides that foreign judgments shall be conclusive regarding any matter directly adjudicated upon except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or refusal to recognize the law of India in cases to which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; and/ or (vi) where the judgment sustains a claim founded on a breach of any law then in force in India. The suit must be brought in India within three years from the date of judgment in the same manner as any other suit filed to enforce a civil liability in India.

It cannot be assured that a court in India would award damages on the same basis as a foreign court if an action were brought in India. Furthermore, it is unlikely that an Indian court will enforce foreign judgments if it views the amount of damages awarded as excessive or inconsistent with Indian practice. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to the execution of such foreign judgment.

**72. *If inflation were to rise in India, we might not be able to increase the prices of our services at a proportional rate thereby reducing our margins.***

Inflation rates in India have been volatile in recent years, and such volatility may continue in the future. India has experienced high inflation in the recent past. Increased inflation can contribute to an increase in interest rates and increased costs to our business, including increased costs of transportation, wages, raw materials and other expenses relevant to our business.

High fluctuations in inflation rates may make it more difficult for us to accurately estimate or control our costs. Any increase in inflation in India can increase our expenses, which we may not be able to adequately pass on to our customers, whether entirely or in part, and may adversely affect our business and financial condition. In particular, we might not be able to reduce our costs or entirely offset any increases in costs with increases in prices for our products. In such case, our business, results of operations, cash flows and financial condition may be adversely affected.

Further, the Government has previously initiated economic measures to combat high inflation rates, and it is unclear whether these measures will remain in effect. There can be no assurance that Indian inflation levels will not worsen in the future.

**73. *We may be affected by competition laws, the adverse application or interpretation of which could adversely affect our business.***

The Competition Act, 2002, of India, as amended (“**Competition Act**”), regulates practices having an appreciable adverse effect on competition in the relevant market in India (“**AAEC**”). Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an AAEC is considered void and may result in the imposition of substantial penalties. Further, any agreement among competitors which directly or indirectly involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or the provision of services or shares the market or source of production or provision of services in any manner, including by

way of allocation of geographical area or number of customers in the relevant market or directly or indirectly results in bid-rigging or collusive bidding is presumed to have an AAEC and is considered void. The Competition Act also prohibits abuse of a dominant position by any enterprise.

On March 4, 2011, the Government notified and brought into force the combination regulation (merger control) provisions under the Competition Act with effect from June 1, 2011. These provisions require acquisitions of shares, voting rights, assets or control or mergers or amalgamations that cross the prescribed asset and turnover based thresholds to be mandatorily notified to and pre-approved by the Competition Commission of India (the “CCI”). Additionally, on May 11, 2011, the CCI issued Competition Commission of India (Procedure for Transaction of Business Relating to Combinations) Regulations, 2011, as amended, which sets out the mechanism for implementation of the merger control regime in India.

The Competition Act aims to, among others, prohibit all agreements and transactions which may have an AAEC in India. Consequently, all agreements entered into by us could be within the purview of the Competition Act. Further, the CCI has extra-territorial powers and can investigate any agreements, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an AAEC in India. However, the impact of the provisions of the Competition Act on the agreements entered into by us cannot be predicted with certainty at this stage. However, since we pursue an acquisition driven growth strategy, we may be affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it would adversely affect our business, results of operations, cash flows and prospects.

## **RISKS RELATING TO THE OFFER AND THE EQUITY SHARES**

### ***74. Rights of shareholders of companies under Indian law may be more limited than under the laws of other jurisdictions.***

Our Articles of Association, composition of our Board, Indian laws governing our corporate affairs, the validity of corporate procedures, directors’ fiduciary duties, responsibilities and liabilities, and shareholders’ rights may differ from those that would apply to a company in another jurisdiction. Shareholders’ rights under Indian law, including in relation to class actions, may not be as extensive and wide-spread as shareholders’ rights under the laws of other countries or jurisdictions. Investors may face challenges in asserting their rights as shareholder in an Indian company than as a shareholder of an entity in another jurisdiction.

### ***75. Investors may be subject to Indian taxes arising out of capital gains on the sale of the Equity Shares. The Income Tax Act levies taxes on long-term capital gains exceeding ₹100,000 arising from sale of equity shares on or after April 1, 2018, while there is no tax charged on unrealized capital gains earned up to January 31, 2018 on equity shares.***

Under current Indian tax laws, unless specifically exempted, capital gains arising from the sale of equity shares in an Indian company are generally taxable in India. The Income Tax Act levies taxes on such long-term capital gains exceeding ₹100,000 arising from sale of equity shares on or after April 1, 2018, while continuing to exempt the unrealized capital gains earned up to January 31, 2018 on such equity shares subject to specific conditions.

A securities transaction tax (“STT”) is levied both at the time of transfer and acquisition of the equity shares (unless exempted under a prescribed notification), and collected by an Indian stock exchange on which equity shares are sold. Any gain realised on the sale of equity shares held for more than 12 months, which are sold using any other platform other than on a recognised stock exchange and on which no STT has been paid, are subject to long term capital gains tax in India. Such long term capital gains exceeding ₹100,000 arising from the sale of listed equity shares on the stock exchange are subject to tax at the rate of 10% (plus applicable surcharge and cess). Further, STT will be levied on and collected by an Indian stock exchange if the equity shares are sold on a stock exchange. With respect to capital gains arising in an off market sale, long term capital gains are subject to tax at the rate of 10% (plus applicable surcharge and cess) without the exemption of ₹100,000. Short-term capital gains, arising from the sale of such equity shares on a stock exchange would be subject to tax at the rate of 15% (plus applicable surcharge and cess), while short term capital gains arising in an off-market sale would be subject to tax at a higher rate of 40% (plus applicable surcharge and cess) in



the case of foreign companies and 30% (plus applicable surcharge and cess) in the case of other non-resident taxpayers.

We cannot predict whether any amendments made pursuant to the Finance Act 2021 would have an adverse effect on our business, financial condition and results of operations. Unfavourable changes in or interpretations of existing, or the promulgation of new, laws, rules and regulations including foreign investment and stamp duty laws governing our business and operations could result in us being deemed to be in contravention of such laws and may require us to apply for additional approvals. For instance, the Supreme Court of India has in a decision clarified the components of basic wages which need to be considered by companies while making provident fund payments, which resulted in an increase in the provident fund payments to be made by companies. Any such decisions in future or any further changes in interpretation of laws may have an impact on our results of operations. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve and may impact the viability of our current businesses or restrict our ability to grow our businesses in the future.

The Finance Act 2019 has also clarified that, in the absence of a specific provision under an agreement, the liability to pay stamp duty in case of sale of securities through stock exchanges will be on the buyer, while in other cases of transfer for consideration through a depository, the onus will be on the transferor. The stamp duty for transfer of securities other than debentures, on a delivery basis is specified at 0.015% and on a non-delivery basis is specified at 0.003% of the consideration amount.

Our Company cannot predict whether any tax laws or other regulations impacting it will be enacted, or predict the nature and impact of any such laws or regulations or whether, if at all, any laws or regulations would have a material adverse effect on our Company's business, financial condition, results of operations and cash flows.

***76. Fluctuation in the exchange rate between the Indian Rupee and foreign currencies may have an adverse effect on the value of our Equity Shares, independent of our operating results.***

On listing, our Equity Shares will be quoted in Indian Rupees on the Stock Exchanges. Any dividends in respect of our Equity Shares will also be paid in Indian Rupees and subsequently converted into the relevant foreign currency for repatriation, if required. Any adverse movement in currency exchange rates during the time taken for such conversion may reduce the net dividend to foreign investors. In addition, any adverse movement in currency exchange rates during a delay in repatriating the proceeds from a sale of Equity Shares outside India, for example, because of a delay in regulatory approvals that may be required for the sale of Equity Shares may reduce the proceeds received by Shareholders. For example, the exchange rate between the Indian Rupee and the U.S. dollar has fluctuated substantially in recent years and may continue to fluctuate substantially in the future, which may have an adverse effect on the returns on our Equity Shares, independent of our operating results.

***77. Under Indian law, foreign investors are subject to investment restrictions that limit our ability to attract foreign investors, which may adversely affect the trading price of the Equity Shares.***

Under foreign exchange regulations currently in force in India, transfer of shares between non-residents and residents are freely permitted (subject to compliance with sectoral norms and certain other restrictions), if they comply with the pricing guidelines and reporting requirements specified by the RBI. If the transfer of shares, which are sought to be transferred, is not in compliance with such pricing guidelines or reporting requirements or falls under any of the exceptions referred to above, then a prior regulatory approval will be required. Further, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. Additionally, shareholders who seek to convert Rupee proceeds from a sale of shares in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

In addition, pursuant to the Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the DPIIT, which has been incorporated as the proviso to Rule 6(a) of the FEMA Rules, investments where the beneficial owner of the Equity Shares is situated in or is a citizen of a country which shares land border with India, can only

be made through the Government approval route, as prescribed in the Consolidated FDI Policy dated October 15, 2020 and the FEMA Rules. We cannot assure you that any required approval from the RBI or any other governmental agency can be obtained with or without any particular terms or conditions or at all.

We cannot assure investors that any required approval from the RBI or any other governmental agency can be obtained on any particular terms or at all. For further information, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 372.

**78. *Any future issuance of Equity Shares may dilute your shareholding and sale of Equity Shares by the Promoter may adversely affect the trading price of the Equity Shares.***

We may be required to finance our growth, whether organic or inorganic, through future equity offerings. Any future equity issuances by us, including a primary offering, may lead to the dilution of investors’ shareholdings in our Company. Any future equity issuances by us (including under an employee benefit scheme) or disposal of our Equity Shares by the Promoter or any of our other principal shareholders or any other change in our shareholding structure to comply with minimum public shareholding norms applicable to listed companies in India or any public perception regarding such issuance or sales may adversely affect the trading price of the Equity Shares, which may lead to other adverse consequences including difficulty in raising capital through offering of our Equity Shares or incurring additional debt. There can be no assurance that we will not issue further Equity Shares or that our existing shareholders including our Promoter will not dispose of further Equity Shares after the completion of the Offer (subject to compliance with the lock-in provisions under the SEBI ICDR Regulations) or pledge or encumber their Equity Shares. Any future issuances could also dilute the value of shareholder’s investment in the Equity Shares and adversely affect the trading price of our Equity Shares. Such securities may also be issued at prices below the Offer Price. We may also issue convertible debt securities to finance our future growth or fund our business activities. In addition, any perception by investors that such issuances or sales might occur may also affect the market price of our Equity Shares.

**79. *Investors will not be able to sell immediately on an Indian stock exchange any of the Equity Shares they purchase in the Offer.***

The Equity Shares will be listed on the Stock Exchanges. Pursuant to applicable Indian laws, certain actions must be completed before the Equity Shares can be listed and trading in the Equity Shares may commence. Investors’ book entry, or ‘demat’ accounts with depository participants in India, are expected to be credited within one working day of the date on which the Basis of Allotment is approved by the Stock Exchanges. The Allotment of Equity Shares in the Offer and the credit of such Equity Shares to the applicant’s demat account with depository participant could take approximately five Working Days from the Bid/ Offer Closing Date and trading in the Equity Shares upon receipt of final listing and trading approvals from the Stock Exchanges is expected to commence within six Working Days of the Bid/ Offer Closing Date. There could be a failure or delay in listing of the Equity Shares on the Stock Exchanges. Any failure or delay in obtaining the approval or otherwise commence trading in the Equity Shares would restrict investors’ ability to dispose of their Equity Shares. There can be no assurance that the Equity Shares will be credited to investors’ demat accounts, or that trading in the Equity Shares will commence, within the time periods specified in this risk factor. We could also be required to pay interest at the applicable rates if allotment is not made, refund orders are not dispatched or demat credits are not made to investors within the prescribed time periods.

**80. *Holders of Equity Shares may be restricted in their ability to exercise pre-emptive rights under Indian law and thereby may suffer future dilution of their ownership position.***

Under the Companies Act, a company having share capital and incorporated in India must offer its holders of equity shares pre-emptive rights to subscribe and pay for a proportionate number of equity shares to maintain their existing ownership percentages before the issuance of any new equity shares, unless the pre-emptive rights have been waived by adoption of a special resolution. However, if the laws of the jurisdiction the investors are located in does not permit them to exercise their pre-emptive rights without our filing an offering document or registration statement with the applicable authority in such jurisdiction, the investors will be unable to exercise their pre-emptive rights unless we make such a filing. If we elect not to file a registration statement, the new securities may be issued to a custodian, who may sell the securities for the investor’s benefit. The value the custodian receives on the sale of such securities and the related transaction costs cannot be predicted. In addition, to the extent that the investors are unable to exercise pre-emption rights granted in respect of the Equity Shares held by them, their proportional interest in us would be reduced.

**81. QIBs and Non-Institutional Bidders are not permitted to withdraw or lower their Bids (in terms of quantity of Equity Shares or the Bid amount) at any stage after submitting a bid, and Retail Individual Bidders are not permitted to withdraw their Bids after Bid/Offer Closing Date.**

Pursuant to the SEBI ICDR Regulations, QIBs and Non-Institutional Bidders are required to block the Bid amount on submission of the Bid and are not permitted to withdraw or lower their Bids (in terms of quantity of equity shares or the Bid Amount) at any stage after submitting a Bid. Similarly, Retail Individual Bidders can revise or withdraw their Bids at any time during the Bid/Offer Period and until the Bid/ Offer Closing date, but not thereafter. While we are required to complete all necessary formalities for listing and commencement of trading of the Equity Shares on all Stock Exchanges where such Equity Shares are proposed to be listed, including Allotment, within six Working Days from the Bid/ Offer Closing Date or such other period as may be prescribed by the SEBI, events affecting the investors' decision to invest in the Equity Shares, including adverse changes in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or financial condition may arise between the date of submission of the Bid and Allotment. We may complete the Allotment of the Equity Shares even if such events occur, and such events may limit the investors' ability to sell the Equity Shares Allotted pursuant to the Offer or cause the trading price of the Equity Shares to decline on listing. Therefore, QIBs and Non-Institutional Bidders will not be able to withdraw or lower their bids following adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise between the dates of submission of their Bids and Allotment.

**82. Our Equity Shares have never been publicly traded and may experience price and volume fluctuations following the completion of the Offer, an active trading market for the Equity Shares may not develop, the price of our Equity Shares may be volatile may not be indicative of the market price of the Equity Shares after the Offer and you may be unable to resell your Equity Shares at or above the Offer Price or at all.**

Prior to the Offer, there has been no public market for our Equity Shares, and an active trading market may not develop or be sustained after the Offer. Listing and quotation does not guarantee that a market for our Equity Shares will develop or, if developed, the liquidity of such market for the Equity Shares. The Offer Price of the Equity Shares is proposed to be determined through a book building process. This price will be based on numerous factors, as described in the section "Basis for Offer Price" on page 108. This price may not necessarily be indicative of the market price of our Equity Shares after the Offer is completed. You may not be able to re-sell your Equity Shares at or above the Offer price and may as a result lose all or part of your investment.

Our Equity Shares are expected to trade on NSE and BSE after the Offer, but there can be no assurance that active trading in our Equity Shares will develop after the Offer, or if such trading develops that it will continue. Investors may not be able to sell our Equity Shares at the quoted price if there is no active trading in our Equity Shares.

There has been significant volatility in the Indian stock markets in the recent past, and the trading price of our Equity Shares after this Offer could fluctuate significantly as a result of market volatility or due to various internal or external risks, including but not limited to those described in this Prospectus.

The initial public offering price will be determined by the Book Building Process and may not be indicative of prices that will prevail in the open market following the Offer. The market price of our Equity Shares may be influenced by many factors, some of which are beyond our control, including:

- the failure of security analysts to cover the Equity Shares after this Offer, or changes in the estimates of our performance by analysts;
- the activities of competitors and suppliers;
- future sales of the Equity Shares by us or our shareholders;
- investor perception of us and the industry in which we operate;
- our quarterly or annual earnings or those of our competitors;
- developments affecting fiscal, industrial or environmental regulations;
- the public's reaction to our press releases and adverse media reports; and
- general economic conditions.

A decrease in the market price of our Equity Shares could cause you to lose some or all of your investment.

As a result of these factors, investors may not be able to resell their Equity Shares at or above the initial public offering price. In addition, the stock market often experiences price and volume fluctuations that are unrelated or disproportionate to the operating performance of a particular company. These broad market fluctuations and industry factors may materially reduce the market price of the Equity Shares, regardless of our Company's performance. There can be no assurance that the investor will be able to resell their Equity Shares at or above the Offer Price.

**83. *There is no guarantee that our Equity Shares will be listed on the BSE and NSE in a timely manner or at all.***

In accordance with Indian law and practice, permission for listing and trading of our Equity Shares will not be granted until after certain actions have been completed in relation to this Offer and until Allotment of Equity Shares pursuant to this Offer.

In accordance with current regulations and circulars issued of SEBI, our Equity Shares are required to be listed on the BSE and NSE within such time as mandated under UPI Circulars, subject to any change in the prescribed timeline in this regard. However, we cannot assure you that the trading in our Equity Shares will commence in a timely manner or at all. Any failure or delay in obtaining final listing and trading approvals may restrict your ability to dispose of your Equity Shares.

**84. *Compliance with provisions of Foreign Account Tax Compliance Act may affect payments on the Equity Shares.***

The U.S. "Foreign Account Tax Compliance Act" (or "**FATCA**") imposes a new reporting regime and potentially, imposes a 30% withholding tax on certain "foreign passthru payments" made by certain non-U.S. financial institutions (including intermediaries).

If payments on the Equity Shares are made by such non-U.S. financial institutions (including intermediaries), this withholding may be imposed on such payments if made to any non-U.S. financial institution (including an intermediary) that is not otherwise exempt from FATCA or other holders who do not provide sufficient identifying information to the payer, to the extent such payments are considered "foreign passthru payments". Under current guidance, the term "foreign passthru payment" is not defined and it is therefore not clear whether and to what extent payments on the Equity Shares would be considered "foreign passthru payments". The United States has entered into intergovernmental agreements with many jurisdictions (including India) that modify the FATCA withholding regime described above. It is not yet clear how the intergovernmental agreements between the United States and these jurisdictions will address "foreign passthru payments" and whether such agreements will require us or other financial institutions to withhold or report on payments on the Equity Shares to the extent they are treated as "foreign passthru payments". Prospective investors should consult their tax advisors regarding the consequences of FATCA, or any intergovernmental agreement or non-U.S. legislation implementing FATCA, to their investment in Equity Shares.

## SECTION IV – INTRODUCTION

### THE OFFER

The following table summarizes details of the Offer:

|                                                                                        |                                                                                                           |
|----------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------|
| <b>Offer of Equity Shares(1)^</b>                                                      | 12,741,036* Equity Shares, aggregating up to ₹12,133.35 million                                           |
| <b>of which:</b>                                                                       |                                                                                                           |
| <b>Fresh Issue (1) ^</b>                                                               | 4,215,516* Equity Shares, aggregating up to ₹4,000.00 million                                             |
| <b>Offer for Sale (2)</b>                                                              | 8,525,520* Equity Shares, aggregating up to ₹8,133.35 million                                             |
|                                                                                        |                                                                                                           |
| <b>which includes:</b>                                                                 |                                                                                                           |
| <b>Employee Reservation Portion(3)(4)</b>                                              | 232,288* Equity Shares aggregating up to ₹200.00 million                                                  |
|                                                                                        |                                                                                                           |
| <b>The Net Offer comprises of:</b>                                                     |                                                                                                           |
| <b>A) QIB Portion (5)(6)</b>                                                           | Not less than 9,381,562* Equity Shares                                                                    |
| <b>of which:</b>                                                                       |                                                                                                           |
| (i) <b>Anchor Investor Portion(5)</b>                                                  | Up to 5,628,937* Equity Shares                                                                            |
| (ii) <b>Net QIB Portion (assuming Anchor Investor Portion is fully subscribed)</b>     | 3,752,625* Equity Shares                                                                                  |
| <b>of which:</b>                                                                       |                                                                                                           |
| (a) <b>Available for allocation to Mutual Funds only (5% of the Net QIB Portion)</b>   | 187,632* Equity Shares                                                                                    |
| (b) <b>Balance for all QIBs including Mutual Funds</b>                                 | 3,564,993* Equity Shares                                                                                  |
| <b>B) Non-Institutional Portion</b>                                                    | Not more than 1,876,312* Equity Shares                                                                    |
| <b>C) Retail Portion (7)</b>                                                           | Not more than 1,250,874* Equity Shares                                                                    |
|                                                                                        |                                                                                                           |
| <b>Pre and post-Offer Equity Shares</b>                                                |                                                                                                           |
|                                                                                        |                                                                                                           |
| <b>Equity Shares outstanding prior to the Offer (as at the date of the Prospectus)</b> | 27,191,528* Equity Shares                                                                                 |
| <b>Equity Shares outstanding after the Offer</b>                                       | 31,407,044* Equity Shares                                                                                 |
|                                                                                        |                                                                                                           |
| <b>Use of Net Proceeds</b>                                                             | See “Objects of the Offer” on page 92. Our Company will not receive any proceeds from the Offer for Sale. |

- (1) The Offer has been authorized by a resolution of our Board dated May 13, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated May 14, 2021.
- (2) The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale as part of the Offer for Sale in terms of the SEBI ICDR Regulations. Each Selling Shareholder confirms that it has authorized the sale of its portion of the Offered Shares in the Offer for Sale. For details, see “Other Regulatory and Statutory Disclosures – Authority for the Offer” on page 331.
- (3) Unless the Employee Reservation Portion is under-subscribed, the value of allocation to an Eligible Employee Bidding in the Employee Reservation Portion shall not exceed ₹200,000. In the event of under-subscription in the Employee Reservation Portion (if any), the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000 (net of Employee Discount). The unsubscribed portion, if any, in the Employee Reservation Portion (after such allocation up to ₹500,000), shall be added to the Net Offer.
- (4) Our Company and the Selling Shareholders, in consultation with the BRLMs, may offer an Employee Discount of 93 per Equity Share (9.75% to the Offer Price), which shall be announced at least two Working Days prior to the Bid/Offer Opening Date.
- (5) Our Company and the Selling Shareholders, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis. The QIB Portion was accordingly reduced for the Equity Shares allocated to Anchor Investors. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. 5% of the Net QIB Portion was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Portion was available for allocation on a proportionate basis to all QIB Bidders, including Mutual Funds, subject to valid Bids being received at or above the Offer Price. For details, see “Offer Procedure” on page 355.
- (6) Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the QIB Portion would not be allowed to be met with spill-over from other categories or a combination of categories. Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in any category except the QIB Portion, would be allowed to be met with spill- over from any other

*category or combination of categories, as applicable, at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange. In the event of an under-subscription in the Offer, subject to receipt of minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, our Company and the BRLMs shall first ensure Allotment of Equity Shares offered pursuant to the Fresh Issue, followed by Allotment of Equity Shares offered by the Selling Shareholders.*

- (7) *Allocation to Bidders in all categories, except Anchor Investors, if any and Retail Individual Investors, was made on a proportionate basis subject to valid Bids received at or above the Offer Price. The allocation to each Retail Individual Investor was not less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares, if any, shall be allocated on a proportionate basis. Allocation to Anchor Investors shall be on a discretionary basis. For details, see “Offer Procedure” on page 355.*

For details, including in relation to grounds for rejection of Bids, refer to “Offer Structure” and “Offer Procedure” on page 350 and 355, respectively. For details of the terms of the Offer, see “Terms of the Offer” on page 346.

## **SUMMARY FINANCIAL INFORMATION**

*The following tables set forth the summary financial information derived from our Restated Financial Statements. The summary financial information presented below has been prepared in accordance with Ind AS for the Fiscals 2021, 2020 and 2019 and restated in accordance with the SEBI ICDR Regulations. The summary financial information presented below should be read in conjunction with the Restated Financial Statements, the notes thereto and the sections “Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 201 and 288, respectively.*

*[The remainder of this page has intentionally been left blank]*

# **RESTATED SUMMARY STATEMENT OF ASSETS AND LIABILITIES**

*(in ₹ million, unless otherwise stated)*

|           | Particulars                                                                               | As at             |                   |                   |
|-----------|-------------------------------------------------------------------------------------------|-------------------|-------------------|-------------------|
|           |                                                                                           | March 31,<br>2021 | March 31,<br>2020 | March 31,<br>2019 |
| <b>I</b>  | <b>ASSETS</b>                                                                             |                   |                   |                   |
|           | <b>Non-current Assets</b>                                                                 |                   |                   |                   |
|           | (a) Property, Plant and Equipment                                                         | 3,072.80          | 2,735.82          | 2,223.89          |
|           | (b) Capital work-in-progress                                                              | 37.18             | 91.30             | 416.58            |
|           | (c) Intangible Assets                                                                     | 12.28             | 15.14             | 7.00              |
|           | (d) Intangible Asset Under Development                                                    | -                 | -                 | 1.32              |
|           | (e) Financial Assets                                                                      |                   |                   |                   |
|           | (i) Investments                                                                           | 2.90              | 2.90              | 2.90              |
|           | (ii) Loans                                                                                | 135.44            | 104.28            | 55.63             |
|           | (iii) Other Financial Assets                                                              | 24.08             | 60.23             | 146.46            |
|           | (f) Deferred Tax Assets (Net)                                                             | -                 | 921.72            | 435.84            |
|           | (g) Other Non-current Assets                                                              | 279.24            | 232.12            | 114.36            |
|           | <b>Total Non-current Assets</b>                                                           | <b>3,563.92</b>   | <b>4,163.51</b>   | <b>3,403.98</b>   |
|           | <b>Current Assets</b>                                                                     |                   |                   |                   |
|           | (a) Inventories                                                                           | 72.10             | 50.67             | 42.12             |
|           | (b) Financial Assets                                                                      |                   |                   |                   |
|           | (i) Trade Receivables                                                                     | 724.74            | 614.32            | 562.23            |
|           | (ii) Cash and Cash Equivalents                                                            | 246.75            | 83.59             | 85.96             |
|           | (iii) Bank balances other than cash and cash equivalents                                  | 1,282.37          | 1,189.24          | 1,030.24          |
|           | (iv) Other Financial Assets                                                               | 90.08             | 183.59            | 137.74            |
|           | (c) Other Current Assets                                                                  | 65.34             | 14.90             | 27.58             |
|           | <b>Total Current Assets</b>                                                               | <b>2,481.38</b>   | <b>2,136.31</b>   | <b>1,885.87</b>   |
|           | <b>TOTAL ASSETS</b>                                                                       | <b>6,045.30</b>   | <b>6,299.82</b>   | <b>5,289.85</b>   |
| <b>II</b> | <b>EQUITY AND LIABILITIES</b>                                                             |                   |                   |                   |
|           | <b>Equity</b>                                                                             |                   |                   |                   |
|           | (a) Equity Share Capital                                                                  | 64.95             | 51.63             | 51.63             |
|           | (b) Instruments entirely equity in nature                                                 | 2,423.90          | 150.24            | 150.24            |
|           | (c) Other Equity                                                                          | (170.20)          | (2,171.64)        | (1,051.08)        |
|           | <b>Total Equity</b>                                                                       | <b>2,318.65</b>   | <b>(1,969.77)</b> | <b>(849.21)</b>   |
|           | <b>Liabilities</b>                                                                        |                   |                   |                   |
|           | <b>Non-current Liabilities</b>                                                            |                   |                   |                   |
|           | (a) Financial Liabilities                                                                 |                   |                   |                   |
|           | (i) Borrowings                                                                            | 1,679.54          | 1,227.13          | 920.23            |
|           | (ii) Liability on compulsory convertible preference shares                                | -                 | 4,951.75          | 3,181.44          |
|           | (iii) Other Financial Liabilities                                                         | 63.89             | 233.52            | 251.39            |
|           | (b) Employee benefit obligations                                                          | 5.19              | 3.23              | 1.62              |
|           | (c) Other non-current liabilities                                                         | 33.03             | 45.97             | 51.16             |
|           | (d) Deferred tax liabilities                                                              | 106.95            | -                 | -                 |
|           | <b>Total Non-current Liabilities</b>                                                      | <b>1,888.60</b>   | <b>6,461.60</b>   | <b>4,405.84</b>   |
|           | <b>Current Liabilities</b>                                                                |                   |                   |                   |
|           | (a) Financial Liabilities                                                                 |                   |                   |                   |
|           | (i) Borrowings                                                                            | 347.44            | 922.80            | 539.57            |
|           | (ii) Trade Payables                                                                       |                   |                   |                   |
|           | A. Total Outstanding dues of Small Enterprises and Micro Enterprises                      | 5.37              | 3.44              | 0.84              |
|           | B. Total Outstanding dues of creditors other than Small Enterprises and Micro Enterprises | 780.19            | 377.49            | 416.47            |
|           | iii. Other Financial Liabilities                                                          | 665.54            | 479.35            | 746.26            |
|           | (b) Employee benefit obligations                                                          | 9.28              | 7.20              | 5.47              |
|           | (c) Other Current Liabilities                                                             | 30.23             | 17.71             | 24.61             |
|           | <b>Total Current Liabilities</b>                                                          | <b>1,838.05</b>   | <b>1,807.99</b>   | <b>1,733.22</b>   |
|           | <b>TOTAL EQUITY AND LIABILITIES</b>                                                       | <b>6,045.30</b>   | <b>6,299.82</b>   | <b>5,289.85</b>   |



## RESTATED SUMMARY STATEMENT OF PROFIT AND LOSS

(in ₹ million, unless otherwise stated)

| Particulars                                                             | For the Fiscal ended March 31, 2021 | For the Fiscal ended March 31, 2020 | For the Fiscal ended March 31, 2019 |
|-------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| <b>1. Income</b>                                                        |                                     |                                     |                                     |
| Revenue from Operations                                                 | 3,964.56                            | 2,584.27                            | 2,092.35                            |
| Gain on fair value movement of compulsory convertible preference shares | 2,527.84                            | -                                   | -                                   |
| Other Income                                                            | 122.36                              | 129.52                              | 50.80                               |
| <b>Total Income</b>                                                     | <b>6,614.76</b>                     | <b>2713.79</b>                      | <b>2,143.15</b>                     |
| <b>2. Expenses</b>                                                      |                                     |                                     |                                     |
| Cost of material consumed                                               | 837.47                              | 277.23                              | 173.36                              |
| Employee benefits expense                                               | 295.86                              | 231.34                              | 183.04                              |
| Finance costs                                                           | 259.40                              | 246.64                              | 195.69                              |
| Depreciation and Amortisation Expense                                   | 374.39                              | 324.11                              | 256.40                              |
| Fees to hospitals and others                                            | 1,082.02                            | 755.32                              | 623.24                              |
| Loss on fair value movement of compulsory convertible preference shares | -                                   | 1,770.31                            | 955.19                              |
| Other Expenses                                                          | 811.10                              | 692.16                              | 533.49                              |
| <b>Total Expenses</b>                                                   | <b>3,660.24</b>                     | <b>4,297.11</b>                     | <b>2,920.41</b>                     |
| <b>3. Profit/(Loss) Before Tax (1)-(2)</b>                              | <b>2,954.52</b>                     | <b>(1,583.32)</b>                   | <b>(777.26)</b>                     |
| <b>4. Tax (Expenses)/ Benefits</b>                                      |                                     |                                     |                                     |
| - Current Tax                                                           | 76.47                               | 21.87                               | 39.22                               |
| - Deferred Tax                                                          | 1,028.76                            | (485.68)                            | (235.91)                            |
| <b>Total Tax (Expense)/ Benefits</b>                                    | <b>1,105.23</b>                     | <b>(463.81)</b>                     | <b>(196.69)</b>                     |
| <b>5. Profit/(Loss) for the period / year (3)-(4)</b>                   | <b>1,849.29</b>                     | <b>(1,119.51)</b>                   | <b>(580.57)</b>                     |
| <b>6. Other Comprehensive Income</b>                                    |                                     |                                     |                                     |
| (a) Items that will not be reclassified to profit or loss               |                                     |                                     |                                     |
| Gain/(Loss) on Remeasurement of Defined Benefits Plans                  | (0.38)                              | (0.68)                              | 0.94                                |
| Income tax relating to above items                                      | 0.10                                | 0.20                                | (0.27)                              |
| <b>7. Other Comprehensive Income for the period / year</b>              | <b>(0.28)</b>                       | <b>(0.48)</b>                       | <b>0.67</b>                         |
| <b>8. Total Comprehensive Income for the year (5)+(7)</b>               | <b>1,849.01</b>                     | <b>(1,119.99)</b>                   | <b>(579.90)</b>                     |
| <b>Earnings Per Equity Share (before share split)*</b>                  |                                     |                                     |                                     |
| Basic earnings per share (₹)                                            | 320.72                              | (216.94)                            | (120.28)                            |
| Diluted earnings per share (₹)                                          | 24.51                               | (216.94)                            | (120.28)                            |

\*Fiscal 2021 does not consider the impact of Series A CCPS and Series C CCPS conversion. Fiscal 2020 and Fiscal 2019 does not consider the impact of Preference Shares conversion.

## RESTATED SUMMARY STATEMENT OF CASH FLOWS

(in ₹ million, unless otherwise stated)

| Particulars                                                                      | For the Fiscal<br>ended<br>March 31,<br>2021 | For the Fiscal<br>ended<br>March 31,<br>2020 | For the Fiscal<br>ended<br>March 31,<br>2019 |
|----------------------------------------------------------------------------------|----------------------------------------------|----------------------------------------------|----------------------------------------------|
| <b>A. Cash Flow from Operating Activities</b>                                    |                                              |                                              |                                              |
| Net Profit before tax                                                            | 2,954.52                                     | (1,583.32)                                   | (777.26)                                     |
| Adjustment for :                                                                 |                                              |                                              |                                              |
| Depreciation and Amortisation                                                    | 374.39                                       | 323.32                                       | 255.61                                       |
| Finance Cost                                                                     | 259.40                                       | 238.88                                       | 188.38                                       |
| Interest Income                                                                  | (119.38)                                     | (100.62)                                     | (22.13)                                      |
| Loss on sale / disposal of Assets                                                | 5.06                                         | -                                            | -                                            |
| Net (gain) / loss on sale of current investments                                 | -                                            | -                                            | -                                            |
| Dividend income                                                                  | -                                            | (0.12)                                       | (0.08)                                       |
| Provision for doubtful trade receivable balances                                 | -                                            | 24.84                                        | 19.16                                        |
| (Gain) / loss on fair value movement of compulsory convertible preference shares | (2,527.84)                                   | 1,770.31                                     | 955.19                                       |
| Employee stock option scheme compensation                                        | 8.20                                         | -                                            | -                                            |
| Remeasurement of employee benefit liability                                      | (0.38)                                       | -                                            | -                                            |
| <b>Operating Profit Before Working Capital Changes</b>                           | <b>953.97</b>                                | <b>673.29</b>                                | <b>618.87</b>                                |
| <b>Changes in working capital</b>                                                |                                              |                                              |                                              |
| (Decrease)/increase in trade payables                                            | 404.62                                       | (36.38)                                      | 256.53                                       |
| Decrease/(increase) in inventories                                               | (21.43)                                      | (8.54)                                       | (22.62)                                      |
| Decrease/(increase) in trade receivables                                         | (110.42)                                     | (76.93)                                      | (294.98)                                     |
| (Decrease)/increase in other current liabilities                                 | 12.51                                        | (6.90)                                       | (4.37)                                       |
| Decrease/ increase in other non current liabilities                              | (12.94)                                      | (5.19)                                       | 28.97                                        |
| (Decrease)/ increase in other financial liabilities                              | (143.85)                                     | 21.27                                        | 83.75                                        |
| Decrease/ increase in provisions                                                 | 4.05                                         | 2.65                                         | 2.00                                         |
| (Decrease)/ increase in other current financial liabilities                      | -                                            | (9.40)                                       | 45.92                                        |
| Decrease/ (increase) in other current financial assets                           | 118.90                                       | (18.90)                                      | (110.77)                                     |
| Decrease/ (increase) in non current financial assets                             | (31.16)                                      | (48.64)                                      | 66.07                                        |
| Decrease/ (increase) in other current assets                                     | (50.44)                                      | 12.68                                        | (1.34)                                       |
| Decrease/ (increase) in other non current assets                                 | (21.50)                                      | (18.90)                                      | (15.47)                                      |
| <b>Cash Generated from Operations</b>                                            | <b>1,102.31</b>                              | <b>480.11</b>                                | <b>652.56</b>                                |
| Income Taxes paid (Net)                                                          | (76.73)                                      | (102.02)                                     | (69.90)                                      |
| <b>Net cash flow Generated from Operating Activity (A)</b>                       | <b>1,025.58</b>                              | <b>378.09</b>                                | <b>582.66</b>                                |
| <b>B. Cash Flow from Investing Activities</b>                                    |                                              |                                              |                                              |
| Payment for property, plant and equipment and intangible assets                  | (668.40)                                     | (767.49)                                     | (997.77)                                     |
| Sale for property, plant and equipment and intangible assets                     | 20.00                                        | -                                            | -                                            |
| Investment in bank deposits (having original maturity of more than three months) | (56.97)                                      | (72.78)                                      | (1,009.48)                                   |
| Sale of Investments                                                              | -                                            | -                                            | -                                            |
| Dividend income                                                                  | -                                            | 0.12                                         | 0.08                                         |
| Interest Received                                                                | 93.98                                        | 73.67                                        | 14.65                                        |
| <b>Net cash flow used in Investing activities (B)</b>                            | <b>(611.39)</b>                              | <b>(766.48)</b>                              | <b>(1,992.52)</b>                            |
| <b>C. Cash Flow from Financing Activities</b>                                    |                                              |                                              |                                              |
| Proceeds from issuance of compulsory convertible preference share                | -                                            | -                                            | 1,000.00                                     |
| Proceeds from issuance of equity shares                                          | 7.31                                         | -                                            | -                                            |
| Proceeds/(Repayment) from/of Borrowings                                          | 555.27                                       | 302.49                                       | 441.50                                       |
| Share issue expenses                                                             | -                                            | (0.57)                                       | (40.36)                                      |
| Interest paid                                                                    | (241.83)                                     | (237.15)                                     | (156.34)                                     |
| Interest paid on lease liabilities                                               | (12.35)                                      | (7.00)                                       | (2.09)                                       |
| <b>Net cash flow used in Financing activities (C)</b>                            | <b>308.40</b>                                | <b>57.77</b>                                 | <b>1,242.71</b>                              |
| <b>Net (decrease) / increase in Cash and Cash Equivalents (A+B+C)</b>            | <b>722.59</b>                                | <b>(330.62)</b>                              | <b>(167.15)</b>                              |
| Cash and Cash Equivalent as at the Beginning of the year                         | (475.84)                                     | (145.22)                                     | 21.93                                        |
| Cash and Cash Equivalent as at the End of the year                               | (246.75)                                     | (475.84)                                     | (145.22)                                     |

|                                                   |        |          |          |
|---------------------------------------------------|--------|----------|----------|
| <b>Cash and cash equivalents comprise</b>         |        |          |          |
| Balances with banks                               |        |          |          |
| On current accounts                               | 237.98 | 82.18    | 73.38    |
| Cash on hand                                      | 5.65   | 1.41     | 12.58    |
| Less: Bank and book overdraft                     | 3.12   | (559.43) | (231.18) |
| Total cash and bank balances at end of the period | 246.75 | (475.84) | (145.22) |

## GENERAL INFORMATION

Our Company was originally incorporated as ‘Krsna Diagnostics Private Limited’ at Pune, Maharashtra as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 22, 2010, issued by the RoC. The name of our Company was subsequently changed to ‘Krsnaa Diagnostics Private Limited’, pursuant to a fresh certificate of incorporation issued by the RoC on January 29, 2015. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed in the extraordinary general meeting of the Shareholders of our Company held on April 25, 2021 and consequently the name of our Company was changed to its present name pursuant to a fresh certificate of incorporation issued by the RoC on May 6, 2021. For further details relating to the changes in the name of our Company and the registered office of our Company, see “*History and Certain Corporate Matters*” on page 168.

### Registered and Corporate Office of our Company

The address and certain other details of our Registered and Corporate Office are as follows:

#### Krsnaa Diagnostics Limited

S.No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1

Near Chinchwad Station, Chinchwad,

Taluka – Haveli, Pune - 411 019

Maharashtra

**Website:** www.krsnaadiagnostics.com

For details of the changes in our registered office, see “*History and Certain Corporate Matters - Change in the registered office*” at page 168.

### Company Registration Number and Corporate Identity Number

The registration number and corporate identity number of our Company are as follows:

- a. **Registration number:** 138068
- b. **Corporate identity number:** U74900PN2010PLC138068

### The Registrar of Companies

Our Company is registered with the Registrar of Companies, Maharashtra at Pune, which is situated at the following address:

PCNTDA Green Building  
Block A, 1<sup>st</sup> and 2<sup>nd</sup> Floor  
Near Akurdi Railway Station, Akurdi  
Pune – 411044  
Maharashtra

### Board of Directors

The following table sets out the brief details of our Board as on the date of this Prospectus:

| Name and designation on the Board                          | DIN      | Address                                                                                                      |
|------------------------------------------------------------|----------|--------------------------------------------------------------------------------------------------------------|
| Rajendra Mutha, Executive Chairman and Whole-time Director | 01066737 | Flat No. 19, A2, Shantiban Society, Near PN Gadgil Showroom, Chinchwad Gaon, Pune – 411 033, Maharashtra     |
| Pallavi Bhatevara, Managing Director                       | 03600332 | Princeton Town, Row House no.1, Kalyani Nagar, Pune – 411 006, Maharashtra                                   |
| Yash Mutha, Whole-time Director                            | 07285523 | P-001, Rohan Mithila, VIP Airport Road, Near Pune Airport, Viman Nagar, Pune – 411 014, Maharashtra          |
| Prem Pradeep, Non-Executive Nominee Director               | 07400417 | 691/692, Ranka Heights, 4th Main 7th Cross, Near Shanthi Sagar, Domlur Layout, Bangalore – 560071, Karnataka |
| Chhaya Palrecha, Non-Executive Independent Director        | 06914875 | Flat No-503, Thackers House, General Thimayya Road, East Street, Camp, Pune City, Pune – 411001, Maharashtra |
| Chetan Desai, Non-Executive Independent Director           | 03595319 | 901, Matoshree Kunj, Tanaji Malusare Marg, Vile Parle West, Mumbai 400 056, Maharashtra                      |

| Name and designation on the Board                       | DIN      | Address                                                          |
|---------------------------------------------------------|----------|------------------------------------------------------------------|
| Prakash Iyer, Non-Executive Independent Director        | 00529591 | C 1902, One North, Hadapsar, Pune – 411028, Maharashtra          |
| Rajiva Ranjan Verma, Non-Executive Independent Director | 09157414 | 115, New Moti Bagh, East Netaji Nagar, Delhi – 110023, New Delhi |

For further details of our Board of Directors, see “*Our Management - Board of Directors*” on page 177.

### Company Secretary and Compliance Officer

Manisha Chitgopekar is the Company Secretary and Compliance Officer our Company. Her contact details are as follows:

S.No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1  
Near Chinchwad Station, Chinchwad,  
Taluka – Haveli, Pune - 411 019  
Pune - 411 019, Maharashtra  
**Telephone:** +91 020 4695 4695;  
**E-mail:** cs@krsnadiagnostics.com;

### Book Running Lead Managers

#### JM Financial Limited

7<sup>th</sup> Floor, Cnergy  
Appasaheb Marathe Marg  
Prabhadevi  
Mumbai – 400 025  
Maharashtra  
**Telephone:** +91 22 6630 3030  
**E-mail:** krsnaadiagnostics.ipo@jmfl.com  
**Website:** www.jmfl.com  
**Investor grievance e-mail:** grievance.ibd@jmfl.com  
**Contact person:** Prachee Dhuri  
**SEBI registration number:** INM000010361

#### Equirus Capital Private Limited

12th Floor, C Wing, Marathon Futurex  
N M Joshi Marg, Lower Parel  
Mumbai 400 013, Maharashtra  
**Telephone:** +91 22 4332 0700  
**E-mail:** krsnaa.ipo@equirus.com  
**Website:** www.equirus.com  
**Investor grievance e-mail:** investorsgrievance@equirus.com  
**Contact person:** Ankesh Jain  
**SEBI registration number:** INM000011286

### Syndicate Members

#### Equirus Securities Private Limited

A2102 B, 21<sup>st</sup> Floor, A Wing  
Marathon Futurex, N.M. Joshi Marg  
Lower Parel, Mumbai – 400 013  
Maharashtra  
**Telephone:** +91 079 6190 9561  
**Email:** jay.soni@equirus.com  
**Website:** www.equirus.com  
**Investor Grievance ID:** admin\_equities@equirus.com  
**Contact person:** Jay Soni  
**SEBI registration number:** INZ000251536

#### DAM Capital Advisors Limited

(Formerly IDFC Securities Limited)  
One BKC, Tower C, 15<sup>th</sup> Floor  
Unit No. 1511, Bandra Kurla Complex  
Bandra (East), Mumbai – 400 051  
Maharashtra  
**Telephone:** +91 22 4202 2500  
**E-mail:** krsnaa.ipo@damcapital.in  
**Website:** www.damcapital.in  
**Investor grievance e-mail:** complaint@damcapital.in  
**Contact person:** Chandresh Sharma  
**SEBI registration number:** MB/INM000011336

#### IIFL Securities Limited

10<sup>th</sup> Floor, IIFL Centre  
Kamala City Senapati Bapat Marg  
Lower Parel (West)  
Mumbai 400 013, Maharashtra  
**Telephone:** +91 22 4646 4600  
**E-mail:** krsnaa.ipo@iiflcap.com  
**Website:** www.iiflcap.com  
**Investor grievance e-mail:** ig.ib@iiflcap.com  
**Contact person:** Aditya Agarwal / Harshvardhan Jain  
**SEBI registration number:** INM000010940

#### JM Financial Services Limited

2, 3 & 4 Kamanwala Chambers  
Ground Floor, Sir PM Road, Fort  
Mumbai 400 001, Maharashtra  
**Telephone:** +91 022 6136 3400  
**Email:** Surajit.misra@jmfl.com/deepak.vaidya@jmfl.com/sona.verghese@jmfl.com/tn.kumar@jmfl.com  
**Website:** www.jmfinancialservices.in  
**Contact person:** Surajit Misra/Mr. Deepak Vaidya/T N Kumar/Mr. Sona Verghese  
**SEBI registration number:** INZ000195834

**Sharekhan Limited**

10<sup>th</sup> Floor, Beta Building  
 Lodha iThink Techno Campus  
 Opposite Kanjurmarg Railway Station  
 Kanjurmarg (East), Mumbai - 400042  
 Maharashtra

**Telephone:** +91 22611 50000

**Email:** pravin@sharekhan.com

**Website:** www.sharekhan.com

**Investor Grievance ID:** myaccount@sharekhan.com/ ipo@sharekhan.com

**Contact person:** Pravin Darji

**SEBI registration number:** INB231073330/INB011073351

**Statement of *inter-se* allocation of responsibilities among the BRLMs**

The responsibilities and coordination by the BRLMs for various activities in the Offer are as follows:

| Sr. No | Activity                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                        | Responsibilities                  | Co-ordinator |
|--------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|--------------|
| 1.     | Capital structuring, positioning strategy and due diligence of the Company including its operations/management/business plans/legal etc. Drafting and design of the Draft Red Herring Prospectus and of statutory advertisements including a memorandum containing salient features of the Prospectus. The Managers shall ensure compliance with stipulated requirements and completion of prescribed formalities with the Stock Exchanges, RoC and SEBI including finalisation of Prospectus and RoC filing.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | JM, DAM Capital, Equirus and IIFL | JM           |
| 2.     | Drafting and approval of all statutory advertisement                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | JM, DAM Capital, Equirus and IIFL | JM           |
| 3.     | Drafting and approval of all publicity material other than statutory advertisement as mentioned above including corporate advertising, brochure, etc. and filing of media compliance report.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | JM, DAM Capital, Equirus and IIFL | JM           |
| 4.     | Appointment of Registrar to the Offer, Advertising Agency and Printer to the Offer including co-ordination for their agreements.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | JM, DAM Capital, Equirus and IIFL | JM           |
| 5.     | Appointment of all other intermediaries and including co-ordination for all other agreements                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                    | JM, DAM Capital, Equirus and IIFL | Equirus      |
| 6.     | Preparation of road show presentation and frequently asked questions                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | JM, DAM Capital, Equirus and IIFL | Equirus      |
| 7.     | International institutional marketing of the Offer, which will cover, <i>inter alia</i> :<br>· Finalizing the list and division of international investors for one-to-one meetings<br>· Finalizing international road show and investor meeting schedules                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | JM, DAM Capital, Equirus and IIFL | DAM Capital  |
| 8.     | Domestic institutional marketing of the Offer, which will cover, <i>inter alia</i> :<br>· Institutional marketing strategy<br>· Finalizing the list and division of domestic investors for one-to-one meetings<br>· Finalizing domestic road show and investor meeting schedules                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                | JM, DAM Capital, Equirus and IIFL | Equirus      |
| 9.     | Retail marketing of the Offer, which will cover, <i>inter alia</i> :<br>· Formulating marketing strategies, preparation of publicity budget<br>· Finalising media, marketing and public relations strategy;<br>· Arranging for selection of underwriters and underwriting agreement; and<br>· Finalising collection centers;<br>· Finalising centres for holding conferences for brokers etc.<br>· Follow-up on distribution of publicity and Offer material including form, RHP/Prospectus and deciding on the quantum of the Offer material                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   | JM, DAM Capital, Equirus and IIFL | JM           |
| 10.    | Non-Institutional marketing of the Offer, which will cover, <i>inter alia</i> :<br>· Finalising media, marketing and public relations strategy; and<br>· Finalising centres for holding conferences for brokers, etc                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            | JM, DAM Capital, Equirus and IIFL | IIFL         |
| 11.    | Managing anchor book related activities and submission of letters to regulators post completion of anchor allocation, book building software, bidding terminals and mock trading, payment of 1% security deposit to the designated stock exchange.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | JM, DAM Capital, Equirus and IIFL | IIFL         |
| 12.    | Managing the book and finalization of pricing in consultation with the Company.                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | JM, DAM Capital, Equirus and IIFL | IIFL         |
| 13.    | Post bidding activities including management of escrow accounts, coordinate non-institutional allocation, coordination with Registrar, SCSBs and Banks, intimation of allocation and dispatch of refund to Bidders, etc. Post-Offer activities, which shall involve essential follow-up steps including allocation to Anchor Investors, follow-up with Bankers to the Offer and SCSBs to get quick estimates of collection and advising the Issuer about the closure of the Offer, based on correct figures, finalisation of the basis of allotment or weeding out of multiple applications, listing of instruments, dispatch of certificates or demat credit and refunds and coordination with various agencies connected with the post-Offer activity such as registrar to the Offer, Bankers to the Offer, SCSBs including responsibility for underwriting arrangements, as applicable. Payment of the applicable securities transactions tax on sale of unlisted equity shares by the Selling Shareholders. Co-ordination with SEBI and Stock Exchanges for refund of 1% security deposit and submission of final post Offer report to SEBI | JM, DAM Capital, Equirus and IIFL | DAM Capital  |

**Legal Counsel to the Company as to Indian law****Khaitan & Co**

10<sup>th</sup> & 13<sup>th</sup> Floors, Tower 1C  
One World Centre  
841, Senapati Bapat Marg  
Mumbai 400 013  
Maharashtra  
**Telephone:** +91 22 6636 5000

**Legal Counsel to the BRLMs as to Indian law****IndusLaw**

#1502B, 15th Floor  
Tower –1C, One World Centre  
Senapati Bapat Marg  
Lower Parel, Mumbai 400 013  
Maharashtra  
**Telephone:** +91 22 4920 7200

**International Legal Counsel to the BRLMs****Hogan Lovells Lee & Lee**

50 Collyer Quay  
#10-01 OUE Bayfront  
Singapore 049321  
**Telephone:** +65 6538 0900

**Indian Legal Counsel to Kitara PIIN 1104, Somerset Indus Healthcare Fund I Limited and Lotus Management Solutions (acting through Mayur Sirdesai)****Sterling Associates**

A/402, Jyoti Apartment  
Plot 205  
Opp. Shere Punjab Gymkhana  
Andheri (E), Mumbai 400 093  
Maharashtra  
**Telephone:** +91 98219 20526

**Indian Legal Counsel to Phi Capital Trust-Phi Capital Growth Fund-I****Agram Legal Consultants**

1302-1303, The Chambers  
Kohinoor Square, N C Kelkar Road  
Dadar (W), Mumbai 400028  
Maharashtra  
**Telephone:** +91 22 6108 1111

**Registrar to the Offer****KFin Technologies Private Limited**

Selenium Tower B  
Plot 31 & 32, Gachibowli  
Financial District, Nanakramguda  
Serilingampally, Hyderabad 500 032  
Telangana  
**Telephone:** +91 40 6716 2222  
**Email:** krsnaa.ipo@kfintech.com  
**Website:** www.kfintech.com/  
**Investor grievance e-mail:** einward.ris@kfintech.com

**Contact person:** M. Murali Krishna  
**SEBI registration number:** INR000000221

#### **Banker(s) to the Offer**

#### **Escrow Collection Bank, Public Offer Account Bank, Refund Bank and Sponsor Bank**

##### **ICICI Bank Limited**

Capital Market Division, 1st Floor  
122, Mistry Bhavan, Dinshaw Vachha Road  
Backbay Reclamation, Churchgate  
Mumbai – 400 020, Maharashtra  
**Telephone:** +91 22 6681 8911/23/24

**Email:** kmr.saurabh@icici.com

**Website:** www.icicibank.com

**Contact person:** Mr Saurabh Kumar

**SEBI registration number:** INB100000004

#### **Designated Intermediaries**

##### ***Self-Certified Syndicate Banks***

The list of SCSBs notified by SEBI for the ASBA process is available at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes>, or at such other website as may be prescribed by SEBI from time to time. A list of the Designated SCSB Branches with which an ASBA Bidder (other than a RII using the UPI Mechanism), not bidding through Syndicate/Sub Syndicate or through a Registered Broker, CRTA or CDP may submit the Bid cum Application Forms, is available at <https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=34>, or at such other websites as may be prescribed by SEBI from time to time.

##### ***SCSBs eligible as Issuer Banks for UPI Mechanism***

In accordance with SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/76 dated June 28, 2019 and SEBI Circular No. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019, Retail Individual Investors using the UPI Mechanism may only apply through the SCSBs and mobile applications using the UPI handles specified on the website of the SEBI (<https://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognisedFpi=yes&intmId=40>) and updated from time to time.

##### ***Syndicate SCSB Branches***

In relation to Bids (other than Bids by Anchor Investors and RIIs) submitted to a member of the Syndicate, the list of branches of the SCSBs at the Specified Locations named by the respective SCSBs to receive deposits of Bid cum Application Forms from the members of the Syndicate is available on the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35>, which may be and updated from time to time or any such other website as may be prescribed by SEBI from time to time. For more information on such branches collecting Bid cum Application Forms from the Syndicate at Specified Locations, see the website of the SEBI at <http://www.sebi.gov.in/sebiweb/other/OtherAction.do?doRecognised=yes&intmId=35> or any such other website as may be prescribed by SEBI from time to time.

##### ***Registered Brokers***

The list of the Registered Brokers eligible to accept ASBA Forms, including details such as postal address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com), as updated from time to time.

##### ***Registrar and Share Transfer Agents***

The list of the CRTAs eligible to accept ASBA Forms at the Designated RTA Locations, including details such as address, telephone number and e-mail address, is provided on the websites of the Stock Exchanges at



[www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?) and [www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

### **Collecting Depository Participants**

The list of the CDPs eligible to accept ASBA Forms at the Designated CDP Locations, including details such as their name and contact details, is provided on the websites of the Stock Exchanges at [www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?](http://www.bseindia.com/Static/Markets/PublicIssues/RtaDp.aspx?) and [www.nseindia.com/products/content/equities/ipos/asba\\_procedures.htm](http://www.nseindia.com/products/content/equities/ipos/asba_procedures.htm), respectively, as updated from time to time.

### **Experts**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act, 2013 in respect of the: (i) Restated Financial Statements and their examination report dated July 23, 2021, on the Restated Financial Statements; and (ii) the statement of possible special tax benefits dated July 23, 2021 included in this Prospectus. Such consent has not been withdrawn up to the time of delivery of this Prospectus.

Pursuant to Section 2(38) of the Companies Act, 2013, an ‘expert’ is defined to include an ‘engineer’. Oriens Advisors LLP is an independent engineering firm and have provided project consultancy services with respect to the Project Report in their capacity as engineers to certify certain details in relation to the capital expenditure proposed to be incurred by our Company from the Net Proceeds. Accordingly, our Company has received written consent from Oriens Advisors LLP, to include their name, as required under Section 26 of the Companies Act, 2013, in this Prospectus and as an ‘expert’ under Section 2(38) of Companies Act, 2013 in respect of the Project Reports. Such consent has not been withdrawn up to the time of delivery of this Prospectus.

### **Statutory Auditor to our Company**

#### **MSKA & Associates**

Building #1, 6<sup>th</sup> Floor

Cerebrum IT Park

Kalyaninagar

Pune 411 014, Maharashtra

**Telephone number:** +91 20 6763 3404

**E-mail:** [nitinjumani@bdo.in](mailto:nitinjumani@bdo.in)

**ICAI firm registration number:** 105047W

**Peer review certificate number:** 011121

### **Changes in Auditors**

There has been no change in our statutory auditors in the three years preceding the date of this Prospectus.

### **Bankers to our Company**

#### **Axis Bank Limited**

2nd Floor, MSR Capital

Morewadi Road, PCMC, Pune

Maharashtra

**Telephone:** 9029005364

**Contact Person:** Sachin Swaroop

**Website:** [www.axisbank.com](http://www.axisbank.com)

**E-mail:** [saehin.swaroop@axisbank.com](mailto:saehin.swaroop@axisbank.com)

#### **Clix Finance India Private Limited**

4<sup>th</sup> Floor, Kailash Building, Kasturba Gandhi Marg

Connaught Place, New Delhi - 110001

**Telephone:** 1800 200 9898

**Contact Person:** Ashhish K Paanday

**Website:** [www.clix.capital/](http://www.clix.capital/)

**E-mail:** [hello@clix.capital](mailto:hello@clix.capital)

**HDFC Bank Limited**

Business Banking Operations Marathon I.T Park  
Bund Garden Road, Pune – 411001  
Maharashtra  
**Telephone:** 020 67693300  
**Contact Person:** Sachin Deo  
**Website:** www.hdfcbank.com  
**E-mail:** sachin.deo@hdfcbank.com

**IndusInd Bank Limited**

4<sup>th</sup> Floor, Tower A, Peninsula Corporate Park, Lower  
Parel, Mumbai 400013  
Maharashtra  
**Telephone:** 9323391519  
**Contact Person:** Sandip Lotlikar  
**Website:** www.indusind.com  
**E-mail:** sandip.lotlukar@indusind.com

**Kotak Mahindra Bank Limited**

27 BKC, C27, G Block, Bandra Kurla Complex  
Bandra (East), Mumbai – 400051  
Maharashtra  
**Telephone:** 020 67443549  
**Contact person:** Yogesh Niture  
**Website:** www.kotak.com  
**E-mail:** yoegsh.niture@kotak.com

**YES Bank Limited**

RSCC, 2<sup>nd</sup> Floor, Muttha Symphony Building  
Plot no 69/4, Law College Road  
Erandwane, Pune, Maharashtra - 411004  
**Telephone:** +91 91676 55953  
**Contact person:** Harshal Swami  
**Website:** www.yesbank.in  
**E-mail:** harshal.swami@yesbank.in

**Grading of the Offer**

No credit agency registered with SEBI has been appointed for obtaining grading for the Offer.

**Appraising Entity**

No appraising entity has been appointed in relation to the Offer.

**Monitoring Agency**

Our Company has appointed ICICI Bank Limited as the Monitoring Agency for monitoring the utilization of the Net Proceeds in compliance with Regulation 41 of the SEBI ICDR Regulations.

**ICICI Bank Limited**

Capital Market Division, 1st Floor  
122, Mistry Bhavan, Dinshaw Vachha Road  
Backbay Reclamation, Churchgate  
Mumbai – 400 020, Maharashtra  
**Telephone:** +91 22 6681 8911/23/24  
**Email:** kmr.saurabh@icici.com  
**Website:** www.icicibank.com  
**Contact person:** Mr Saurabh Kumar

**ICICI Bank Limited**

1194/8, Ramchandra Sabhamandap, Ghole Road  
Shivaji Nagar, Pune, Maharashtra – 411005  
**Telephone:** 020 66280758  
**Contact Person:** Abhijit Umbare  
**Website:** www.icicibank.com  
**E-mail:** abhijit.umbare@icicibank.com

**Janata Sahakari Bank Limited**

Gold Craft Building, Near Chapekar Chawlk  
Chinchwad Gaon, Pune – 411 033  
Maharashtra  
**Telephone:** 020 27352536/ 020 27354270  
**Contact Person:** Prasanna Mhakavekar  
**Website:** www.janatabankpune.com  
**E-mail:** chichwadgaon@janatabankpune.com

**Reliance Commercial Finance Limited**

Trade World, Kamala Mills Compound  
4th Floor, D Wing, Senapati Bapat Marg  
Lower Parel West Mumbai – 400013  
Maharashtra  
**Telephone:** +91 74984 49700  
**Contact person:** Nilesh Kshirsagar  
**Website:** www.reliancemoney.co.in  
**E-mail:** Nilesh.kshirsagar@relianceada.com

As required under the SEBI Listing Regulations, the Audit Committee appointed by the Board shall monitor the utilisation of the proceeds of the Offer. Our Company will disclose the utilisation of the proceeds of the Offer under a separate head along with details, if any in relation to all such proceeds of the Offer that have not been utilised thereby also indicating investments, if any, of such unutilised proceeds of the Issue in our balance sheet for the relevant Fiscal Years. For details in relation to the proposed utilisation of the Net Proceeds, please see the section entitled “*Objects of the Offer*” on page 92.

### **Credit Rating**

As the Offer is of Equity Shares, credit rating is not required.

### **Debenture Trustee**

As the Offer is of Equity Shares, the appointment of debenture trustees is not required.

### **Filing**

A copy of the Draft Red Herring Prospectus has been filed electronically on the SEBI’s online portal and at [cfddil@sebi.gov.in](mailto:cfddil@sebi.gov.in), in accordance with the instructions issued by the SEBI on March 27, 2020, in relation to “Easing of Operational Procedure – Division of Issues and Listing – CFD”. A copy of the Red Herring Prospectus, along with the material contracts and documents required was filed under Section 32 of the Companies Act will be filed with the RoC and a copy of this Prospectus to be filed under Section 26 of the Companies Act, 2013 would be filed with the RoC at its office.

### **Book Building Process**

Book building, in the context of the Offer, refers to the process of collection of Bids from investors on the basis of the Red Herring Prospectus and the Bid cum Application Forms. The Price Band and Minimum Bid Lot was decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and was advertised in all editions of The Financial Express (a widely circulated English national daily newspaper), all editions of Jansatta (a Hindi national daily newspaper) and Pune editions of Loksatta (a widely circulated Marathi newspaper, Marathi being the regional language of Maharashtra where our Registered and Corporate Office is located), at least two Working Days prior to the Bid/Offer Opening Date and was made available to the Stock Exchanges for the purposes of uploading on their respective websites. The Offer Price was determined by our Company and the Selling Shareholders, in consultation with the BRLMs after the Bid/Offer Closing Date.

All investors, other than Retail Individual Investors and Anchor Investors, only participated through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount was blocked by the SCSBs. Retail Individual Investors participated through the ASBA process by providing the details of their respective ASBA Account in which the corresponding Bid Amount was blocked by the SCSBs or using the UPI Mechanism. Anchor Investors were not permitted to participate in the Offer through the ASBA process.

In accordance with the SEBI ICDR Regulations, QIBs and Non-Institutional Investors were not permitted to withdraw or lower the size of their Bids (in terms of the quantity of the Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion could revise their Bids during the Bid/ Offer Period and withdraw their Bids until the Bid/ Offer Closing Date. Further, Anchor Investors could not withdraw their Bids after the Anchor Investor Bidding Date. Allocation to QIBs (other than Anchor Investors) and Non-Institutional Investors was on a proportionate basis while allocation to Anchor Investors was on a discretionary basis. For further details, see “*Terms of the Offer*” and “*Offer Procedure*” on pages 346 and 355, respectively.

**The Book Building Process and the Bidding process are subject to change from time to time, and the Bidders are advised to make their own judgment about investment through the aforesaid processes prior to submitting a Bid in the Offer.**

**Bidders should note that the Offer is also subject to obtaining (i) final approval of the RoC after this Prospectus is filed with the RoC; and (ii) final listing and trading approvals from the Stock Exchanges, which our Company shall apply for after Allotment.**

Each Bidder, by submitting a Bid in the Offer, will be deemed to have acknowledged the above restrictions and the terms of the Offer.

For further details on the method and procedure for Bidding, see “Offer Procedure” on page 355.

## Underwriting Agreement

Our Company and the Selling Shareholders have entered into an Underwriting Agreement with the Underwriters for the Equity Shares offered through the Offer. Pursuant to the terms of the Underwriting Agreement, the obligations of the Underwriters are several and subject to certain conditions to closing, as specified therein.

The Underwriting Agreement is dated August 10, 2021. The Underwriters have indicated their intention to underwrite the following number of Equity Shares:

| Name, address, telephone and e-mail of the Underwriters                                                                                                                                                                                                                                   | Indicative number of Equity Shares to be underwritten | Amount underwritten (₹ in million) |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------|------------------------------------|
| <b>JM Financial Limited</b><br>7 <sup>th</sup> Floor, Cnergy, Appasaheb Marathe Marg, Prabhadevi, Mumbai – 400 025, Maharashtra<br><b>Telephone:</b> +91 22 6630 3030<br><b>E-mail:</b> krsnaadiagnostics.ipo@jmfl.com                                                                    | 839,768                                               | 795.74                             |
| <b>DAM Capital Advisors Limited</b><br>(Formerly IDFC Securities Limited)<br>One BKC, Tower C, 15 <sup>th</sup> Floor, Unit No. 1511, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051, Maharashtra<br><b>Telephone:</b> +91 22 4202 2500<br><b>E-mail:</b> krsnaa.ipo@damcapital.in | 839,769                                               | 795.74                             |
| <b>Equirus Capital Private Limited</b><br>12 <sup>th</sup> Floor, C Wing, Marathon Futurex, N M Joshi Marg, Lower Parel, Mumbai 400 013, Maharashtra<br><b>Telephone:</b> +91 22 4332 0700<br><b>E-mail:</b> krsnaa.ipo@equirus.com                                                       | 839,769                                               | 795.74                             |
| <b>IIFL Securities Limited</b><br>10 <sup>th</sup> Floor, IIFL Centre, Kamala City Senapati Bapat Marg, Lower Parel (West), Mumbai 400 013, Maharashtra<br><b>Telephone:</b> +91 22 4646 4600<br><b>E-mail:</b> krsnaa.ipo@iiflcap.com                                                    | 839,868                                               | 795.83                             |
| <b>JM Financial Services Limited</b><br>2, 3 & 4 Kamanwala Chambers, Ground Floor, Sir PM Road, Fort, Mumbai 400 001, Maharashtra<br><b>Telephone:</b> +91 022 6136 3400<br><b>Email:</b> Surajit.misra@jmfl.com/deepak.vaidya@jmfl.com/sona.verghese@jmfl.com/tn.kumar@jmfl.com          | 100                                                   | 0.10                               |
| <b>Equirus Securities Private Limited</b><br>A2102 B, 21 <sup>st</sup> Floor, A Wing, Marathon Futurex, N.M. Joshi Marg, Lower Parel, Mumbai – 400 013, Maharashtra<br><b>Telephone:</b> +91 079 6190 9561<br><b>Email:</b> jay.soni@equirus.com                                          | 100                                                   | 0.10                               |
| <b>Sharekhan Limited</b><br>10 <sup>th</sup> Floor, Beta Building, Lodha iThink Techno Campus, Opposite Kanjurmarg Railway Station, Kanjurmarg (East), Mumbai – 400042, Maharashtra<br><b>Telephone:</b> +91 22611 50000<br><b>Email:</b> pravin@sharekhan.com                            | 100                                                   | 0.10                               |

The abovementioned underwriting commitment is indicative and will be finalized after determination of the Basis of Allotment and will be subject to the provisions of the SEBI ICDR Regulations.

In the opinion of our Board of Directors, the resources of the Underwriters are sufficient to enable them to discharge their respective underwriting obligations in full. The Underwriters are registered with the SEBI under Section 12(1) of the SEBI Act or registered as brokers with the Stock Exchange(s). Our Board/IPO Committee, at its meeting held on August 10, 2021, has accepted and entered into the Underwriting Agreement mentioned above on behalf of our Company.

Subject to the applicable laws and pursuant to the terms of the Underwriting Agreement, the BRLMs will be responsible for bringing in the amount devolved in the event that the Syndicate Members do not fulfil their underwriting obligations.

## CAPITAL STRUCTURE

The share capital of our Company as at the date of this Prospectus, is set forth below:

|          |                                                                                            | (in ₹ except share data)      |                                 |
|----------|--------------------------------------------------------------------------------------------|-------------------------------|---------------------------------|
|          |                                                                                            | Aggregate value at face value | Aggregate value at Offer Price* |
| <b>A</b> | <b>AUTHORIZED SHARE CAPITAL</b>                                                            |                               |                                 |
|          | 42,448,000 Equity Shares (having face value of ₹5 each)                                    | 212,240,000                   | -                               |
|          | 4,061,914 Series A CCPS (having face value of ₹123 each)                                   | 499,615,422                   |                                 |
|          | 3,038,886 Series C CCPS (having face value of ₹250 each)                                   | 759,721,500                   |                                 |
| <b>B</b> | <b>ISSUED, SUBSCRIBED AND PAID-UP SHARE CAPITAL BEFORE THE OFFER</b>                       |                               |                                 |
|          | 27,191,528 Equity Shares (having face value of ₹5 each)                                    | 135,957,640                   | -                               |
| <b>C</b> | <b>PRESENT OFFER IN TERMS OF THIS PROSPECTUS</b>                                           |                               |                                 |
|          | Offer of 12,741,036 Equity Shares aggregating to ₹12,133.35 million <sup>(1)(2)</sup>      | 63,705,180                    | 12,133,345,560                  |
|          | <i>of which</i>                                                                            |                               |                                 |
|          | Fresh Issue of 4,215,516* Equity Shares aggregating to ₹4,000.00 million <sup>^(1)</sup>   | 21,077,580                    | 3,999,999,480                   |
|          | Offer for Sale of 8,525,520* Equity Shares aggregating to ₹8,133.35 million <sup>(2)</sup> | 42,627,600                    | 8,133,346,080                   |
|          | <b>Which includes:</b>                                                                     |                               |                                 |
|          | Employee Reservation Portion of 232,288* Equity Shares <sup>^</sup>                        | 1,161,440                     | 199,999,968                     |
|          | Net Offer of 12,508,748* Equity Shares                                                     | 62,543,740                    | 11,933,345,592                  |
| <b>D</b> | <b>ISSUED, SUBSCRIBED AND PAID-UP CAPITAL AFTER THE OFFER</b>                              |                               |                                 |
|          | 31,407,044 Equity Shares                                                                   | 157,035,220                   | -                               |
| <b>E</b> | <b>SECURITIES PREMIUM ACCOUNT</b>                                                          |                               |                                 |
|          | Before the Offer                                                                           |                               | 1,421,520,330                   |
|          | After the Offer                                                                            |                               | 5,400,442,230                   |

<sup>^</sup> Our Company and the Selling Shareholders, in consultation with the BRLMs, offered an Employee Discount of ₹93 per Equity Share (9.75% to the Offer Price), which was announced at least two Working Days prior to the Bid/Offer Opening Date.

<sup>(1)</sup> The Offer has been authorized by a resolution of our Board dated May 13, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated May 14, 2021.

<sup>(2)</sup> The Equity Shares being offered by the Selling Shareholders are eligible for being offered for sale pursuant to the Offer for Sale in terms of the SEBI ICDR Regulations. Kitara, Somerset, Mayur Sirdesai (on behalf of Lotus Management Solutions) and Phi Capital have consented to participate in the Offer for Sale pursuant to consent letters each dated May 14, 2021 and have consented to offer 3,340,713 Equity Shares, 3,563,427 Equity Shares, 21,380 Equity Shares and 1,600,000 Equity Shares respectively, aggregating to ₹8,525,520 in the Offer for Sale. For further details of authorizations received for the Offer for Sale, see "Other Regulatory and Statutory Disclosures" on page 331.

\*subject to finalisation of the Basis of Allotment

### Changes in the authorised share capital of our Company

For details of the changes to the authorised share capital of our Company in the past 10 years, see "History and Certain Corporate Matters-Amendments to our Memorandum of Association" on page 169.

### Notes to the Capital Structure

#### 1. Equity Share capital history of our Company

The following table sets forth the history of the Equity Share capital of our Company.

| Date of allotment                                                                                                                                                                                                                                                                                                                          | Reason/Nature of allotment                                          | No. of Equity Shares allotted | Cumulative No. of Equity Shares | Face value (₹) | Issue price per Equity Share (₹) | Form of consideration |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------|-------------------------------|---------------------------------|----------------|----------------------------------|-----------------------|
| December 22, 2010                                                                                                                                                                                                                                                                                                                          | Initial subscription to the MOA <sup>(1)</sup>                      | 10,000                        | 10,000                          | 10             | 10                               | Cash                  |
| June 20, 2011                                                                                                                                                                                                                                                                                                                              | Further issue <sup>(2)</sup>                                        | 990,000                       | 1,000,000                       | 10             | 10                               | Cash                  |
| October 31, 2013                                                                                                                                                                                                                                                                                                                           | Further issue <sup>(3)</sup>                                        | 1,589,413                     | 2,589,413                       | 10             | 20                               | Cash                  |
| March 31, 2014                                                                                                                                                                                                                                                                                                                             | Allotment pursuant to the 2014 SPA (share swap) <sup>(4)</sup>      | 559,200                       | 3,148,613                       | 10             | 62.50                            | Other than Cash       |
|                                                                                                                                                                                                                                                                                                                                            | Further issue <sup>(5)</sup>                                        | 851,387                       | 4,000,000                       |                | 62.50                            | Cash                  |
| March 31, 2015                                                                                                                                                                                                                                                                                                                             | Allotment pursuant to conversion of loan into equity <sup>(6)</sup> | 1,160,000                     | 5,160,000                       | 10             | 62.50                            | Other than Cash       |
| June 30, 2015                                                                                                                                                                                                                                                                                                                              | Preferential allotment <sup>(7)</sup>                               | 1,100                         | 5,161,100                       | 10             | 123.33                           | Cash                  |
| July 3, 2015                                                                                                                                                                                                                                                                                                                               | Preferential allotment <sup>(8)</sup>                               | 1,000                         | 5,162,100                       | 10             | 123.33                           | Cash                  |
| January 31, 2019                                                                                                                                                                                                                                                                                                                           | Preferential allotment <sup>(9)</sup>                               | 1,000                         | 5,163,100                       | 10             | 328.96                           | Cash                  |
| March 23, 2021                                                                                                                                                                                                                                                                                                                             | Allotment pursuant to conversion of Series-B CCCPS <sup>(10)#</sup> | 600,960                       | 5,764,060                       | 10             | 250                              | Cash <sup>#</sup>     |
| March 31, 2021                                                                                                                                                                                                                                                                                                                             | Rights issue <sup>(11)</sup>                                        | 730,904                       | 6,494,964                       | 10             | 10                               | Cash                  |
| With effect from April 25, 2021, the face value of the Equity Shares was split from ₹10 each into ₹5 each and consequently the issued and paid up Equity Share capital stood altered from ₹64,949,640 (divided into 6,494,964 equity shares of ₹10 each) to ₹64,949,640 (divided into 12,989,928 equity shares of ₹5 each) <sup>(12)</sup> |                                                                     |                               |                                 |                |                                  |                       |
| July 23, 2021                                                                                                                                                                                                                                                                                                                              | Allotment pursuant to conversion of Series A CCPS <sup># (13)</sup> | 8,123,828                     | 21,113,756                      | 5              | 61.50 <sup>\$</sup>              | Cash <sup>#</sup>     |
| July 23, 2021                                                                                                                                                                                                                                                                                                                              | Allotment pursuant to conversion of Series C CCPS <sup>#(14)</sup>  | 6,077,772                     | 27,191,528                      | 5              | 125.00 <sup>\$\$</sup>           | Cash <sup>#</sup>     |

<sup>(1)</sup> Allotment of 5,000 equity shares each to Rajendra Mutha and Sunita Mutha as initial subscribers to the MoA.

<sup>(2)</sup> Allotment of 495,000 equity shares each to Rajendra Mutha and Sunita Mutha.

<sup>(3)</sup> Allotment of 1,589,413 equity shares to Rajendra Mutha.

<sup>(4)</sup> Allotment of 335,200 equity shares to Rajendra Mutha and 56,000 equity shares each to Narayan Chighalikar, Rohit Karpe, Sachin Dhoka and Sanjay Pandhare, as per the terms of the 2014 SPA.

<sup>(5)</sup> Allotment of 160,000 equity shares each to Anand Chajed, Rajendra Bhandari and Manas Dhoka and 371,387 equity shares to Rajendra Mutha.

<sup>(6)</sup> Allotment of 1,160,000 equity shares to Rajendra Mutha pursuant to conversion of an unsecured loan furnished to the Company by Rajendra Mutha, into Equity Shares.

<sup>(7)</sup> Allotment of 1,000 equity shares to Somerset and 100 equity shares to Mayur Sirdesai (on behalf of Lotus Management Solutions).

<sup>(8)</sup> Allotment of 1,000 equity shares to Kitara.

<sup>(9)</sup> Allotment of 1,000 equity shares to Phi Capital.

<sup>(10)</sup> Allotment of 200,000 equity shares each to Somerset Indus Healthcare Fund 1 Limited and Kitara PIIN 1104, 163,957 equity shares to Rajendra Mutha, 24,029 equity shares to Sanjay Pandhare, 12,014 equity shares to Kirankumar Bhise and 960 equity shares to Mayur Sirdesai (on behalf of Lotus Management Solutions) pursuant to conversion of Series B CCCPS into equity shares. Such Series B CCCPS were allotted to the aforementioned allottees on March 7, 2017.

<sup>(11)</sup> Allotment of 517,643 equity shares to Rajendra Mutha, 144,134 equity shares to Phi Capital, 12,767 equity shares jointly to Revathi Sanjay Pandhare and Nimisha Sanjay Pandhare, 8,576 equity shares to Kirankumar Bhise, 6,802 equity shares each to Anand Chhajed, Sachin Pukhraj Dhoka, Narayan Chighalikar, Suvindh Banthia and Pallavi Bhatevara, 6,085 equity shares to Rajendra Bhandari, 5,311 equity shares to Manas Pukhraj Dhoka and 2,378 equity shares to Rohit Karpe on a rights basis.

<sup>(12)</sup> Our Company has, pursuant to a Shareholders' resolution dated April 25, 2021, sub-divided its equity share capital by sub-dividing the face value of the Equity Shares from ₹10 to ₹5 per Equity Share. Accordingly, the issued and paid-up capital of our Company was sub-divided from 6,494,964 Equity Shares of ₹10 each to 12,989,928 Equity Shares of ₹5 each.

<sup>(13)</sup> Allotment of 4,052,284 Equity Shares to Somerset, 19,260 Equity Shares to Mayur Sirdesai (on behalf of Lotus Management Solutions) and 4,052,284 Equity Shares to Kitara upon conversion of outstanding Series A CCPS.

<sup>(14)</sup> Allotment of 6,077,772 Equity Shares to Phi Capital upon conversion of outstanding Series C CCPS.

<sup>#</sup> Consideration for such equity shares was paid upfront at the time of allotment of Series A CCPS, Series B CCCPS and Series C CCPS, with agreed terms of conversion.

<sup>\$</sup> This issue price per Equity Share, excludes an additional premium of ₹0.17 per Equity Share, accounted in the securities premium of the Company at the time of allotment of Series A CCPS.

<sup>\$\$</sup> This issue price per Equity Share, excludes an additional premium of ₹39.48 per Equity Share, accounted in the securities premium of the Company at the time of allotment of Series C CCPS.

2. Except as detailed below, our Company has not issued any Equity Shares for consideration other than cash:

| Date of allotment | Reason/Nature of Allotment                                          | No. of equity shares Allotted | Face Value (₹) | Issue price per equity share (₹) | Form of consideration | Benefits accrued to our Company                                                                                                                     |
|-------------------|---------------------------------------------------------------------|-------------------------------|----------------|----------------------------------|-----------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------|
| March 31, 2014    | Allotment pursuant to the 2014 SPA (share swap) <sup>(1)</sup>      | 559,200                       | 10             | 62.50                            | Other than cash       | Pursuant to the share swap completed in terms of the 2014 SPA, Krishna Lifesciences Private Limited became a wholly owned subsidiary of our Company |
| March 31, 2015    | Allotment pursuant to conversion of loan into equity <sup>(2)</sup> | 1,160,000                     | 10             | 62.50                            | Other than cash       | De-leveraging by discharge of unsecured debt to our Promoter by our Company                                                                         |

<sup>(1)</sup> Allotment of 335,200 equity shares to Rajendra Mutha and 56,000 equity shares each to Narayan Chighalika, Rohit Karpe, Sachin Dhoka and Sanjay Pandhare as per the terms of the 2014 SPA.

<sup>(2)</sup> Allotment of 1,160,000 equity shares to Rajendra Mutha pursuant to conversion of an unsecured loan furnished to the Company by Rajendra Mutha, into Equity Shares.

### 3. Preference share capital history of our Company

As on the date of this Prospectus, our Company has no outstanding preference share capital.

Further, shareholders of erstwhile Series A CCPS have, by way of an amendment agreement to the Existing Investor SHA dated July 1, 2020 waived all accrued and future liability with respect to their right under the Existing Investors SHA to receive additional Equity Shares and the dividend arising from the additional Equity Shares. For further information, see “History and Certain Corporate Matters - Existing Investors SHA, Amendment Agreement to the Existing Investor SHA, SSA and the Existing Investors WCA” on page 171.

- Our Company has not issued any Equity Shares or Preference Shares out of its revaluation reserves at any time since incorporation.
- Our Company has not issued or allotted any Equity Shares pursuant to schemes of amalgamation approved under Sections 391-394 of the Companies Act, 1956 or Sections 230-232 of the Companies Act, 2013.
- All transactions in Equity Shares by our Promoter and members of our Promoter group between the date of filing of the Red Herring Prospectus and the date of closing of the Offer shall be reported to the Stock Exchanges within 24 hours of such transactions.
- As on the date of this Prospectus, our Company has not made any issuance of Equity Shares under any employee stock option scheme.

## 8. *Shareholding Pattern of our Company*

The table below presents the shareholding pattern of our Company as on the date of this Prospectus.

| Category<br>(I) | Category of shareholder<br>(II) | Number of shareholders<br>(III) | Number of fully paid up Equity Shares held<br>(IV) | Number of Partly paid-up Equity Shares held<br>(V) | Number of shares underlying Depository Receipts<br>(VI) | Total number of shares held<br>(VII)<br>=(IV)+(V)+(VI) | Shareholding as a % of total number of shares (calculated as per SCRR, 1957) (VIII) As a % of (A+B+C2) | Number of Voting Rights held in each class of securities<br>(IX) |                  |                   |                         | Number of Equity shares Underlying Outstanding convertible securities (including Warrants)<br>(X) | Shareholding, as a % assuming full conversion of convertible securities ( as a percentage of diluted share capital)<br>(XI)= (VII)+(X)<br>As a % of (A+B+C2) | Number of Locked in Equity Shares<br>(XII) |                                 | Number of Equity Shares pledged or otherwise encumbered<br>(XIII) |                                 | Number of Equity Shares held in dematerialized form<br>(XIV) |
|-----------------|---------------------------------|---------------------------------|----------------------------------------------------|----------------------------------------------------|---------------------------------------------------------|--------------------------------------------------------|--------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|------------------|-------------------|-------------------------|---------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|---------------------------------|-------------------------------------------------------------------|---------------------------------|--------------------------------------------------------------|
|                 |                                 |                                 |                                                    |                                                    |                                                         |                                                        |                                                                                                        | Number of voting rights                                          |                  |                   | Total as a % of (A+B+C) |                                                                                                   |                                                                                                                                                              | Number (a)                                 | As a % of total Shares held (b) | Number (a)                                                        | As a % of total Shares held (b) |                                                              |
|                 |                                 |                                 |                                                    |                                                    |                                                         |                                                        |                                                                                                        | Class eg: Equity Shares                                          | Class eg: Others | Total             |                         |                                                                                                   |                                                                                                                                                              |                                            |                                 |                                                                   |                                 |                                                              |
| (A)             | Promoter and Promoter Group     | 2                               | 8,597,676                                          | -                                                  | -                                                       | 8,597,676                                              | 31.62                                                                                                  | 8,597,676                                                        | -                | 8,597,676         | 31.62                   | -                                                                                                 | -                                                                                                                                                            | -                                          | -                               | -                                                                 | -                               | 8,597,676                                                    |
| (B)             | Public                          | 15                              | 18,593,852                                         | -                                                  | -                                                       | 18,593,852                                             | 68.38                                                                                                  | 18,593,852                                                       | -                | 18,593,852        | 68.38                   | -                                                                                                 | -                                                                                                                                                            | -                                          | -                               | -                                                                 | -                               | 18,593,852                                                   |
| (C)             | Non Promoter-Non Public         | -                               | -                                                  | -                                                  | -                                                       | -                                                      | -                                                                                                      | -                                                                | -                | -                 | -                       | -                                                                                                 | -                                                                                                                                                            | -                                          | -                               | -                                                                 | -                               | -                                                            |
| (C1)            | Shares underlying DRs           | -                               | -                                                  | -                                                  | -                                                       | -                                                      | -                                                                                                      | -                                                                | -                | -                 | -                       | -                                                                                                 | -                                                                                                                                                            | -                                          | -                               | -                                                                 | -                               | -                                                            |
| (C2)            | Shares held by Employee Trusts  | -                               | -                                                  | -                                                  | -                                                       | -                                                      | -                                                                                                      | -                                                                | -                | -                 | -                       | -                                                                                                 | -                                                                                                                                                            | -                                          | -                               | -                                                                 | -                               | -                                                            |
|                 | <b>Total</b>                    | <b>17</b>                       | <b>27,191,528</b>                                  | <b>-</b>                                           | <b>-</b>                                                | <b>27,191,528</b>                                      | <b>100.00</b>                                                                                          | <b>27,191,528</b>                                                | <b>-</b>         | <b>27,191,528</b> | <b>100.00</b>           | <b>-</b>                                                                                          | <b>-</b>                                                                                                                                                     | <b>-</b>                                   | <b>-</b>                        | <b>-</b>                                                          | <b>-</b>                        | <b>27,191,528</b>                                            |



## 9. Equity Shares issued in the preceding one year below the Offer Price

Details of issue of Equity Shares at a price which may be lower than the Offer Price, during a period of one year preceding the date of this Prospectus are set forth in the table below.

| Date of allotment of Equity Shares | Number of Equity Shares allotted# | Face value per Equity Share (in ₹) | Issue price per Equity Share (in ₹) | Names of allottees                                                                                                                                                                                                                                                | Nature of consideration | Reason of allotment                                |
|------------------------------------|-----------------------------------|------------------------------------|-------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|----------------------------------------------------|
| March 23, 2021                     | 600,960                           | 10                                 | 250                                 | Somerset Indus Healthcare Fund I Limited, Kitara PIIN 1104, Rajendra Mutha, Sanjay Pandhare, Kirankumar Bhise and Mayur Sirdesai (on behalf of Lotus Management Solutions)                                                                                        | Cash^                   | Allotment pursuant to conversion of Series B CCCPS |
| March 31, 2021                     | 730,904                           | 10                                 | 10                                  | Rajendra Mutha, Phi Capital, Revathi Sanjay Pandhare and Nimisha Sanjay Pandhare (jointly), Kirankumar Bhise, Anand Chhajed, Sachin Pukhraj Dhoka, Narayan Chighalikar, Suvidh Banthia, Pallavi Bhatevara, Rajendra Bhandari, Manas Pukhraj Dhoka and Rohit Karpe | Cash                    | Rights issue                                       |
| July 23, 2021                      | 8,123,828                         | 5                                  | 61.50\$                             | Somerset, Kitara and Mayur Sirdesai (on behalf of Lotus Management Solutions)                                                                                                                                                                                     | Cash^                   | Allotment pursuant to conversion of Series A CCPS  |
| July 23, 2021                      | 6,077,772                         | 5                                  | 125.00\$\$                          | Phi Capital                                                                                                                                                                                                                                                       | Cash^                   | Allotment pursuant to conversion of Series C CCPS  |

^ Consideration for such equity shares was paid upfront at the time of allotment of Series A CCPS, Series B CCCPS and Series C CCPS, with agreed terms of conversion.

# Our Company has, pursuant to a Shareholders' resolution dated April 25, 2021, sub-divided its share capital by sub-dividing the face value of the Equity Shares from ₹10 to ₹5 per Equity Share. Accordingly, the issued and paid-up capital of our Company was sub-divided from 6,494,964 Equity Shares of ₹10 each to 12,989,928 Equity Shares of ₹5 each. The table above, does not account for such sub-division.

\$ This issue price per Equity Share, excludes an additional premium of ₹0.17 per Equity Share, accounted in the securities premium of the Company at the time of allotment of Series A CCPS.

\$\$ This issue price per Equity Share, excludes an additional premium of ₹39.48 per Equity Share, accounted in the securities premium of the Company at the time of allotment of Series C CCPS.

## 10. Other details of Shareholding of our Company

(a) As on the date of the filing of this Prospectus, our Company has 17 holders of Equity Shares.

- (b) Set forth below is a list of Shareholders, holding 1% or more of the paid-up Equity Share Capital of our Company as on the date of filing of this Prospectus:

| No. | Name of the Shareholder                                      | No. of Equity Shares held | Percentage of the pre-Offer Equity Share capital (%) |
|-----|--------------------------------------------------------------|---------------------------|------------------------------------------------------|
| 1.  | Rajendra Mutha                                               | 8,029,920                 | 29.53                                                |
| 2.  | Phi Capital                                                  | 6,368,040                 | 23.42                                                |
| 3.  | Somerset                                                     | 4,454,284                 | 16.38                                                |
| 4.  | Kitara                                                       | 4,454,284                 | 16.38                                                |
| 5.  | Krsna Diagnostics (Mumbai) Private Limited                   | 567,756                   | 2.09                                                 |
| 6.  | Techjivaa Software Private Limited                           | 548,830                   | 2.02                                                 |
| 7.  | Revathi Sanjay Pandhare jointly with Nimisha Sanjay Pandhare | 360,224                   | 1.32                                                 |
| 8.  | Anand Chhajed                                                | 300,236                   | 1.10                                                 |
| 9.  | Sachin Dhoka                                                 | 300,236                   | 1.10                                                 |
| 10. | Narayan Chighalikar                                          | 300,236                   | 1.10                                                 |
| 11. | Suvidh Bantia                                                | 300,236                   | 1.10                                                 |
| 12. | Pallavi Bhatevara                                            | 300,236                   | 1.10                                                 |
|     | <b>Total</b>                                                 | <b>26,284,518</b>         | <b>96.66</b>                                         |

- (c) Set forth below is a list of Shareholders, holding 1% or more of the paid-up Equity Share Capital of our Company as of 10 days prior to filing this Prospectus:

| No. | Name of the Shareholder                                      | Number of Equity Shares held | Percentage of the pre-Offer Equity Share capital (%) |
|-----|--------------------------------------------------------------|------------------------------|------------------------------------------------------|
| 1.  | Rajendra Mutha                                               | 8,029,920                    | 61.82                                                |
| 2.  | Krsna Diagnostics (Mumbai) Private Limited                   | 567,756                      | 4.37                                                 |
| 3.  | Techjivaa Software Private Limited                           | 548,830                      | 4.23                                                 |
| 4.  | Somerset                                                     | 402,000                      | 3.09                                                 |
| 5.  | Kitara                                                       | 402,000                      | 3.09                                                 |
| 6.  | Revathi Sanjay Pandhare jointly with Nimisha Sanjay Pandhare | 360,224                      | 2.77                                                 |
| 7.  | Anand Chhajed                                                | 300,236                      | 2.31                                                 |
| 8.  | Sachin Dhoka                                                 | 300,236                      | 2.31                                                 |
| 9.  | Narayan Chighalikar                                          | 300,236                      | 2.31                                                 |
| 10. | Suvidh Bantia                                                | 300,236                      | 2.31                                                 |
| 11. | Pallavi Bhatevara                                            | 300,236                      | 2.31                                                 |
| 12. | Phi Capital                                                  | 290,268                      | 2.23                                                 |
| 13. | Rajendra Bhandari                                            | 268,802                      | 2.07                                                 |
| 14. | Kirankumar Bhise                                             | 267,226                      | 2.06                                                 |
| 15. | Manas Dhoka                                                  | 244,524                      | 1.88                                                 |
|     | <b>Total</b>                                                 | <b>12,882,730</b>            | <b>99.17</b>                                         |

- (d) Set forth below is a list of Shareholders, holding 1% or more of the paid-up Equity Share Capital of our Company as of one year prior to filing this Prospectus:

| No. | Name of the Shareholder | No. of Equity Shares held <sup>#</sup> | Percentage of the pre-Offer Equity Share capital (%) |
|-----|-------------------------|----------------------------------------|------------------------------------------------------|
| 1.  | Rajendra Mutha          | 3,333,360                              | 64.56                                                |
| 2.  | Rajendra Bhandari       | 206,400                                | 4.00                                                 |
| 3.  | Anand Chhajed           | 206,400                                | 4.00                                                 |
| 4.  | Manas Dhoka             | 206,400                                | 4.00                                                 |
| 5.  | Sanjay Pandhare         | 206,400                                | 4.00                                                 |
| 6.  | Sachin Dhoka            | 206,400                                | 4.00                                                 |
| 7.  | Narayan Chighalikar     | 206,400                                | 4.00                                                 |
| 8.  | Suvidh Bantia           | 206,400                                | 4.00                                                 |

| No. | Name of the Shareholder | No. of Equity Shares held <sup>#</sup> | Percentage of the pre-Offer Equity Share capital (%) |
|-----|-------------------------|----------------------------------------|------------------------------------------------------|
| 9.  | Pallavi Bhatevara       | 206,400                                | 4.00                                                 |
| 10. | Kirankumar Bhise        | 103,200                                | 2.00                                                 |
| 11. | Rohit Karpe             | 72,240                                 | 1.40                                                 |
|     | <b>Total</b>            | <b>5,160,000</b>                       | <b>99.96</b>                                         |

<sup>#</sup> Our Company has, pursuant to a Shareholders' resolution dated April 25, 2021, sub-divided its share capital by sub-dividing the face value of the Equity Shares from ₹10 to ₹5 per Equity Share. Accordingly, the issued and paid-up capital of our Company was sub-divided from 6,494,964 Equity Shares of ₹10 each to 12,989,928 Equity Shares of ₹5 each. The table above, does not account for such sub-division.

- (e) Set forth below is a list of Shareholders, holding 1% or more of the paid-up Equity Share Capital of our Company as of two years prior to filing this Prospectus:

| No. | Name of the Shareholder | No. of Equity Shares held <sup>#</sup> | Percentage of the pre-Offer Equity Share capital (%) |
|-----|-------------------------|----------------------------------------|------------------------------------------------------|
| 1.  | Rajendra Mutha          | 3,333,360                              | 64.56                                                |
| 2.  | Rajendra Bhandari       | 206,400                                | 4.00                                                 |
| 3.  | Anand Chhajed           | 206,400                                | 4.00                                                 |
| 4.  | Manas Dhoka             | 206,400                                | 4.00                                                 |
| 5.  | Sanjay Pandhare         | 206,400                                | 4.00                                                 |
| 6.  | Sachin Dhoka            | 206,400                                | 4.00                                                 |
| 7.  | Narayan Chighalikar     | 206,400                                | 4.00                                                 |
| 8.  | Suvidh Banthia          | 206,400                                | 4.00                                                 |
| 9.  | Pallavi Bhatevara       | 206,400                                | 4.00                                                 |
| 10. | Kirankumar Bhise        | 103,200                                | 2.00                                                 |
| 11. | Rohit Karpe             | 72,240                                 | 1.40                                                 |
|     | <b>Total</b>            | <b>5,160,000</b>                       | <b>99.96</b>                                         |

<sup>#</sup> Our Company has, pursuant to a Shareholders' resolution dated April 25, 2021, sub-divided its share capital by sub-dividing the face value of the Equity Shares from ₹10 to ₹5 per Equity Share. Accordingly, the issued and paid-up capital of our Company was sub-divided from 6,494,964 Equity Shares of ₹10 each to 12,989,928 Equity Shares of ₹5 each. The table above, does not account for such sub-division.

11. Except for employee stock options that may be granted pursuant to the ESOP Scheme, our Company presently does not intend or propose to alter its capital structure for a period of six months from the Bid/Offer Opening Date, by way of split or consolidation of the denomination of Equity Shares, or by way of further issue of Equity Shares (including issue of securities convertible into or exchangeable, directly or indirectly for Equity Shares), whether on a preferential basis, or by way of issue of bonus Equity Shares, or on a rights basis, or by way of further public issue of Equity Shares, or otherwise.
12. Except for any employee stock options that may be granted pursuant to the ESOP Scheme, there are no outstanding options or convertible securities, including any outstanding warrants or rights to convert debentures, loans or other instruments convertible into our Equity Shares as on the date of this Prospectus.
13. **Details of shareholding of our Promoter and members of the Promoter Group**

- (a) As on the date of this Prospectus, our Promoter, Rajendra Mutha, holds 8,029,920 Equity Shares, equivalent to 29.53% of the issued, subscribed and paid-up Equity Share capital of our Company, as set forth in the table below.

| Sr. No. | Name of Promoter | Pre-Offer Equity Share capital |                                 | Post-Offer Equity Share capital |                                  |
|---------|------------------|--------------------------------|---------------------------------|---------------------------------|----------------------------------|
|         |                  | No. of Equity Shares           | % of total Equity Share capital | No. of Equity Shares            | % of total Equity Share Capital* |
| 1.      | Rajendra Mutha   | 8,029,920                      | 29.53                           | 8,029,920                       | 25.57                            |
|         | <b>Total</b>     | <b>8,029,920</b>               | <b>29.53</b>                    | <b>8,029,920</b>                | <b>25.57</b>                     |

\* Subject to finalisation of Basis of Allotment.

All Equity Shares held by our Promoter are in dematerialized form as on the date of this Prospectus.

(b) **Build-up of the Promoter's shareholding in our Company**

The build-up of the equity shareholding of our Promoter, Rajendra Mutha, since incorporation of our Company, is set forth in the table below.

| Nature of transaction                                                                                                                                                                                                                                                                                                                                                                                                                                                                      | Date of allotment/ transfer | No. of Equity Shares | Face value per Equity Share (₹) | Issue price/ Transfer price per Equity Share (₹) | Percentage of the pre- Offer capital (%) | Percentage of the post- Offer capital (%) <sup>^</sup> |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------|----------------------|---------------------------------|--------------------------------------------------|------------------------------------------|--------------------------------------------------------|
| <b>Rajendra Mutha</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |                             |                      |                                 |                                                  |                                          |                                                        |
| Initial subscription to the MoA                                                                                                                                                                                                                                                                                                                                                                                                                                                            | December 22, 2010           | 5,000                | 10                              | 10                                               | 0.04                                     | 0.03                                                   |
| Further issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | June 20, 2011               | 495,000              | 10                              | 10                                               | 3.64                                     | 3.15                                                   |
| Further issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | October 31, 2013            | 1,589,413            | 10                              | 20                                               | 11.69                                    | 10.12                                                  |
| Transfer from Sunita Mutha                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | October 31, 2013            | 340,000              | 10                              | 10                                               | 2.50                                     | 2.17                                                   |
| Allotment pursuant to the 2014 SPA (share swap)                                                                                                                                                                                                                                                                                                                                                                                                                                            | March 31, 2014              | 335,200              | 10                              | 62.50                                            | 2.47                                     | 2.13                                                   |
| Further issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | March 31, 2014              | 371,387              | 10                              | 62.50                                            | 2.73                                     | 2.36                                                   |
| Transfer to Kirankumar Bhise, Narayan Chighalikar, Pallavi Bhatevara, Sachin Dhoka, Sanjay Pandhare and Suvidh Banthia                                                                                                                                                                                                                                                                                                                                                                     | January 9, 2015             | (712,000)            | 10                              | 62.50                                            | (5.24)                                   | (4.53)                                                 |
| Transfer from Sunita Mutha                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | January 9, 2015             | 1,60,000             | 10                              | 62.50                                            | 1.18                                     | 1.02                                                   |
| Allotment pursuant to conversion of outstanding loan into equity                                                                                                                                                                                                                                                                                                                                                                                                                           | March 31, 2015              | 1,160,000            | 10                              | 62.50                                            | 8.53                                     | 7.39                                                   |
| Transfer to Narayan Chighalikar, Rohit Karpe, Sachin Dhoka, Sanjay Pandhare, Anand Chajed, Manas Dhoka, Rajendra Bhandari, Kirankumar Bhise, Pallavi Bhatevara and Suvidh Banthia                                                                                                                                                                                                                                                                                                          | April 30, 2015              | (410,640)            | 10                              | 62.50                                            | (3.02)                                   | (2.61)                                                 |
| Allotment pursuant to conversion of Series B CCCPS                                                                                                                                                                                                                                                                                                                                                                                                                                         | March 23, 2021              | 163,957              | 10                              | 250                                              | 1.21                                     | 1.04                                                   |
| Rights issue                                                                                                                                                                                                                                                                                                                                                                                                                                                                               | March 31, 2021              | 517,643              | 10                              | 10                                               | 3.81                                     | 3.30                                                   |
| <i>Our Company has, pursuant to a Shareholders' resolution dated April 25, 2021, sub-divided its share capital by sub-dividing the face value of the Equity Shares from ₹10 to ₹5 per Equity Share. Accordingly, the issued and paid-up capital of our Company was sub-divided from 6,494,964 Equity Shares of ₹10 each to 12,989,928 Equity Shares of ₹5 each. Accordingly, 4,014,960 Equity Shares of ₹10 held by Rajendra Mutha were split into 8,029,920 Equity Shares of ₹5 each.</i> |                             |                      |                                 |                                                  |                                          |                                                        |
| <b>Total</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |                             | <b>8,029,920</b>     |                                 |                                                  | <b>29.53</b>                             | <b>25.57</b>                                           |

<sup>^</sup>Subject to finalisation of Basis of Allotment.

- (c) All the Equity Shares held by our Promoter were fully paid-up on the respective dates of allotment of such Equity Shares.
- (d) None of the Equity Shares held by our Promoter are pledged.
- (e) Other than as disclosed below, no Equity Shares are held by the members of the Promoter Group (other than our Promoter) as on the date of filing of this Prospectus.

| S. No.         | Name of the Shareholder                    | Pre-Offer            |                                      | Post-Offer <sup>(1)</sup> |                                      |
|----------------|--------------------------------------------|----------------------|--------------------------------------|---------------------------|--------------------------------------|
|                |                                            | No. of Equity Shares | Percentage of total Shareholding (%) | No. of Equity Shares      | Percentage of total Shareholding (%) |
| Promoter Group |                                            |                      |                                      |                           |                                      |
| 1.             | Krsna Diagnostics (Mumbai) Private Limited | 567,756              | 2.09                                 | 567,756                   | 1.81                                 |

<sup>(1)</sup>Subject to finalisation of Basis of Allotment.

- (f) Except as set forth in “Capital Structure - Build-up of the Promoter’s shareholding in our Company” and the subscription of 6,802 Equity Shares (on a pre-Split basis) by our Managing Director on March 31, 2021 by way of rights issue, none of the members of the Promoter Group, the Promoter, or the Directors and their relatives have purchased or sold any securities of our Company during the period of six months immediately preceding the date of this Prospectus.
- (g) There have been no financing arrangements whereby our Promoter, members of the Promoter Group, our Directors and their relatives have financed the purchase by any other person of securities of our Company during a period of six months immediately preceding the date of this Prospectus.

#### 14. Details of Promoter’s contribution and lock-in for three years

- (a) Pursuant to Regulations 14 and 16 of the SEBI ICDR Regulations, an aggregate of 20% of the fully diluted post-Offer Equity Share capital of our Company held by the Promoter shall be locked in for a period of three years as minimum promoter’s contribution from the date of Allotment (“**Promoter’s Contribution**”), and the Promoter’s shareholding in excess of 20% of the fully diluted post-Offer Equity Share capital shall be locked-in for a period of one year from the date of Allotment.
- (b) Details of the Equity Shares to be locked-in for three years from the date of Allotment as Promoter’s Contribution are set forth in the table below.

| Name of the Promoter | Date of allotment/ transfer of the Equity Shares | Nature of transaction                                            | No. of Equity Shares** | Face value (₹) | Issue/ acquisition price per Equity Share (₹) | No. of Equity Shares locked-in* | Percentage of the pre-Offer paid-up capital (%) | Percentage of the post-Offer paid-up capital (%) | Date up to which the Equity Shares are subject to lock-in |
|----------------------|--------------------------------------------------|------------------------------------------------------------------|------------------------|----------------|-----------------------------------------------|---------------------------------|-------------------------------------------------|--------------------------------------------------|-----------------------------------------------------------|
| Rajendra Mutha       | March 31, 2015                                   | Allotment pursuant to conversion of outstanding loan into equity | 2,320,000              | 5              | 31.25                                         | 2,320,000                       | 8.53                                            | 7.39                                             | Three years from the date of Allotment                    |
|                      | January 9, 2015                                  | Transfer from Sunita Mutha                                       | 320,000                | 5              | 31.25                                         | 320,000                         | 1.18                                            | 1.02                                             |                                                           |
|                      | March 31, 2014                                   | Further issue                                                    | 742,774                | 5              | 31.25                                         | 742,774                         | 2.73                                            | 2.36                                             |                                                           |
|                      | March 31, 2014                                   | Allotment pursuant to the 2014 SPA (share swap)                  | 670,400                | 5              | 31.25                                         | 670,400                         | 2.47                                            | 2.13                                             |                                                           |
|                      | October 31, 2013                                 | Transfer from Sunita Mutha                                       | 680,000                | 5              | 5                                             | 680,000                         | 2.50                                            | 2.17                                             |                                                           |
|                      | October 31, 2013                                 | Further issue                                                    | 3,178,826              | 5              | 10                                            | 1,548,235                       | 5.69                                            | 4.93                                             |                                                           |
| <b>Total</b>         |                                                  |                                                                  |                        |                |                                               | <b>6,281,409</b>                | <b>23.10</b>                                    | <b>20.00</b>                                     |                                                           |

\* Subject to finalisation of Basis of Allotment.

\*\* All the Equity Shares were fully paid-up on the respective dates of allotment or acquisition, as the case may be, of such Equity Shares and have been effected for the Split.

- (c) Our Promoter has given consent to include such number of Equity Shares held by him as may constitute 20% of the fully diluted post-Offer Equity Share capital of our Company as Promoter's Contribution. Our Promoter has agreed not to sell, transfer, charge, pledge or otherwise encumber in any manner, the Promoter's Contribution from the date of filing the Red Herring Prospectus, until the expiry of the lock-in period specified above, or for such other time as required under SEBI ICDR Regulations, except as may be permitted, in accordance with the SEBI ICDR Regulations.
- (d) Our Company undertakes that the Equity Shares that are being locked-in are not and will not be ineligible for computation of Promoter's Contribution in terms of Regulation 15 of the SEBI ICDR Regulations. In this connection, we confirm the following:
  - (i) The Equity Shares offered for Promoter's Contribution do not include Equity Shares acquired in the three immediately preceding years (a) for consideration other than cash involving revaluation of assets or capitalisation of intangible assets; or (b) resulting from a bonus issue of Equity Shares out of revaluation reserves or unrealised profits of our Company or from a bonus issuance of equity shares against Equity Shares, which are otherwise ineligible for computation of Promoter's Contribution;
  - (ii) The Promoter's Contribution does not include any Equity Shares acquired during the immediately preceding one year at a price lower than the price at which the Equity Shares are being offered to the public in the Offer;
  - (iii) Our Company has not been formed by the conversion of a partnership firm or a limited liability partnership firm into a company and hence, no Equity Shares have been issued in the one year immediately preceding the date of this Prospectus pursuant to conversion from a partnership firm or a limited liability partnership firm; and
  - (iv) The Equity Shares forming part of the Promoter's Contribution are not subject to any pledge.

#### **15. Details of Equity Shares locked- in for one year**

In addition to the 20% of the fully diluted post-Offer shareholding of our Company held by the Promoter and locked in for three years, as specified above, and Equity Shares successfully transferred by the Selling Shareholders as part of the Offer for Sale, the entire pre-Offer Equity Share capital of our Company will be locked-in for a period of one year from the date of Allotment, including any unsubscribed portion of the Offer for Sale, in accordance with Regulations 16(b) and 17 of the SEBI ICDR Regulations. Equity Shares held by Phi Capital, a Category II AIF, shall be exempt from such lock-in requirements, except for 288,268 Equity Shares acquired by it during the last one year, which shall be locked-in in accordance with Regulation 17(c) of the SEBI ICDR Regulations.

#### **16. Lock-in of Equity Shares Allotted to Anchor Investors**

Any Equity Shares Allotted to Anchor Investors in the Anchor Investor Portion shall be locked in for a period of 30 days from the date of Allotment.

#### **17. Recording on non-transferability of Equity Shares locked-in**

As required under Regulation 20 of the SEBI ICDR Regulations, our Company shall ensure that the details of the Equity Shares locked-in are recorded by the relevant Depository.

#### **18. Other requirements in respect of lock-in**

Pursuant to Regulation 21 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked-in, as mentioned above, may be pledged as collateral security for a loan with a scheduled commercial bank, a public financial institution, Systemically Important Non-Banking Financial Company or a deposit accepting housing finance company, subject to the following:

- (a) With respect to the Equity Shares locked-in for one year from the date of Allotment, such pledge of the Equity Shares must be one of the terms of the sanction of the loan.
- (b) With respect to the Equity Shares locked-in as Promoter's Contribution for three years from the date of Allotment, the loan must have been granted to our Company for the purpose of financing one or

more of the objects of the Offer, which is not applicable in the context of this Offer.

However, the relevant lock-in period shall continue post the invocation of the pledge referenced above, and the relevant transferee shall not be eligible to transfer to the Equity Shares till the relevant lock-in period has expired in terms of the SEBI ICDR Regulations.

In terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by our Promoter and locked-in, may be transferred to any member of our Promoter Group or a new promoter, subject to continuation of lock-in applicable with the transferee for the remaining period and compliance with provisions of the Takeover Regulations.

Further, in terms of Regulation 22 of the SEBI ICDR Regulations, Equity Shares held by persons other than our Promoter prior to the Offer and locked-in for a period of one year, may be transferred to any other person holding Equity Shares which are locked in along with the Equity Shares proposed to be transferred, subject to the continuation of the lock in with the transferee and compliance with the provisions of the Takeover Regulations.

## 19. Employee Stock Option Scheme

Our Company has formulated an employee stock option scheme namely the Krsnaa Diagnostic Private Limited Employees Stock Option Scheme 2020 (the “**ESOP Scheme**”) pursuant to a resolution passed by the Shareholders on July 1, 2020, with a maximum options pool of 2,046,666 options (on a post-Split basis).

As on the date of this Prospectus, under the ESOP Scheme, a cumulative of 2,046,666 options have been granted pursuant to the ESOP Scheme, while no options have vested and none of these options have been exercised.

The following table sets forth the particulars of the ESOP Scheme, including options granted as on the date of this Prospectus.

| Particulars                                                                                                            | Fiscal 2021                                                                                                                                                                                             | For the period April 1, 2021 to the date of this Prospectus     |
|------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------|
| Options granted                                                                                                        | 2,046,666                                                                                                                                                                                               | Nil                                                             |
| No. of employees to whom options were granted                                                                          | Employees of the Company: 85<br>Employees of the Subsidiaries: 0                                                                                                                                        | Employees of the Company: 0<br>Employees of the Subsidiaries: 0 |
| Options outstanding                                                                                                    | 2,046,666                                                                                                                                                                                               | 2,046,666                                                       |
| Exercise price of options                                                                                              | Price equal to or higher than or at a discount to the per share price determined by an independent valuer for the equity shares of the Company as decided by the Nomination and Remuneration Committee. | No grants made during the period                                |
| Options vested (excluding options that have been exercised)                                                            | 0                                                                                                                                                                                                       | 0                                                               |
| Options exercised                                                                                                      | 0                                                                                                                                                                                                       | 0                                                               |
| Total no. of Equity Shares that would arise as a result of full exercise of options granted (net of cancelled options) | 2,046,666                                                                                                                                                                                               | 2,046,666                                                       |
| Options forfeited/lapsed/cancelled                                                                                     | 0                                                                                                                                                                                                       | 0                                                               |
| Variation in terms of options                                                                                          | None                                                                                                                                                                                                    | None                                                            |
| Money realised by exercise of options                                                                                  | 0                                                                                                                                                                                                       | 0                                                               |
| Total no. of options in force                                                                                          | 2,046,666                                                                                                                                                                                               | 2,046,666                                                       |
| Employee wise details of options granted to                                                                            |                                                                                                                                                                                                         |                                                                 |

| Particulars                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                       | Fiscal 2021                                                                                                                                                                                                                                                           |                                     | For the period April 1, 2021 to the date of this Prospectus                                                                                                                    |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| (i)                                                                                                                                                                                                                                                                                                                                                           | Key management personnel                                                                                                                                                                              | <b>Name of key managerial personnel</b>                                                                                                                                                                                                                               | <b>Total no. of options granted</b> | No grants made during the period.                                                                                                                                              |
|                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                       | Yash Mutha                                                                                                                                                                                                                                                            | 292,380                             |                                                                                                                                                                                |
|                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                       | Pawan Daga                                                                                                                                                                                                                                                            | 45,330                              |                                                                                                                                                                                |
|                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                       | Shivananda Rao                                                                                                                                                                                                                                                        | 11,333                              |                                                                                                                                                                                |
| (ii)                                                                                                                                                                                                                                                                                                                                                          | Any other employee who received a grant in any one year of options amounting to 5% or more of the options granted during the year                                                                     | <b>Name of employee</b>                                                                                                                                                                                                                                               | <b>Total no. of options granted</b> | No grants made during the period.                                                                                                                                              |
|                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                       | Yash Mutha                                                                                                                                                                                                                                                            | 292,380                             |                                                                                                                                                                                |
|                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                       |                                     |                                                                                                                                                                                |
| (iii)                                                                                                                                                                                                                                                                                                                                                         | Identified employees who are granted options, during any one year equal to or exceeding 1% of the issued capital (excluding outstanding warrants and conversions) of our Company at the time of grant | <b>Name of employee</b>                                                                                                                                                                                                                                               | <b>Total no. of options granted</b> | No grants made during the period.                                                                                                                                              |
|                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                       | Yash Mutha                                                                                                                                                                                                                                                            | 292,380                             |                                                                                                                                                                                |
|                                                                                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                       |                                                                                                                                                                                                                                                                       |                                     |                                                                                                                                                                                |
| Fully diluted EPS on a pre-Offer basis on exercise of options calculated in accordance with the applicable accounting standard ‘Earning Per Share’                                                                                                                                                                                                            |                                                                                                                                                                                                       | 6.51                                                                                                                                                                                                                                                                  |                                     | Not applicable                                                                                                                                                                 |
| Difference between employee compensation cost calculated using the intrinsic value of stock options and the employee compensation cost that shall have been recognised if our Company had used fair value of options and impact of this difference on profits and EPS of our Company for the last three fiscals                                               |                                                                                                                                                                                                       | The Company has followed the accounting policies specified in the SEBI SBEB Regulations and the financial statements reflect the impact on the profits and EPS of the Company.                                                                                        |                                     | The Company has followed the accounting policies specified in the SEBI SBEB Regulations and the financial statements reflect the impact on the profits and EPS of the Company. |
| Description of the pricing formula and the method and significant assumptions used during the year to estimate the fair values of options, including weighted-average information, namely, risk-free interest rate, expected life, expected volatility, expected dividends and the price of the underlying share in market at the time of grant of the option |                                                                                                                                                                                                       | Black Scholes Option Pricing model has been used to value the options.<br>Weighted average information:<br>Risk free rate – 4.50%<br>Expected life – 2.75 years<br>Expected volatility – 21.69%<br>Expected dividends – 0%<br>Price of the underlying share – ₹398.00 |                                     | No grants made during the period.                                                                                                                                              |
| Impact on profits and EPS of the last three years if our Company had followed the accounting policies specified in Regulation 15 of the ESOP Regulations in respect of options granted in the last three years                                                                                                                                                |                                                                                                                                                                                                       | The Company has followed the accounting policies specified in the SEBI SBEB Regulations and the financial statements reflect the impact on the profits and EPS of the Company.                                                                                        |                                     |                                                                                                                                                                                |
| Intention of key managerial personnel and whole-time directors who are holders of Equity Shares allotted on exercise of options to sell their shares within three months after the listing of Equity Shares pursuant to the Issue                                                                                                                             |                                                                                                                                                                                                       | None of the Key Managerial Personnel and Whole-time Directors are intending to sell the Equity Shares acquired within three months after listing of Equity Shares pursuant to the Offer.                                                                              |                                     |                                                                                                                                                                                |



| Particulars                                                                                                                                                                                                                                                                                                                                                          | Fiscal 2021                                                                                                                                                                                                                                                                                                                                     | For the period April 1, 2021 to the date of this Prospectus |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------|
| Intention to sell Equity Shares arising out of the ESOP scheme or allotted under an ESOP scheme within three months after the listing of Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of the ESOP scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions) | There is no intention to sell Equity Shares arising out of the ESOP Scheme within three months post listing of the Equity Shares by directors, senior managerial personnel and employees having Equity Shares arising out of the ESOP scheme, amounting to more than 1% of the issued capital (excluding outstanding warrants and conversions). |                                                             |

20. Our Company, the Directors and the BRLMs have no existing buyback arrangements and or any other similar arrangements for the purchase of Equity Shares being offered through the Offer.
21. There are no partly paid-up Equity Shares as on the date of this Prospectus.
22. Except as disclosed in “*Our Management*” on page 177, none of our Directors or KMPs hold any Equity Shares in our Company.
23. As on the date of this Prospectus, the BRLMs and their respective associates (as defined in the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992 do not hold any Equity Shares of our Company. The BRLMs and their affiliates may engage in the transactions with and perform services for our Company in the ordinary course of business or may in the future engage in commercial banking and investment banking transactions with our Company for which they may in the future receive customary compensation.
24. None of the members of our Promoter Group will participate in the Offer.
25. Except for the allotment of Equity Shares upon any exercise of options vested pursuant to the ESOP Scheme and/or the Fresh Issue, there will be no further issue of Equity Shares whether by way of issue of bonus shares, preferential allotment, rights issue or in any other manner during the period commencing from filing of the Draft Red Herring Prospectus with SEBI until the Equity Shares are listed on the Stock Exchanges.

## SECTION V – PARTICULARS OF THE OFFER

### OBJECTS OF THE OFFER

The Offer comprises of the Fresh Issue by our Company and the Offer for Sale by the Selling Shareholders.

#### The Offer for Sale

Each of the Selling Shareholders will be entitled to the respective portion of the proceeds of the Offer for Sale, after deducting their portion of the Offer related expenses and relevant taxes thereon. Our Company will not receive any proceeds from the Offer for Sale. All expenses in relation to the Offer other than the listing fees (which shall be borne by our Company) shall be shared among our Company and the Selling Shareholders on a *pro rata* basis, in proportion to the Equity Shares Allotted by our Company in the Fresh Issue and the respective portion of the Offered Shares sold by each Selling Shareholder in the Offer for Sale, in accordance with applicable law. The table below sets forth certain details in relation to the Selling Shareholders and their respective Offered Shares:

| Sr. No.      | Name of Selling Shareholder                                                   | Total number of Offered Shares |
|--------------|-------------------------------------------------------------------------------|--------------------------------|
| 1.           | Phi Capital                                                                   | 1,600,000                      |
| 2.           | Kitara                                                                        | 3,340,713                      |
| 3.           | Somerset                                                                      | 3,563,427                      |
| 4.           | Lotus Management Solutions (acting through and represented by Mayur Sirdesai) | 21,380                         |
| <b>Total</b> |                                                                               | <b>8,525,520</b>               |

Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, or at the time the Offer is withdrawn or not completed for any reason whatsoever, other than the listing fees, as applicable, each Selling Shareholder shall jointly and severally reimburse our Company for any expenses in relation to the Offer paid by our Company on behalf of the respective Selling Shareholder, on a *pro rata* basis in proportion to their respective portion of the Offered Shares.

#### The Objects of the Fresh Issue

The net proceeds of the Fresh Issue (“**Net Proceeds**”) are proposed to be utilised in the following manner:

1. Proposing to finance the cost of establishing diagnostics centres at Punjab, Karnataka, Himachal Pradesh and Maharashtra.
2. Repayment/pre-payment, in full or part, of borrowings from banks and other lenders availed by our Company; and
3. General corporate purposes.

(collectively, referred to herein as “**Objects**”)

In addition to the aforementioned Objects, our Company will receive the benefits of listing of its Equity Shares on the Stock Exchanges.

The main objects and the objects incidental and ancillary to the main objects of our MoA enables our Company (i) to undertake our existing business activities; (ii) to undertake activities for which funds are being raised by us through the Fresh Issue; and (iii) activities undertaken for which loans were raised and which are proposed to be prepaid or repaid from the Net Proceeds and the funds earmarked towards general corporate purposes shall be used.

#### Net Proceeds

The details of the proceeds from the Fresh Issue are provided in the following table:

| Particulars                         | Estimated amount (₹ in million) |
|-------------------------------------|---------------------------------|
| Gross proceeds from the Fresh Issue | 4,000*                          |

|                                                            |                 |
|------------------------------------------------------------|-----------------|
| (less) Offer related expenses to be borne by the Company** | 213.68          |
| <b>Net Proceeds</b>                                        | <b>3,786.32</b> |

\*subject to finalisation of the Basis of Allotment

\*\*For further details, see “Objects of the Offer – Offer related expenses” on page 105.

## Requirement of funds, schedule of implementation and utilisation of Net Proceeds

The Net Proceeds are proposed to be used in accordance with the details provided in the following table:

| Particulars                                                                                                 | Total estimated amount/<br>expenditure | Estimated utilisation from Net Proceeds <sup>(1)</sup> | (₹ in million)                                      |             |
|-------------------------------------------------------------------------------------------------------------|----------------------------------------|--------------------------------------------------------|-----------------------------------------------------|-------------|
|                                                                                                             |                                        |                                                        | Estimated schedule of deployment of Net Proceeds in |             |
|                                                                                                             |                                        |                                                        | Fiscal 2022                                         | Fiscal 2023 |
| Finance the cost of establishing diagnostics centres at Punjab, Karnataka, Himachal Pradesh and Maharashtra | 1,508.10                               | 1,508.10                                               | 1,250.00                                            | 258.10      |
| Repayment/pre-payment, in full or part, of borrowings from banks and other lenders availed by our Company   | 1,460.81                               | 1,460.81                                               | 1,460.81                                            | Nil         |
| General corporate purposes <sup>(1)</sup>                                                                   | 817.41                                 | 817.41                                                 | 817.41                                              | Nil         |

<sup>(1)</sup> The amount utilised for general corporate purposes shall not exceed 25% of the Gross Proceeds.

In the event the Net Proceeds are not completely utilised for the objects during the respective periods stated above due to factors such as (i) economic and business conditions; (ii) delay in procuring and operationalizing assets or necessary licenses and approvals; (iv) timely completion of the Offer; (v) market conditions outside the control of our Company; and (vi) any other commercial considerations, the remaining Net Proceeds shall be utilised (in part or full) in subsequent periods as may be determined by our Company, in accordance with applicable laws.

We may also have to revise our funding requirements and deployment of the Net Proceeds from time to time on account of various factors, such as financial and market conditions, business and strategy and other external factors, which may not be within the control of our management. This may entail changing the allocation of funds from its planned allocation at the discretion of our management, subject to compliance with applicable law. The deployment of funds indicated above is based on management estimates, current circumstances of our business and prevailing market conditions, which are subject to change. Further, the deployment of funds described herein has not been appraised by any bank or financial institution or any other independent agency. See “Risk Factors - Our funding requirements and proposed deployment of the Net Proceeds have not been appraised by a bank or a financial institution and if there are any delays or cost overruns, our business, financial condition and results of operations may be adversely affected.” on page 50.

Subject to applicable laws, in the event of any increase in the actual requirement of funds earmarked for the purposes set forth above, such additional fund requirement will be met by way of means available to us, including from internal accruals and any additional equity and/or debt arrangements from existing and future lenders.

## Means of finance

The objects of the Offer shall be financed entirely from the Net Proceeds and no debt shall be incurred to finance any component of such objects. Therefore, the requirements of the SEBI ICDR Regulations to make firm arrangements through verifiable means of the stated means of finance are not applicable to this Offer.

## Details of objects of the Offer

### 1. Finance the cost of establishing diagnostics centres at Punjab, Karnataka, Himachal Pradesh and Maharashtra.

We collaborate with State Governments, Central Government-run initiatives, Municipal Corporations, private hospitals, medical colleges and charitable trusts to deploy and operate diagnostic centres within their hospital infrastructure.

We have signed concession agreements/have been given letter of awards with various State Governments for establishing diagnostic facilities, under the ‘public private partnerships’ (“**PPP Contracts**”). We have also entered into an agreement with Millicurie Healthcare LLP for establishing an MRI centre within the premises of K.J. Somaiya Hospital & Research Center Sion, Mumbai (“**Private Contract**”). From the Net Proceeds, we propose to establish certain diagnostic centres, in accordance with the terms of the PPP Contracts and the Private Contract. Such diagnostic centres are herein referred to as the “**Projects**”.

Set forth below are the cities wherein such centres are proposed to be established:

| Sr. No. | State            | City            |
|---------|------------------|-----------------|
| 1       | Punjab           | Amritsar        |
| 2       | Punjab           | Gurdaspur       |
| 3       | Punjab           | Pathankot       |
| 4       | Punjab           | Tarn Taran      |
| 5       | Punjab           | Bathinda        |
| 6       | Punjab           | Mansa           |
| 7       | Punjab           | Muktsar         |
| 8       | Punjab           | Ferozepur       |
| 9       | Punjab           | Jalandhar       |
| 10      | Punjab           | Kapurthala      |
| 11      | Punjab           | Phagwada        |
| 12      | Punjab           | Faridkot        |
| 13      | Punjab           | Ludhiana        |
| 14      | Punjab           | Khanna          |
| 15      | Punjab           | Moga            |
| 16      | Punjab           | Patiala         |
| 17      | Punjab           | Rajpura         |
| 18      | Punjab           | Barnala         |
| 19      | Punjab           | Sangrur         |
| 20      | Punjab           | Fatehgarh Sahib |
| 21      | Punjab           | Hoshiarpur      |
| 22      | Punjab           | Mohali          |
| 23      | Punjab           | Nawan Shehr     |
| 24      | Punjab           | Roopnagar       |
| 25      | Himachal Pradesh | Solan           |
| 26      | Himachal Pradesh | Bilaspur        |
| 27      | Karnataka        | Ramanagara      |
| 28      | Karnataka        | Udupi           |
| 29      | Maharashtra      | Mumbai          |

**A. The details of the diagnostic centres to be established under the PPP Contracts, which we propose to finance from the Net Proceeds, are as follows:**

**1. Agreements with Government of Punjab (“**Punjab Radiology**”)**

Procurement operation and maintenance of 23 new CT scanners, six new MRI machines and all enabling works in 24 Government hospitals in Punjab.

*Note: For one of the centres, the CT scanner will be provided by Punjab Health Systems Corporation (“**PHSC**”) in accordance with the Request for Proposal issued by the PHSC. Accordingly, the cost of the CT scanner is not covered here.*

2. *Agreements with Government of Karnataka (“Karnataka Radiology”)*

Setting up of a spiral CT scanner in a hospital located in Ramanagara district and an MRI machine in a hospital located in Udipi district of Karnataka.

3. *Agreements with Government of Himachal Pradesh (“Himachal Pradesh Radiology”)*

Setting up of two diagnostic centres, one each at hospitals located in Solan and Bilaspur, with CT scanners.

4. *Agreements with Municipal Corporation of Greater Mumbai Radiology Centres (“MCGM”)*

Setting up of:

- One CT centre at Pandit Madan Mohan Malviya Shatabdi Hospital, Govandi;
- An MRI and CT centre at Rajawadi Hospital, Ghatkopar; and
- One CT centre at Bhabha Hospital, Kurla.

**B. The details of the diagnostic centres to be established under the Private Contracts, which we propose to finance from the Net Proceeds, are as follows:**

1. *Agreement with Millicurie Healthcare to establish a diagnostic center at K.J. Somaiya Hospital & Research Center Sion, Mumbai (“KJ Somaiya Hospital – Mumbai Private Radiology”)*

Establishment, management and maintenance of a diagnostic centre at K.J. Somaiya Hospital & Research Center Sion, Mumbai. The diagnostic centre includes an 1.5T MRI machine.

In order to establish the Projects, we incur costs towards purchase of medical equipments, civil, electrical and other enabling works.

*Estimated cost of the Projects*

The total estimated cost of the Projects is ₹1,508.10 million, as estimated by our management, which has been certified by Oriens Advisors LLP, an independent advisory firm, pursuant to a report dated May 14, 2021 (“**Project Report**”). The detailed break-down of estimated cost, is set forth below:

*Estimated cost of the PPP Contracts:*

(in ₹ million)

| Sr. No.      | Details of Projects           | Number of diagnostic centres | Medical equipment                                                       | Total medical equipment cost | Cost of civil, electrical and other enabling works | Total cost      |
|--------------|-------------------------------|------------------------------|-------------------------------------------------------------------------|------------------------------|----------------------------------------------------|-----------------|
| 1.           | Punjab Radiology <sup>#</sup> | 24                           | 23 CT scanners, 6 MRI machines and other miscellaneous medical devices* | 815.86                       | 235.50                                             | 1,051.36        |
| 2.           | Karnataka Radiology           | 2                            | 1 CT scanner, 1 MRI machine and other miscellaneous medical devices*    | 79.90                        | 20.10                                              | 100.00          |
| 3.           | Himachal Pradesh Radiology    | 2                            | 2 CT scanners and other miscellaneous medical devices*                  | 39.64                        | 12.60                                              | 52.24           |
| 4.           | MCGM                          | 3                            | 3 CT scanners, 1 MRI machine and other miscellaneous medical devices*   | 196.50                       | 34.20                                              | 230.70          |
| <b>Total</b> |                               | <b>31</b>                    |                                                                         | <b>1,131.90</b>              | <b>302.40</b>                                      | <b>1,434.30</b> |

<sup>#</sup>For one of the centres, the CT scanner will be provided by Punjab Health Systems Corporation (“PHSC”) in accordance with the Request for Proposal issued by the PHSC. Accordingly, the cost of the CT scanner is not covered here.

\*Other miscellaneous medical devices include drug trolley, blood pressure apparatus, weighing scale, needle disinfectant, medical racks and trays, etc.

*Estimated cost of Private Contract:*

(in ₹ million)

| Sr. No.      | Details of Project                               | Number of diagnostic centres | Medical equipment                                      | Total medical equipment cost | Cost of civil, electrical and other enabling works | Total cost   |
|--------------|--------------------------------------------------|------------------------------|--------------------------------------------------------|------------------------------|----------------------------------------------------|--------------|
| 1.           | K.J. Somaiya Hospital – Mumbai Private Radiology | 1                            | 1 MRI machine and other miscellaneous medical devices* | 60.00                        | 13.80                                              | 73.80        |
| <b>Total</b> |                                                  | <b>1</b>                     |                                                        | <b>60.00</b>                 | <b>13.80</b>                                       | <b>73.80</b> |

\*Other miscellaneous medical devices include drug trolley, blood pressure apparatus, weighing scale, needle disinfectant, medical racks and trays, etc.

*Estimated Implementation Schedule of Projects:*

| Sr. No. | Details of Projects                            | Medical equipment                                                       | Estimated completion date of     |                                           |                                 |
|---------|------------------------------------------------|-------------------------------------------------------------------------|----------------------------------|-------------------------------------------|---------------------------------|
|         |                                                |                                                                         | Ordering equipment               | Civil electrical and other enabling works | Installation                    |
| 1.      | Punjab Radiology                               | 23 CT scanners, 6 MRI machines and other miscellaneous medical devices* | By First quarter of Fiscal 2022  | By Second quarter of Fiscal 2022          | By Third quarter of Fiscal 2022 |
| 2.      | Karnataka Radiology                            | 1 CT scanner, 1 MRI machine and other miscellaneous medical devices*    | By First quarter of Fiscal 2022  | By Second quarter of Fiscal 2022          | By Third quarter of Fiscal 2022 |
| 3.      | Himachal Pradesh Radiology                     | 2 CT scanners and other miscellaneous medical devices*                  | By Second quarter of Fiscal 2022 | By Third quarter of Fiscal 2022           | By First quarter of Fiscal 2023 |
| 4.      | MCGM                                           | 3 CT scanners, 1 MRI machine and other miscellaneous medical devices*   | By Third quarter of Fiscal 2022  | By Fourth quarter of Fiscal 2022          | By First quarter of Fiscal 2023 |
| 5.      | KJ Somaiya Hospital – Mumbai Private Radiology | 1 MRI machine and other miscellaneous medical devices*                  | By Third quarter of Fiscal 2022  | By Fourth quarter of Fiscal 2022          | By First quarter of Fiscal 2023 |

\*Other miscellaneous medical devices include drug trolley, blood pressure apparatus, weighing scale, needle disinfectant, medical racks and trays, etc.

**Details of cost of the Project**

**1. Punjab Radiology**

As per the terms of the PPP Contracts for Punjab Radiology, we are required to establish specific subsidiaries for establishment of the diagnostic centres. Accordingly, we have incorporated the Subsidiaries, which would execute the Punjab Radiology project. For further details, see “Our Subsidiaries” on page 173. We shall invest up to ₹1,051.36 million from the Net Proceeds, into the Subsidiaries, through equity or debt or a combination of both as may be mutually decided. The actual mode of such deployment has not been finalised as on the date of this Prospectus. In the event of any change in the terms of the PPP Contracts for Punjab Radiology, the modalities for execution of the project shall be amended accordingly.

Further, per the terms of the PPP Contracts for Punjab Radiology, the Government will allocate vacant space in which we will establish our diagnostic centres. Therefore, we will not incur any cost towards land acquisition at the time of establishment of the diagnostic centres.

The cost of establishing the centres include cost of CT scanners, MRI machines, other miscellaneous medical devices, civil, electrical, mechanical and plumbing works, cost of generators and other miscellaneous fixed assets. Miscellaneous fixed assets comprise of CT and MRI ancillary equipment such as lead apron, drug and emergency trolley, defibrillator, stretcher, wheel chair, suction machine, oxygen machine, jumbo cylinder, firefighting equipment, furniture, desks, computers, servers, printers, etc.

Under the Punjab Radiology contract, we are required to establish such centres in 24 Government hospitals in Punjab with the deployment of 23 CT scanners and six MRI machines. The detail of cost of such medical equipment and civil, electrical and other enabling works are as follows:

### *1.1 Medical equipment*

- (a) The cost of each CT scanner is ₹19.82 million, aggregating to ₹455.86 million; and
- (b) The cost of each MRI machine is ₹60.00 million, aggregating to ₹360.00 million.

The cost for CT scanners are based on the purchase order dated June 7 2021, issued to Fuji Films India Private Limited. The cost for the MRI machines are based on the purchase order dated June 3, 2021, issued to Wipro GE Medical Systems Private Limited.

We are yet to make any payments pursuant to the purchase orders mentioned above.

The cost of medical equipment also include other miscellaneous medical devices, such as drug trolley, pressure injectors, stretcher, blood pressure apparatus, weighing scale, needle disinfectant, medical racks and trays, etc. The cost of such miscellaneous medical devices is marginal, as certified by Oriens Advisors LLP.

### *1.2 Civil, electrical and other enabling works*

#### *1.2.1 Civil works and other expenses*

The total cost of civil works and other expenses in establishing the diagnostic centres with deployment of the CT scanners and the MRI machines is estimated to range from ₹4.00 million to ₹16.00 million depending upon the size of each centre and the aggregated cost is estimated to be ₹165.00 million. These estimates are based on quotations dated April 16, 2021, from SS Traders, which is valid for 120 days.

#### *1.2.2 Generators*

The total cost of generators, including installation and transport, for the diagnostic centres to be established is estimated to range from ₹1.07 million to ₹1.62 million depending on the size of each centre and the aggregated cost is estimated to be ₹29.07 million. These estimates are based on quotations dated April 16, 2021, from M. S. Trade Corp, which are valid for 6 months.

#### *1.2.3 Miscellaneous Fixed Assets*

The total cost of miscellaneous fixed assets for establishment of the diagnostic centres and deployment of the CT scanners and the MRI machines is estimated to range from ₹1.28 million to ₹3.08 million basis the size of each centre and the aggregated cost is estimated to be ₹41.43 million. Such costs have been estimated by Oriens Advisors LLP, as per the cost of standard equipment.

## **2. Karnataka Radiology**

As per the terms of the PPP Contract for Karnataka Radiology, each of the respective hospitals in Ramanagara and Udupi will provide for vacant space and other utilities within the hospital premises on which we will establish our diagnostic centres. Therefore, we will not incur any cost towards land acquisition at the time of establishment of such diagnostic centres.

The cost of establishing each of the centres, include cost of the CT scanner, the MRI machine, other miscellaneous medical devices, civil, electrical, mechanical and plumbing works and fixtures on a turnkey basis, cost of generators and other miscellaneous fixed assets. Miscellaneous fixed assets comprise of CT and MRI ancillary equipment such as lead apron, drug and emergency trolley, defibrillator, stretcher, wheel chair, suction machine, oxygen machine, jumbo cylinder, firefighting equipment, furniture, desks, computers, servers, printers, etc.

Under the Karnataka Radiology contract, we are required to establish one spiral CT scan centre in a hospital located in Ramanagara district and one MRI centre in a hospital located in Udupi district of Karnataka. The detail of cost of such medical equipment and civil, electrical and other enabling works are as follows:

### *2.1 Medical equipment*

- (a) The cost of the CT scanner in the centre at Ramanagara is ₹19.90 million; and

(b) The cost of the MRI machine in the centre at Udupi is ₹60.00 million.

The cost of the CT scanner is based on the purchase order dated June 2, 2021, issued to Philips India Limited. The cost of the MRI machine is based on purchase orders dated June 9, 2021, issued to Philips India Limited.

We are yet to make any payments pursuant to the purchase orders mentioned above.

## *2.2 Civil, electrical and other enabling works*

### *2.2.1 Civil works and other expenses*

- (a) The size of the CT centre at Ramanagara is estimated to be approximately 1,000 sq. ft. The total cost of civil works and other expenses in establishing the CT centre at Ramanagara is estimated to be ₹4.00 million; and
- (b) The size of the MRI centre at Udupi is estimated to be approximately 1,500 sq. ft. The total cost of civil works and other expenses in establishing the MRI centre at Udupi is estimated to be ₹11.50 million.

The above estimates are based on quotations dated April 15, 2021, from E Rajendran, which is valid for 120 days.

### *2.2.2 Generators*

- (a) The total cost of generators, including installation and transport, for the CT centre to be established at Ramanagara is estimated to be ₹1.07 million; and
- (b) The total cost of generators, including installation and transport, for the MRI centre to be established at Udupi is estimated to be ₹1.07 million.

The above estimates are based on quotations dated April 16, 2021, from M. S. Trade Corp, which is valid for six months.

### *2.2.3 Miscellaneous Fixed Assets*

- (a) The total cost of miscellaneous fixed assets for the CT centre to be established at Ramanagara is estimated to be ₹1.23 million; and
- (b) The total cost of miscellaneous fixed assets for the MRI centre to be established at Udupi is estimated to be ₹1.23 million

The above mentioned cost has been estimated by Oriens Advisors LLP, as per the cost of standard equipment.

## **3. Himachal Pradesh Radiology**

As per the terms of the PPP Contract for Himachal Pradesh Radiology, each of the respective hospitals in Solan and Bilaspur will provide for vacant space within the hospital premises on which we will establish the CT scan centres. Therefore, we will not incur any cost towards land acquisition at the time of establishment of such diagnostic centres.

The cost of establishing each of the centres, include cost of the CT scanner, other miscellaneous medical devices, civil, electrical, mechanical and plumbing works and fixtures on a turnkey basis, cost of generators and other miscellaneous fixed assets. Miscellaneous fixed assets comprise of CT and MRI ancillary equipment such as lead apron, drug and emergency trolley, defibrillator, stretcher, wheel chair, suction machine, oxygen machine, jumbo cylinder, firefighting equipment, furniture, desks, computers, servers, printers, etc.

Under the Himachal Pradesh Radiology contract, we are required to establish a CT scan centre each, in a government hospital located in Solan and Bilaspur, respectively. The detail of cost of such medical equipment and civil, electrical and other enabling works are as follows:

### *3.1 Medical equipment*



The cost of setting up CT scanners in each of the centres to be established at Solan and Bilaspur, respectively is estimated to be ₹19.82 million per CT scanner, aggregating to ₹39.64 million. These estimates are based on quotations dated May 6, 2021, from Fuji Film India Private Limited, which is valid till August 2021.

The cost of medical equipment also include other miscellaneous medical devices, such as blood pressure apparatus, weighing scale, needle disinfector, medical racks and trays, etc. The cost of such miscellaneous medical devices is marginal, as certified by Oriens Advisors LLP.

#### *3.2.1 Civil works and other expenses*

The size of each of the CT centres to be established at Solan and Bilaspur is estimated to be approximately 950 sq. ft. The total cost of civil works and other expenses in establishing each of the CT centres at Solan and Bilaspur, respectively, is estimated to be ₹4.00 million per centre, aggregating to ₹8.00 million. These estimates are based on quotations dated April 21, 2021, from SS Traders, which is valid for 120 days.

#### *3.2.2 Generators*

The total cost of generators, including installation and transport, for each of the CT centres to be established at Solan and Bilaspur, respectively is estimated to be ₹1.07 million per centre, aggregating to ₹2.15 million. These estimates are based on quotations dated April 16, 2021, from M. S. Trade Corp, which are valid for 6 months.

#### *3.2.3 Miscellaneous Fixed Assets*

The total cost of miscellaneous fixed assets for each of the CT centres to be established at Solan and Bilaspur, respectively is estimated to be ₹1.23 million per centre, aggregating to ₹2.45 million. The aforementioned cost has been estimated by Oriens Advisors LLP, as per the cost of standard equipment.

### **4. MCGM**

As per the terms of the PPP Contract for MCGM, each of the respective MCGM hospitals will provide a specified space within the hospital premises and utilities on which we will establish the diagnostic centres. Therefore, we will not incur any cost towards land acquisition at the time of establishment of such diagnostic centres.

The cost of establishing each of the centres, include cost of the relevant CT scanner, the relevant MRI machine, other miscellaneous medical devices, civil, electrical, mechanical and plumbing works and fixtures on a turnkey basis, cost of generators and other miscellaneous fixed assets. Miscellaneous fixed assets comprise of CT and MRI ancillary equipment such as lead apron, drug and emergency trolley, defibrillator, stretcher, wheel chair, suction machine, oxygen machine, jumbo cylinder, firefighting equipment, furniture, desks, computers, servers, printers, etc.

Under the MCGM contract, we are required to establish (i) a CT scan centre at Pandit Madan Mohan Malviya Shatabdi Municipal General Hospital, Govandi (“**PMM Hospital**”); (ii) an MRI and CT scan centre at Rajawadi Hospital, Ghatkopar; and (iii) a CT scan centre at Bhabha Hospital, Kurla. The detail of cost of medical equipment and civil, electrical and other enabling works for the MCGM Project are as follows:

#### *4.1 Medical equipment*

- (a) The cost of setting up the CT scanner in the centre to be established at PMM Hospital is estimated to be ₹45.50 million;
- (b) The cost of setting up the CT scanner and the MRI scanner in the centre to be established at Rajawadi Hospital, Ghatkopar is estimated to be ₹45.50 million and ₹60.00 million respectively, aggregating to ₹105.50 million; and
- (c) The cost of setting up the CT scanner in the centre to be established at Bhabha Hospital, Kurla is estimated to be ₹45.50 million.

The above estimates (a) for the CT scanner are based on quotations dated May 3, 2021, from Wipro GE Medical Systems Private Limited, which is valid for 6 months and (b) for the MRI machine are based on quotations dated March 23, 2021, from Philips India Limited, which is valid for 6 months.

The cost of medical equipment also include other miscellaneous medical devices, such as blood pressure apparatus, weighing scale, needle disinfector, medical racks and trays, etc. The cost of such miscellaneous medical devices is marginal, as certified by Oriens Advisors LLP.

#### *4.2 Civil, electrical and other enabling works*

##### *4.2.1 Civil works and other expenses*

- (a) The size of the CT centre at PMM Hospital is estimated to be approximately 1,000 sq. ft. The total cost of civil works and other expenses in establishing a CT centre at PMM Hospital is estimated to be ₹4.50 million;
- (b) The size of the CT and MRI centres at Rajawadi Hospital, Ghatkopar is estimated to be approximately 2,500 sq. ft. The total cost of civil works and other expenses in establishing a CT centre and an MRI centre at Rajawadi Hospital, Ghatkopar is estimated to be ₹16.00 million; and
- (c) The size of the CT centre at Bhabha Hospital, Kurla is estimated to be approximately 1,000 sq. ft. The total cost of civil works and other expenses in establishing a CT centre at Bhabha Hospital, Kurla is estimated to be ₹4.50 million.

The above estimates are based on quotations dated April 19, 2021, from Creative Hands, which are valid for 120 days.

##### *4.2.2 Generators*

- (a) The total cost of generators, including installation and transport, at the CT scan centre to be established at PMM Hospital is estimated to be ₹1.07 million;
- (b) The total cost of generators, including installation and transport, at the CT scan and MRI centre to be established at Rajawadi Hospital, Ghatkopar is estimated to be ₹1.62 million; and
- (c) The total cost of generators, including installation and transport, at the CT scan centre to be established at Bhabha Hospital, Kurla is estimated to be ₹1.07 million.

The above estimates are based on quotations dated April 16, 2021, from M. S. Trade Corp, which are valid for 6 months.

##### *4.2.3 Miscellaneous Fixed Assets*

- (a) The total cost of miscellaneous fixed assets for the CT scan centre to be established at PMM Hospital is estimated to be ₹1.23 million;
- (b) The total cost of miscellaneous fixed assets for the CT scan and MRI centre to be established at Rajawadi Hospital, Ghatkopar is estimated to be ₹2.98 million; and
- (c) The total cost of miscellaneous fixed assets for the CT scan centre to be established at Bhabha Hospital, Kurla is estimated to be ₹1.23 million.

The above mentioned cost has been estimated by Oriens Advisors LLP.

#### **5. KJ Somaiya Hospital – Mumbai Private Radiology**

We have entered into an agreement with Millicurie Healthcare LLP, for providing diagnostic testing services, which include establishing, management and maintenance of a diagnostic centre at K.J. Somaiya Hospital & Research Center Sion, Mumbai. We will not incur any cost towards land acquisition as the diagnostic centre shall be established on hospital premises. Further, the hospital will provide a backup-generator for the diagnostic centre and accordingly, we will not incur any cost in procuring and setting up a generator.

The cost of establishing the diagnostic centre, includes cost of one MRI machine, other miscellaneous medical devices, civil, electrical, mechanical and plumbing works and cost of other miscellaneous fixed assets. Miscellaneous fixed assets comprise of furniture, servers, computers, trolleys etc.

The detail of cost of such medical equipment and civil, electrical and other enabling works are as follows:

##### *5.1 Medical equipment*

The medical equipment includes the MRI machine, the cost of which is estimated to be ₹60.00 million. The estimate is based on the quotation dated March 23, 2021, from Philips India Limited, which is valid for 180 days.

The cost of medical equipment also include other miscellaneous medical devices, such as drug trolley, blood pressure apparatus, weighing scale, needle disinfectant, medical racks and trays, etc. The cost of such miscellaneous medical devices is marginal, as certified by Oriens Advisors LLP.

## *5.2 Civil, electrical and other enabling works*

### *5.2.1 Civil works and other expenses*

The size of the centre is estimated to be approximately 1,500 sq. ft. The total cost of civil works and other expenses in establishing an MRI centre is estimated to be ₹11.50 million. Such cost estimates are based on quotations dated April 19, 2021, from Creative Hands, which are valid for 120 days.

### *5.2.2 Miscellaneous Fixed Assets*

The total cost of miscellaneous fixed assets is estimated to be ₹2.30 million. Such costs have been estimated by Oriens Advisors LLP, as per the cost of standard equipment.

## **Utilities**

For setting up of the diagnostic centres, the hospitals will provide utilities at the time of establishment of such diagnostic centres. Therefore, we will not incur any cost towards utilities at the time of establishment of the diagnostic centres. However, we will take on the cost of utilities such as payment of electricity bills and other ancillary cost once the diagnostic centres commence operations.

## **Other confirmations**

We are yet to place orders for 24.85% of the total value of equipments proposed to be financed from the Net Proceeds, aggregating to ₹296.14 million.

The quotations in relation to the medical equipment are valid as on the date of this Prospectus. Some of the quotations mentioned above do not include cost of freight, insurance, goods and services tax (wherever applicable) and other applicable taxes as these can be determined only at the time of placing of orders. Such additional costs shall be funded from the Net Proceeds proposed to be utilised towards the purchase of the medical equipment or through contingencies, if required. In case of increase in the estimated costs, such additional costs shall be incurred from our internal accruals. Except as disclosed in this section, we have not entered into any definitive agreements with any of these vendors for procurement of any of the equipment and other materials required for the Project and there can be no assurance that the same vendors would be engaged to eventually supply the medical equipment at the same costs. If we engage someone other than the vendors from whom we have obtained quotations or if the quotations obtained expire, such vendor's estimates and actual costs for the services may differ from the current estimates.

No second-hand or used medical equipment is proposed to be purchased out of the Net Proceeds. Each medical equipment named above is proposed to be acquired in a ready-to-use condition. Our Promoter, Directors and Key Managerial Personnel do not have any interest in the proposed acquisition of such medical equipment or in the entity from whom we have obtained quotations and/or placed purchase orders in relation to such proposed acquisition of medical equipment.

Our Promoter, Directors and Key Managerial Personnel do not have any interest in the proposed acquisition of the plant and machinery or in the entity from whom we have obtained quotations and/or placed purchase orders in relation to such proposed acquisition of the plant and machinery.

As on date of this Prospectus, we are yet to deploy any funds towards the Projects.

Further, for risk arising out of the Projects, see "*Risk Factors - Delays in the establishment of diagnostic centres could lead to termination of the agreements or cost overruns, which could have an adverse effect on our cash flows, business, results of operations and financial condition*" on page 29.

## Government Approvals

For details of laws applicable and approvals required for the Projects, see “*Key Regulations and Policies in India*” and “*Government and Other Approvals*” on pages 163 and 329. Such approvals are granted only on establishment of a diagnostic centre, which include installation of medical devices such CT scanners and MRI machines. On completion of the Projects, we will apply for such approvals in the ordinary course and in accordance with applicable laws.

## 2. Repayment/pre-payment, in full or part, of borrowings from banks and other lenders availed by our Company.

Our Company has entered into various financing arrangements with banks and other lenders, which include term loans and working capital facilities, including fund based and non-fund based borrowings. As on March 31, 2021, and June 30, 2021, the total indebtedness under the various financing arrangements of our Company aggregated to ₹1,463.16 million and ₹1,417.31 million, respectively. For disclosure of borrowings in the last three Fiscals as per Schedule III of the Companies Act, see “*Restated Financial Statements*” on page 201. Our Company proposes to utilise an estimated amount of ₹1,460.81 million from the Net Proceeds towards full or partial repayment or pre-payment of certain borrowings from banks and other lenders availed by our Company. Our Company may avail further loans after the date of this Prospectus.

Our Company may consider the following factors for identifying the loans that will be repaid out of the Net Proceeds: (i) costs, expenses and charges relating to the facility including interest rates involved; (ii) presence of onerous terms and conditions under the facility; (iii) ease of operation of the facility; (iv) levy of any prepayment penalties and the quantum thereof; (v) provisions of any law, rules, regulations governing such borrowings; (vi) terms of pre-payment to lenders, if any; (vii) mix of credit facilities provided by lenders; and (viii) other commercial considerations including, among others, the interest rate on the loan facility, the amount of the loan outstanding and the remaining tenor of the loan.

Given the nature of these borrowings and the terms of repayment, the aggregate outstanding amounts under these borrowings may vary from time to time and our Company may, in accordance with the relevant repayment schedule, repay or refinance some of its existing borrowings prior to Allotment. Accordingly, our Company may utilise the Net Proceeds for part prepayment of any such refinanced facilities or repayment of any additional facilities obtained by it. However, the aggregate amount to be utilised from the Net Proceeds towards prepayment or repayment of borrowings (including refinanced or additional facilities availed, if any), in part or full, would not exceed ₹1,460.81 million. We believe that such repayment/ pre-payment will help reduce our outstanding indebtedness, debt servicing costs and improve our debt to equity ratio and enable utilization of internal accruals for further investment in business growth and expansion. In addition, we believe that the improved debt to equity ratio will enable us to raise further resources in the future to fund potential business development opportunities and plans to grow and expand our business. Additionally, we believe that the leverage capacity of our Company will improve our ability to raise further resources in the future to fund our potential business development opportunities and plans to grow and expand our business.

The following table provides details of certain of the borrowings availed by our Company, which are currently proposed to be fully or partially repaid (earlier or scheduled) or pre-paid from the Net Proceeds:

| Name of the lender                                       | Nature of borrowing | Date of Borrowing | Amount sanctioned | Amount Borrowed | Interest paid upto March 31, 2021 | Principal amount outstanding as on March 31, 2021 | Principal amount outstanding as on June 30, 2021 | Rate of interest | Repayment                                                                                                            | Prepayment penalty                                               | Purpose                       |
|----------------------------------------------------------|---------------------|-------------------|-------------------|-----------------|-----------------------------------|---------------------------------------------------|--------------------------------------------------|------------------|----------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------|-------------------------------|
|                                                          |                     |                   | (in ₹ million)    | (in ₹ million)  | (in ₹ million)                    | (in ₹ million) *                                  | (in ₹ million)                                   | (p.a.)           | Date / Schedule                                                                                                      |                                                                  |                               |
| Clix Finance India Private Limited                       | Term Loan           | March 31, 2018    | 176.85            | 167.85          | 44.83                             | 145.21                                            | 139.16                                           | 11.00%           | The facility shall be payable in 75 monthly instalments in arrears after an initial principal moratorium of 9 months | 2.00% plus taxes of entire amount outstanding under the facility | Purchase of medical equipment |
| Del Lage Landen Financial Services India Private Limited | Term Loan           | April 30, 2018    | 22.10             | 22.10           | 5.10                              | 14.22                                             | 13.42                                            | 9.50%            | 84 Monthly Instalments from November 5, 2017 to October 5, 2024                                                      | 1% of the outstanding amount under the facility                  | Purchase of medical equipment |
|                                                          | Term Loan           | July 1, 2018      | 88.40             | 55.25           | 11.41                             | 39.25                                             | 37.33                                            |                  | 78 months after period of deferment                                                                                  |                                                                  |                               |

| Name of the lender                  | Nature of borrowing | Date of Borrowing | Amount sanctioned | Amount Borrowed | Interest paid upto March 31, 2021 | Principal amount outstanding as on March 31, 2021 | Principal amount outstanding as on June 30, 2021 | Rate of interest | Repayment                                                           | Prepayment penalty                                                        | Purpose                                                                                                                                                                         |
|-------------------------------------|---------------------|-------------------|-------------------|-----------------|-----------------------------------|---------------------------------------------------|--------------------------------------------------|------------------|---------------------------------------------------------------------|---------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                     |                     |                   | (in ₹ million)    | (in ₹ million)  | (in ₹ million)                    | (in ₹ million)*                                   | (in ₹ million)                                   | (p.a.)           | Date / Schedule                                                     |                                                                           |                                                                                                                                                                                 |
| Reliance Commercial Finance Limited | Term Loan           | July 1, 2018      | 67.83             | 67.83           | 21.17                             | 57.99                                             | 56.31                                            | 12.00%           | 84 months including 4 months principal moratorium                   | Above 12 months 2% + taxes                                                | Purchase of medical equipment                                                                                                                                                   |
|                                     | Term Loan           | June 25, 2018     | 32.05             | 32.05           | 7.47                              | 31.91                                             | 31.13                                            | 12.50%           | 84 months                                                           |                                                                           |                                                                                                                                                                                 |
| HDFC Bank Limited                   | Term Loan           | January 1, 2019   | 197.03            | 195.57          | 31.62                             | 163.71                                            | 157.35                                           | 11.00%           | 63-89 months                                                        | 3% p.a. outstanding principle                                             | Purchase of medical equipment                                                                                                                                                   |
|                                     |                     |                   |                   |                 |                                   |                                                   |                                                  |                  | from December 20, 2019 to June 20, 2027                             |                                                                           |                                                                                                                                                                                 |
| Indusind Bank Limited               | Term Loan           | March 30, 2019    | 497.50            | 466.37          | 87.89                             | 441.28                                            | 439.23                                           | 10.65%           | Monthly instalments from October 30, 2019 to May 31, 2027           | 2% on the entire amount outstanding under the facility                    | Towards capital expenditure (including reimbursement of capex) for centres of Karnataka, Pune, Orissa, Thane and meeting the expenses in relation to the facilities.            |
|                                     | Term Loan           | December 31, 2018 | 379.70            | 379.70          | 73.71                             | 300.29                                            | 278.78                                           | 9.05%            | Monthly instalments from April 30, 2019 to May 31, 2027             |                                                                           | Takeover to the extent of outstanding balance of the existing term loan facility from various banks and financial institution and meeting expenses in relation to the facility. |
|                                     | Term Loan           | December 31, 2020 | 250.00            | 250.00          | 3.62                              | 244.09                                            | 244.30                                           | 9.80%            | Moratorium of 1 year, repayment in 28 unequal quarterly instalments |                                                                           | Procuring equipment and incurring capex (including reimbursement of such capex) for meeting the expenses in relation to the facility                                            |
| Kotak Mahindra Bank Limited         | Term Loan           | January 1, 2019   | 1.13              | 1.13            | 0.22                              | 0.32                                              | 0.22                                             | 13.02%           | 36 Monthly Instalments from January 5, 2019 to December 5, 2021     | Foreclosure charges @ 5% of principle outstanding as per reducing balance | Purchase of diesel generator sets                                                                                                                                               |
|                                     | Term Loan           | January 1, 2019   | 1.13              | 1.13            | 0.22                              | 0.32                                              | 0.22                                             | 13.02%           |                                                                     |                                                                           |                                                                                                                                                                                 |
|                                     | Term Loan           | January 1, 2019   | 0.70              | 0.70            | 0.14                              | 0.20                                              | 0.14                                             | 13.02%           |                                                                     |                                                                           |                                                                                                                                                                                 |
|                                     | Term Loan           | November 5, 2020  | 1.26              | 1.26            | 0.06                              | 1.14                                              | 1.05                                             | 13.28%           | 36 Monthly Instalments from December 10, 2020 to November 10, 2023  |                                                                           |                                                                                                                                                                                 |
|                                     | Term Loan           | November 5, 2020  | 0.60              | 0.60            | 0.03                              | 0.54                                              | 0.50                                             | 13.23%           |                                                                     |                                                                           |                                                                                                                                                                                 |
|                                     | Term Loan           | November 5, 2020  | 0.60              | 0.60            | 0.03                              | 0.54                                              | 0.50                                             | 13.23%           |                                                                     |                                                                           |                                                                                                                                                                                 |
|                                     | Term Loan           | November 5, 2020  | 0.60              | 0.60            | 0.03                              | 0.54                                              | 0.50                                             | 13.23%           |                                                                     |                                                                           |                                                                                                                                                                                 |
|                                     | Term Loan           | November 5, 2020  | 0.60              | 0.60            | 0.03                              | 0.54                                              | 0.50                                             | 13.23%           |                                                                     |                                                                           |                                                                                                                                                                                 |

| Name of the lender   | Nature of borrowing | Date of Borrowing | Amount sanctioned | Amount Borrowed | Interest paid upto March 31, 2021 | Principal amount outstanding as on March 31, 2021 | Principal amount outstanding as on June 30, 2021 | Rate of interest | Repayment                                                 | Prepayment penalty                                                   | Purpose                           |
|----------------------|---------------------|-------------------|-------------------|-----------------|-----------------------------------|---------------------------------------------------|--------------------------------------------------|------------------|-----------------------------------------------------------|----------------------------------------------------------------------|-----------------------------------|
|                      |                     |                   | (in ₹ million)    | (in ₹ million)  | (in ₹ million)                    | (in ₹ million) *                                  | (in ₹ million)                                   | (p.a.)           | Date / Schedule                                           |                                                                      |                                   |
|                      | Term Loan           | November 5, 2020  | 0.60              | 0.60            | 0.03                              | 0.54                                              | 0.50                                             | 13.23%           |                                                           |                                                                      |                                   |
|                      | Term Loan           | November 5, 2020  | 0.60              | 0.60            | 0.03                              | 0.54                                              | 0.50                                             | 13.23%           |                                                           |                                                                      |                                   |
| ICICI Bank Limited   | Vehicle Loan        | May 19, 2020      | 20.80             | 20.80           | 1.67                              | 15.75                                             | 14.13                                            | 11%              | 36 Monthly Instalments from June 22, 2020 to May 22, 2023 | On foreclosure @ 4% +GST                                             | Purchase of vehicles              |
| Kotak Mahindra Prime | Vehicle Loan        | June 14, 2019     | 4.22              | 4.22            | 0.51                              | 1.88                                              | 1.54                                             | 9.30%            | 36 Monthly Instalments from July 1, 2019 to June 1, 2022  | Prepayment interest on outstanding principal amount @ 5.21% plus GST | Purchase of multiutility vehicles |
| <b>Total</b>         |                     |                   | <b>1,744.30</b>   | <b>1,669.56</b> | <b>289.82</b>                     | <b>1,460.81</b>                                   | <b>1,417.31</b>                                  |                  |                                                           |                                                                      |                                   |

In accordance with Clause 9(A)(2)(b) of Part A of Schedule VI of the SEBI ICDR Regulations, which requires a certificate from the Statutory Auditor certifying the utilization of loans for the purposes availed, our Company has obtained requisite certificate dated July 23, 2021, in this regard.

In the ordinary course of business, due to various operational benefits, our Company may explore possibilities of other banks and financial institutions participating in existing loans either in full or in part, including the borrowings mentioned above. Some of our financing agreements provide for the levy of prepayment penalties. Given the nature of these borrowings and the terms of prepayment, the aggregate outstanding amounts may vary from time to time. In the event that there are any prepayment penalties required to be paid under the terms of the relevant financing arrangements, the amount of such prepayment penalties shall be paid by us out of our internal accruals. We will take such provisions also into consideration while deciding repayment and/ or pre-payment of loans from the Net Proceeds. In the event the Company is unable to utilise the Net Proceeds towards the stated object of repayment/prepayment of identified borrowings on or before March 31, 2022, it shall seek the approval of the shareholders, in accordance with the requirements of applicable laws.

In addition to the above, we may, from time to time, enter into further financing arrangements and draw down funds thereunder. In such cases or in case any of the above loans are prepaid, repaid, redeemed (earlier or scheduled), refinanced or further drawn-down prior to the completion of the Offer, we may utilise Net Proceeds towards prepayment, repayment or redemption (earlier or scheduled) of such additional indebtedness availed by us.

Further, as on date of this Prospectus, our Company has obtained all applicable consents from our lenders, in writing, for the purpose of the Offer and that such consents shall remain in force till the successful completion of the Offer.

### 3. General corporate purposes

Our Company intends to deploy any balance left out of the Net Proceeds towards general corporate, as approved by our management from time to time, subject to such utilisation for general corporate purposes not exceeding 25% of the Gross Proceeds, in compliance with the SEBI ICDR Regulations. The allocation or quantum of utilisation of funds towards the specific purposes described above will be determined by our Board, based on our business requirements and other relevant considerations, from time to time. Our management, in accordance with the policies of the Board, shall have the flexibility in utilising surplus amounts, if any.

Such general corporate purposes may include, but are not restricted to, the following:

- (i) strategic initiatives;
- (ii) funding growth opportunities;
- (iii) strengthening marketing capabilities;
- (iv) meeting ongoing general corporate contingencies;
- (v) meeting fund requirements and other working capital requirements of our Company, in the ordinary course of its business;
- (vi) meeting expenses incurred in the ordinary course of business; and

(vii) any other purpose, as may be approved by the Board, subject to compliance with applicable law.

### Offer Related Expenses

The total expenses of the Offer are estimated to be approximately ₹648.16 million. The expenses of this Offer include, among others, listing fees, underwriting fees, selling commission, fees payable to the BRLMs, fees payable to legal counsel, Registrar to the Offer, Bankers to the Offer, processing fee to the SCSBs for processing Bid cum Application Forms, brokerage and selling commission payable to members of the Syndicate, Registered Brokers, Collecting RTAs and CDPs, printing and stationery expenses, advertising and marketing expenses and all other incidental and miscellaneous expenses for listing the Equity Shares on the Stock Exchanges.

Subject to applicable law, other than the listing fees which will be paid by our Company, all costs, fees and expenses with respect to the Offer will be shared amongst our Company and the Selling Shareholders, on a pro rata basis, in proportion to the number of Equity Shares, Allotted by our Company in the Fresh Issue and sold by each Selling Shareholder in the Offer for Sale. Upon commencement of listing and trading of the Equity Shares on the Stock Exchanges pursuant to the Offer, or at the time the Offer is withdrawn or not completed for any reason whatsoever, other than the listing fees, as applicable, each Selling Shareholder shall jointly and severally reimburse our Company for any expenses in relation to the Offer paid by our Company on behalf of the respective Selling Shareholder, on a pro rata basis in proportion to their respective portion of the Offered Shares.

The estimated Offer expenses are as follows:

| Sr. No. | Activity                                                                                                                                                                                                                                                                                                                                                                             | Estimated amount (in ₹ million)  | As a % of total estimated Offer Expenses* | As a % of Offer Size*        |
|---------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------|-------------------------------------------|------------------------------|
| 1.      | Fees payable to the BRLMs                                                                                                                                                                                                                                                                                                                                                            | 321.75                           | 49.64                                     | 2.65                         |
| 2.      | Commission/processing fee for SCSBs, Sponsor Bank and Bankers to the Offer. Brokerage, underwriting commission and selling commission and bidding charges for Members of the Syndicate, Registered Brokers, CRTAs and CDPs. <sup>(1)</sup><br><sup>(2)</sup> <sup>(3)</sup> <sup>(4)</sup>                                                                                           | 69.68                            | 10.75                                     | 0.57                         |
| 3.      | Fees payable to the Registrar to the Offer                                                                                                                                                                                                                                                                                                                                           | 2.44                             | 0.38                                      | 0.02                         |
| 4.      | Other expenses<br>(i) Listing fees, SEBI filing fees, Stock Exchange processing fees, book building software fees and other regulatory expenses, printing and stationery expenses, advertising and marketing expenses for the Offer, fees payable to the monitoring agency and fees payable to the legal counsel;<br><br>(ii) Other advisors to the Offer<br><br>(iii) Miscellaneous | 175.77<br><br>51.44<br><br>27.08 | 27.12<br><br>7.94<br><br>4.18             | 1.45<br><br>0.42<br><br>0.22 |
|         | <b>Total estimated Offer expenses</b>                                                                                                                                                                                                                                                                                                                                                | <b>648.16</b>                    | <b>100.00</b>                             | <b>5.33</b>                  |

\*the above is including applicable taxes

(1) Selling commission payable to the SCSBs on the portion for Retail Individual Investors, Eligible Employees and Non-Institutional Investors, which are directly procured by them would be as follows:

|                                          |                                                       |
|------------------------------------------|-------------------------------------------------------|
| Portion for Retail Individual Investors* | 0.35% of the Amount Allotted (plus applicable taxes)* |
| Portion for Eligible Employees*          | 0.20% of the Amount Allotted (plus applicable taxes)* |
| Portion for Non-Institutional Investors* | 0.15% of the Amount Allotted (plus applicable taxes)* |

\*Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

No additional processing/uploading charges shall be payable by our Company and the Selling Shareholders to the SCSBs on the applications directly procured by them.

The selling commission payable to the SCSBs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

SCSBs will be entitled to a processing fee for processing the ASBA Form procured by the members of the Syndicate (including their sub-

syndicate members), CRTAs or CDPs from Retail Individual Investors (using Syndicate ASBA mechanism / 3- in -1 type accounts), Eligible Employees and Non-Institutional Bidders and submitted to the SCSBs for blocking as follows:

|                                          |                                                  |
|------------------------------------------|--------------------------------------------------|
| Portion for Retail Individual Investors* | ₹10 per valid ASBA Forms (plus applicable taxes) |
| Portion for Eligible Employees*          | ₹10 per valid ASBA Forms (plus applicable taxes) |
| Portion for Non-Institutional Investors* | ₹10 per valid ASBA Forms (plus applicable taxes) |

\*Based on valid ASBA Forms

- (2) The processing fees for applications made by Retail Individual Investors using the UPI Mechanism would be as follows: Sponsor Bank will be entitled to processing fee of ₹1 per valid ASBA Form (inclusive of all taxes) for Bids made by RIIs using the UPI Mechanism. The Sponsor Bank shall be responsible for making payments to third parties such as the remitter bank, NPCI and such other parties as required in connection with the performance of its duties under applicable SEBI circulars, amendments, the Syndicate Agreement and other applicable laws.
- (3) Brokerage, selling commission and processing/ uploading charges on the portion for Retail Individual Investors (using the UPI Mechanism), Eligible Employees and Non-Institutional Investors which are procured by the members of the Syndicate (including their sub-syndicate members), CRTAs, CDPs or for using 3-in1 type accounts- linked online trading, demat & bank account provided by some of the brokers which are members of Syndicate (including their sub-syndicate members) would be as follows:

|                                          |                                                       |
|------------------------------------------|-------------------------------------------------------|
| Portion for Retail Individual Investors* | 0.35% of the Amount Allotted (plus applicable taxes)* |
| Portion for Eligible Employees*          | 0.20% of the Amount Allotted (plus applicable taxes)* |
| Portion for Non-Institutional Investors* | 0.15% of the Amount Allotted (plus applicable taxes)* |

\*Amount Allotted is the product of the number of Equity Shares Allotted and the Offer Price.

The selling commission payable to the Syndicate/ sub-syndicate members will be determined on the basis of the application form number / series, provided that the application is also bid by the respective Syndicate / sub-syndicate member. For clarification, if a Syndicate ASBA application on the application form number / series of a Syndicate/ sub-syndicate member, is bid by an SCSB, the selling commission will be payable to the SCSB and not the Syndicate/ sub-syndicate member.

The payment of selling commission payable to the sub-brokers / agents of sub-syndicate members are to be handled directly by the respective sub-syndicate member.

The selling commission payable to the CRTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

Uploading charges/ processing charges of ₹30/- per valid application (plus applicable taxes) are applicable only in case of bid uploaded by the members of the Syndicate, CRTAs and CDPs:

- for applications made by Retail Individual Investors using the UPI Mechanism

Uploading Charges/ Processing Charges of ₹10/- per valid application (plus applicable taxes) are applicable only in case of bid uploaded by the members of the Syndicate, CRTAs and CDPs:

- for applications made by Retail Individual Investors/ Eligible Employees using 3-in-1 type accounts
- for Non-Institutional Investor Bids using Syndicate ASBA mechanism / using 3- in -1 type accounts,

The Bidding/uploading charges payable to the Syndicate/Sub-Syndicate Members, RTAs and CDPs will be determined on the basis of the bidding terminal id as captured in the bid book of BSE or NSE.

- (4) Selling commission payable to the registered brokers on the portion for Retail Individual Investors, Eligible Employees and Non-Institutional Investors which are directly procured by the Registered Brokers and submitted to SCSB for processing would be as follows: Portion for Retail Individual Investors, Eligible Employees and Non-Institutional Investors: ₹10 per valid ASBA Form (plus applicable taxes).

## Interim Use of Net Proceeds

Pending utilisation for the purposes described above, we undertake to temporarily invest the funds from the Net Proceeds in deposits with one or more scheduled commercial banks included in the Second Schedule of Reserve Bank of India Act, 1934, for the necessary duration. Such investments will be approved by the Board of Directors from time to time. In accordance with Section 27 of the Companies Act, 2013, our Company confirms that it shall not use the Net Proceeds for buying, trading or otherwise dealing in equity shares of any other listed company or for any investment in the equity markets.

## Bridge Loan

Our Company has not raised any bridge loans from any bank or financial institution as on the date of this Prospectus, which are proposed to be repaid from the Net Proceeds.

## Monitoring of Utilisation of Funds



In terms of Regulation 41(1) of the SEBI ICDR Regulations, we have appointed ICICI Bank Limited as the monitoring agency to monitor the utilization of the Net Proceeds. Our Company undertakes to place the report(s) of the Monitoring Agency on receipt before the Audit Committee without any delay. Our Company will disclose the utilisation of the Net Proceeds, including interim use under a separate head in its balance sheet for such Fiscals, as required under the SEBI ICDR Regulations, the SEBI Listing Regulations and any other applicable laws or regulations, clearly specifying the purposes for which the Net Proceeds have been utilised. Our Company will also, in its balance sheet for the applicable Fiscals, provide details, if any, in relation to all such Net Proceeds that have not been utilised, if any, of such currently unutilised Net Proceeds.

Pursuant to Regulation 18(3) of the SEBI Listing Regulations, our Company shall on a quarterly basis disclose to the Audit Committee the uses and application of the Net Proceeds. The Audit Committee shall make recommendations to our Board for further action, if appropriate. Our Company shall, on an annual basis, prepare a statement of funds utilised for purposes other than those stated in this Prospectus and place it before our Audit Committee. Such disclosure shall be made only until such time that all the Net Proceeds have been utilised in full. The statement shall be certified by the Statutory Auditors. Further, in accordance with the Regulation 32 of the SEBI Listing Regulations, our Company shall furnish to the Stock Exchanges, a statement indicating (i) deviations, if any, in the utilisation of the Net proceeds from the Objects, as stated above; and (ii) details of category wise variations in the utilisation of the Net Proceeds from the Objects, as stated above, within a period of 45 days from the end of each quarter. This information will also be published in newspapers simultaneously with the interim or annual financial results of our Company, after placing such information before our Audit Committee.

### **Variation in Objects**

In accordance with Sections 13(8) and 27 of the Companies Act 2013, our Company shall not vary the Objects unless our Company is authorised to do so by way of a special resolution passed in a general meeting of its Shareholders or through postal ballot. In addition, the notice issued to the Shareholders in relation to the passing of such special resolution, shall specify the prescribed details and be published in accordance with the Companies Act, 2013. The Promoter or controlling Shareholders will be required to provide an exit opportunity to the Shareholders who do not agree to such proposal to vary the Objects, subject to the provisions of the Companies Act, 2013 and in accordance with such terms and conditions, including in respect of pricing of the Equity Shares, in accordance with the Companies Act, 2013 and provisions of Regulation 59 and Schedule XX of the SEBI Regulations. For further details see, *“Risk Factors - Any variation in the utilisation of the Net Proceeds would be subject to certain compliance requirements, including prior Shareholders’ approval”* on page 49.

### **Appraising Agency**

None of the Objects for which the Net Proceeds will be utilised, require appraisal from, or have been appraised by, any bank/ financial institution/ any other agency, in accordance with applicable law.

### **Other Confirmations**

No part of the Net Proceeds will be utilised by our Company as consideration to our Promoter, members of the Promoter Group, Directors, Group Companies or Key Management Personnel. Our Company has not entered into nor is planning to enter into any arrangement/agreements with Promoter, members of the Promoter Group, Directors, Key Management Personnel or our Group Companies in relation to the utilisation of the Net Proceeds. Further, except in the ordinary course of business, there is no existing or anticipated interest of such individuals and entities in the Objects, as set out above.

## BASIS FOR THE OFFER PRICE

The Offer Price will be determined by our Company and the Selling Shareholders, in consultation with the BRLMs, on the basis of assessment of market demand for the Equity Shares offered through the Book Building Process and on the basis of quantitative and qualitative factors as described below. The face value of the Equity Shares is ₹5 each and the Offer Price 190.80 times the face value of the Equity Shares.

Bidders should read the below mentioned information along with “Our Business”, “Risk Factors”, “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” on pages 142, 24, 201 and 288, respectively, to have an informed view before making an investment decision.

### Qualitative Factors

We believe that some of the qualitative factors which form the basis for computing the Offer Price are as follows:

- Unique and scaled diagnostics company;
- Strong brand equity;
- Extensive footprint across India with robust infrastructure;
- Business model with robust revenue visibility; and
- Well positioned to capitalize on healthcare spending across public and private sectors.

For further details, see “Our Business – Strengths” on page 144.

### Quantitative Factors

Certain information presented below, relating to our Company, is based on the Restated Financial Statements. For details, see “Restated Financial Statements” on page 201.

Some of the quantitative factors which may form the basis for computing the Offer Price are as follows:

#### 1. Basic and Diluted Earnings Per Share (“EPS”), as adjusted for changes in capital:

| Financial Period        | Basic EPS (in ₹) | Diluted EPS (in ₹) | Weight |
|-------------------------|------------------|--------------------|--------|
| Financial Year 2021     | 71.86            | 12.25              | 3      |
| Financial Year 2020     | (43.53)          | (43.53)            | 2      |
| Financial Year 2019     | (24.13)          | (24.13)            | 1      |
| <b>Weighted Average</b> | <b>17.40</b>     | <b>(12.41)</b>     |        |

Notes:

1. *The Weighted Average basic and diluted EPS is a product of basic and diluted EPS and respective assigned weight, dividing the resultant by total aggregate weight. Weights applied have been determined by the management of the Company.*
2. *Basic EPS (in ₹) = Restated adjusted Profit/(loss) for the year/period for Basic EPS*  
*Weighted Average no. of equity shares outstanding during the year / period*
3. *Diluted EPS (in ₹) = Restated Profit/(Loss) after tax for the year / period*  
*Weighted Average no. of equity shares and potential equity shares outstanding during the year / period*
4. *Basic EPS and Diluted EPS calculations are in accordance with the relevant accounting standard and post conversion of Series B CCCPS on March 31, 2021, have been adjusted for split of Equity Shares on April 25, 2021 and post conversion of Series A CCPS and Series C CCPS on July 23, 2021.*

#### 2. Price/Earning (“P/E”) ratio in relation to Price Band of ₹933 to ₹954 per Equity Share:

| Particulars                                  | P/E at the Floor Price (no. of times) | P/E at the Cap Price (no. of times) |
|----------------------------------------------|---------------------------------------|-------------------------------------|
| Based on Basic EPS for Financial Year 2021   | 12.98                                 | 13.28                               |
| Based on Diluted EPS for Financial Year 2021 | 76.16                                 | 77.88                               |

## Industry P/E ratio

| Particulars        | P/E Ratio |
|--------------------|-----------|
| Highest            | 94.32     |
| Lowest             | 77.65     |
| Industry Composite | 85.99     |

Notes:

- (1) The industry high and low has been considered from the industry peer set provided later in this chapter. The industry composite has been calculated as the arithmetic average P/E of the industry peer set disclosed in this section. For further details, see “– Comparison of Accounting Ratios with Listed Industry Peers” on page 109.

## 3. Return on Net Worth (“RoNW”)

As per the Restated Financial Statements of our Company:

| Particulars             | RoNW %      | Weight |
|-------------------------|-------------|--------|
| Financial Year 2021     | 79.76       | 3      |
| Financial Year 2020     | (56.83)     | 2      |
| Financial Year 2019     | (68.37)     | 1      |
| <b>Weighted Average</b> | <b>9.54</b> |        |

Notes:

1. Return on Net Worth (%) =

*Restated net profit after tax for the year / period attributable to the equity Shareholders of the Company*  
*Restated net worth for the year / period end*

2. The weighted average return on net worth is a product of return on net worth and respective assigned weight dividing the resultant by total aggregate weights.
3. Net worth for the ratios represents sum of equity share capital, instruments entirely equity in nature and other equity which comprises of Employee Stock options outstanding account, securities premium, surplus/(deficit) in the Statement of Profit and Loss and other reserves, as restated.

## 4. Net Asset Value per Equity Share of face value of ₹5 each

| Net Asset Value per Equity Share | (₹)    |
|----------------------------------|--------|
| As on March 31, 2021             | 85.27  |
| After the Offer:                 |        |
| Offer Price                      | 201.19 |

Notes:

1. Net Asset Value per Equity Share is calculated post conversion of Series B CCCPS on March 31, 2021, has been adjusted for split of Equity Shares on April 25, 2021 and post conversion of Series A CCPS and Series C CCPS on July 23, 2021. Offer Price per Equity Share will be determined on conclusion of the Book Building Process.
2. Net Asset Value per Equity Share = Restated net worth at the end of the year/period divided by the Equity shares outstanding at the end of year/period.

## 5. Comparison of Accounting Ratios with Listed Industry Peers

| Name of Company               | Face Value (₹ per share) | Revenue, for Financial Year 2021 (in ₹ million) | EPS, for Financial Year 2021 (₹) |         | NAV, as on March 31, 2021 <sup>(3)(4)</sup> (₹ per share) | P/E <sup>(1)</sup> | RoNW, as on March 31, 2021 <sup>(2)</sup> (%) | EBITDA    | Current Maturities of Long Term Debt | Debt Service Ratio <sup>(5)</sup> |
|-------------------------------|--------------------------|-------------------------------------------------|----------------------------------|---------|-----------------------------------------------------------|--------------------|-----------------------------------------------|-----------|--------------------------------------|-----------------------------------|
|                               |                          |                                                 | Basic                            | Diluted |                                                           |                    |                                               |           |                                      |                                   |
| Krsnaa Diagnostics Limited    | 5                        | 3,964.56                                        | 71.86**                          | 12.25** | 85.27**                                                   | 77.88              | 79.76                                         | 1,060.47* | 290.81                               | 3.65x                             |
| <b>Listed Peers</b>           |                          |                                                 |                                  |         |                                                           |                    |                                               |           |                                      |                                   |
| Metropolis Healthcare Limited | 2                        | 9,979.87                                        | 35.97                            | 35.79   | 138.23                                                    | 77.65              | 25.91                                         | 2,880.00  | -                                    | -                                 |
| Dr. Lal PathLabs Limited      | 10                       | 15,812.66                                       | 35.33                            | 35.25   | 149.39                                                    | 94.32              | 23.42                                         | 4,363.00  | -                                    | -                                 |

\* Adjusted EBITDA

\*\* Basic and Diluted EPS and NAV is calculated post conversion of Series A CCPS and Series C CCPS.

Source: All the financial information for listed industry peer mentioned above is on a consolidated basis and is sourced from the annual report of the company for the year ended March 31, 2021.

Source for our Company: Based on the Restated Financial Statements for the year ended March 31, 2021.

Notes:

<sup>(1)</sup> P/E Ratio has been computed based on the closing market price of equity shares on BSE on July 22, 2021, divided by the Basic EPS. However, the P/E Ratio for the Company has been calculated on diluted basis.

<sup>(2)</sup> RoNW is computed as net profit after tax (excluding profit attributable to non-controlling interest) divided by closing net worth.

<sup>(3)</sup> Net worth has been computed as sum of paid-up share capital and other equity.

<sup>(4)</sup> NAV is computed as the closing net worth divided by the closing outstanding number of equity shares.

<sup>(5)</sup> Debt Service Ratio = EBITDA / Current maturities of Long term debt (repayments due within next 12 months)

The Offer Price of ₹954 has been determined by our Company and the Selling Shareholders, in consultation with the Book Running Lead Managers, on the basis of assessment of market demand from investors for Equity Shares through the Book Building Process and is justified in view of the above qualitative and quantitative parameters. The trading price of Equity Shares could decline due to factors mentioned in “Risk Factors” on page 24 and you may lose all or part of your investments.

## STATEMENT OF POSSIBLE SPECIAL TAX BENEFITS

To,

**The Board of Directors**

**Krsnaa Diagnostics Limited**

S.No.243, A-Hissa No.6/6 CTS No.4519,  
Near Mayur Trade Centre,  
Chinchwad, Pune 411 019  
Maharashtra, India

**JM Financial Limited**

7th Floor, Cnergy,  
Appasaheb Marathe Marg  
Prabhadevi  
Mumbai 400 025  
Maharashtra, India

**DAM Capital Advisors Limited**

*(Formerly IDFC Securities Limited)*

One BKC, Tower C,  
15th Floor, Unit No. 1511,  
Bandra Kurla Complex,  
Bandra (East),  
Mumbai 400 051  
Maharashtra, India

**Equirus Capital Private Limited**

12<sup>th</sup> floor, C Wing,  
Marathon Futurex,  
N.M. Joshi Marg,  
Lower Parel,  
Mumbai 400 013  
Maharashtra, India

**IIFL Securities Limited**

10th Floor, IIFL Centre,  
Kamala City,  
Senapati Bapat Marg,  
Lower Parel (West),  
Mumbai 400 013  
Maharashtra, India

**(JM Financial Limited, DAM Capital Advisors Limited, Equirus Capital Private Limited, IIFL Securities Limited and any other book running lead managers appointed in relation to the Offer, collectively referred to as the ‘Book Running Lead Managers’ or the ‘BRLMs’)**

**Sub: Statement of Possible Special Tax Benefits (‘Statement’) available to Krsnaa Diagnostics Limited (‘the Company’) and its shareholders prepared in accordance with the requirements under Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended (‘SEBI ICDR Regulations’) in relation to proposed initial public offering (‘the Offer’) of equity shares (‘the Equity Shares’) by Krsnaa Diagnostics Limited (‘the Company’)**

**Dear Sirs,**

1. We have been requested by **Krsnaa Diagnostics Limited** (‘the Company’) having its registered office at the above mentioned address vide Arrangement Letter dated May 13, 2021 and Engagement Letter dated March 22, 2021 to issue a certificate on accompanying ‘Annexure A’ and ‘Annexure B’ containing details of special

tax benefits available to the Company and its Shareholders prepared by the management of the Company ('referred to as 'the Statement'). We have initialled the Statement for identification purpose only.

2. We confirm that the enclosed Statement which provides the possible special tax benefits available to the Company and its Shareholders under direct tax and indirect tax laws presently in force in India, including the Income-tax Act, 1961, the Central Goods and Services Tax Act, 2017, the Integrated Goods and Services Tax Act, 2017, the Union Territory Goods and Services Tax Act, 2017, respective State Goods and Services Tax Act, 2017, Customs Act, 1962 and the Customs Tariff Act, 1975 (collectively the 'Taxation Laws'), the rules, regulations, circulars and notifications issued thereon, as applicable to the assessment year 2022-23 relevant to the financial year 2021-22, available to the Company, its shareholders. Several of these benefits are dependent on the Company and its shareholders, as the case may be, fulfilling the conditions prescribed under the relevant provisions of the statute. Hence, the ability of the Company and its shareholders to derive the special tax benefits is dependent upon their fulfilling such conditions, which based on business imperatives the Company and its shareholders faces in the future, the Company and its shareholders may or may not choose to fulfil.
3. This statement of possible special tax benefits is required as per Schedule VI (Part A)(9)(L) of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 as amended ('SEBI ICDR Regulations'). While the term 'special tax benefits' has not been defined under the SEBI ICDR Regulations, for the purpose of this statement, it is assumed that with respect to special tax benefits available to the Company, the same would include those benefits as enumerated in the Annexure A and Annexure B to this Statement. Any benefits under the Taxation Laws other than those specified in the Annexure A and Annexure B to this Statement are considered to be general tax benefits and therefore not covered within the ambit of this statement. Further, any benefits available under any other laws within or outside India, except for those mentioned in the Annexure A and Annexure B to this Statement, have not been examined and covered by this statement.
4. The benefits discussed in the enclosed statement cover the possible special tax benefits available to the Company and the Shareholders and do not cover any general tax benefits available to them.
5. In respect of non-residents, the tax rates and the consequent taxation shall be further subject to any benefits available under the applicable Double Taxation Avoidance Agreement, if any, between India and the country in which the non-resident has fiscal domicile.
6. The benefits discussed in the enclosed statement are not exhaustive and the preparation of the contents stated is the responsibility of the Company's management. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional advice. In view of the distinct nature of the tax consequences and the changing tax laws, each investor is advised to consult their own tax consultant with respect to the specific tax implications arising out of their participation in the issue and we shall in no way be liable or responsible to any shareholder or subscriber for placing reliance upon the contents of this statement. Also, any tax information included in this written communication was not intended or written to be used, and it cannot be used by the Company or the investor, for the purpose of avoiding any penalties that may be imposed by any regulatory, governmental taxing authority or agency.
7. We do not express any opinion or provide any assurance whether:
  - The Company and its shareholders will continue to obtain these benefits in future;
  - The conditions prescribed for availing the benefits have been/would be met;
  - The revenue authorities/courts will concur with the views expressed herein.

The contents of the enclosed statement are based on information, explanations and representations obtained from the Company and on the basis of our understanding of the business activities and operations of the Company. We have relied upon the information and documents of the Company being true, correct and complete and have not audited or tested them. Our view, under no circumstances, is to be considered as an audit opinion under any regulation or law. No assurance is given that the revenue authorities/ courts will concur with the views expressed herein.

Our Firm or any of partners or affiliates, shall not be responsible for any loss, penalties, surcharges, interest or additional tax or any tax or non-tax, monetary or non-monetary, effects or liabilities (consequential,

indirect, punitive or incidental) before any authority / otherwise within or outside India arising from the supply of incorrect or incomplete information of the Company.

8. This certificate is addressed to Board of Directors and issued at specific request of the Company. The enclosed annexure is intended solely for your information and for inclusion in the red herring prospectus, the prospectus and any other material in connection with the proposed initial public offering of equity shares of the Company, and is not to be used, referred to or distributed for any other purpose without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing. Any subsequent amendment / modification to provisions of the applicable laws may have an impact on the views contained in our statement. While reasonable care has been taken in the preparation of this certificate, we accept no responsibility for any errors or omissions therein or for any loss sustained by any person who relies on it.
9. In our opinion, the Statement prepared by the Company presents, in all material respects, the possible special tax benefits available as on the date of signing of this report, to the Company, its shareholders, in accordance with the Taxation laws.
10. We performed procedures in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) issued by the Institute of Chartered Accountants of India. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the Institute of Chartered Accountants of India.
11. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Jiger Saiya**  
Partner  
Membership No. 116349  
UDIN: 21116349AAAACD6087

Place: Mumbai  
Date: July 23, 2021

## **ANNEXURE A TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE DIRECT TAX LAW IN INDIA**

Outlined below are the possible tax benefits available to the Company and its shareholders under the direct tax laws in force in India. This Statement is as per the Income-tax Act, 1961 as amended by the Finance Act, 2021 read with relevant rules, circulars and notifications applicable for the Financial Year 2021-22 relevant to the Assessment Year 2022-23, presently in force in India.

### **UNDER THE INCOME TAX ACT, 1961 ('THE ACT')**

#### **1. Special tax benefits available to the Company**

- (i) As per Section 2 of chapter II of Finance Act, 2021 (Rates of Income-tax), Income-tax shall be charged at the rates specified in Part III of the First Schedule. Further, the Company also has an option as per the provisions of Section 115BAA of the Income -tax Act, 1961 ("the Act") to opt for reduced tax rate of 22% (plus applicable surcharge and health and education cess) subject to fulfilment of certain conditions specified in the said Section. Under this option, the Company will not be eligible to claim some special exemptions and deductions. Further, in order to avail the benefit of lower tax rate, the Company has to opt for the same on or before the filing of Income-tax return for respective year. Once the option is exercised by the Company, it cannot be subsequently withdrawn for the same or any other subsequent years. Additionally, the provisions of Section 115JB of the Act i.e., MAT provisions shall not apply to the Company on exercise of the option under Section 115BAA of the Act, as specified under sub-section (5A) of Section 115JB of the Act and MAT credit of the earlier year(s) will not be available for set-off.

The Company has not opted for the provisions of section 115BAA of the Act for the Assessment Year 2020-21. However, the Company will opt for the provisions of section 115BAA of the Act for the Assessment Year 2021-22 and onwards.

- (ii) In case where a Company does not opt for the lower tax rate, the Company would be liable to pay tax @ 25% or 30% depending upon the prescribed turnover threshold (plus applicable surcharge and health and education cess).
- (iii) Subject to fulfilment of prescribed conditions, the Company is entitled to claim deduction under Section 80JJAA of the Act, of an amount equal to 30% of additional employee cost (pertaining to specified category of employees) incurred in the course of business in the financial year, for 3 assessment years including the assessment year relevant to the financial year in which such employment is provided.
- (iv) As per the provisions of Section 80M of the Act, dividend received by the Company from any other domestic company or a foreign company shall be eligible for deduction while computing its total income for the relevant year. The amount of such deduction would be restricted to the amount of dividend distributed by the Company to its shareholders on or before one month prior to due date of filing of its Income-tax return for the relevant year.

#### **2. Special Tax Benefits available to the Shareholders of the Company**

Apart from the tax benefits available to each class of shareholders as such, there are no special tax benefits available to the shareholders under the provisions of the Act for investing in the shares of the Company.

#### **Notes:**

1. This Statement sets out only the possible tax benefits available under the current provisions of the Act.
2. The above Statement of possible special tax benefits sets out the provisions of the Act in a summary manner only and is not a complete analysis or listing of all the existing and potential tax consequences of the purchase, ownership and disposal of equity shares of the Company.
3. The tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indian Income Tax Regulation. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.



4. The tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.
5. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.
6. In respect of non-residents, the tax rates and consequent taxation will be further subject to any benefits available under the relevant Double Tax Avoidance Agreement(s), if any, between India and the country in which the non-resident has fiscal domicile.
7. This statement does not discuss any tax consequences in the country outside India of an investment in the shares. The shareholders in the country outside India are advised to consult their own advisors regarding possible Income tax consequences applicable to them.
8. Surcharge is to be levied on domestic companies @ 7% where the income exceeds INR 1 crore but does not exceed INR 10 crores and @ 12% where the income exceeds INR 10 crores. If the Company opts for concessional income tax rate under section 115BAA, surcharge shall be levied @ 10%. Health and Education Cess @ 4% on the tax and surcharge is payable by all category of taxpayers.
9. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
  - (i) the Company or its shareholders will continue to obtain these benefits in future;
  - (ii) the conditions prescribed for availing the benefits have been/ would be met with; and
  - (iii) the revenue authorities/courts will concur with the view expressed herein.
10. The above views are based on the existing provisions of the Act and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of the Board of Directors of  
**Krsnaa Diagnostics Limited**

Pawan Daga  
Chief Financial Officer

Place: Pune  
Date: July 23, 2021

## **ANNEXURE B TO THE STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE COMPANY AND ITS SHAREHOLDERS UNDER THE INDIRECT TAX LAW IN INDIA**

Outlined below are the possible tax benefits available to the Company and its shareholders under the Indirect tax laws in force in India. This Statement is as per the Central Goods and Services Tax Act, 2017 / the Integrated Goods and Services Tax Act, 2017 and applicable State Goods and Services Tax Act, 2017 (“GST Acts”), the Customs Act, 1962 (“Customs Act”) and the Customs Tariff Act, 1975 (“Tariff Act”), as amended by the Finance Act 2021 including the relevant rules, notifications and circulars issued there under, applicable for the Financial Year 2021-22, presently in force in India.

### **UNDER THE INDIRECT TAX**

#### **BENEFITS TO THE COMPANY UNDER THE ACT:**

##### **1. Special tax benefits available to the Company**

- (i) The Company is engaged in providing diagnostic services through public private partnership arrangement with State Governments and private arrangements with private hospitals. Further, the Company is registered under GST in the state of Maharashtra.
- (ii) The services provided by the Company are exempted under GST by virtue of Sr No. 610 of Notification No 11/2017 - Central Tax (Rate) dated 28 June 2017 (as amended). Accordingly, the entire input tax credit is either expensed out or capitalised in books of accounts by the Company.
- (iii) Further, the Company does not undertake any import of goods. Thus, the Company has not availed any benefit under Customs Act.
- (iv) Given the above, no special Indirect tax benefits are available to the Company under the Indirect Tax Regulations in India.

##### **2. Special Tax Benefits available to the Shareholders of the Company**

- (i) The shareholders of the Company are not required to discharge any GST on transaction in securities of the Company.

[Securities are excluded from the definition of Goods as defined u/s 2(52) of the Central Goods and Services Tax Act, 2017 as well from the definition of Services as defined u/s 2(102) of the Central Goods and Services Tax Act, 2017].

- (ii) Apart from above, the shareholders of the Company are not eligible to special tax benefits under the provisions of the Customs Tariff Act, 1975 and / or Central Goods and Services Tax Act, 2017, Integrated Goods and Services Tax Act, 2017, respective Union Territory Goods and Services Tax Act, 2017 respective State Goods and Services Tax Act, 2017, Goods and Services Tax (Compensation to States) Act, 2017 including the relevant rules, notifications and circulars issued there under.

Notes:

- 1. This Statement covers only certain relevant Indirect tax law benefits and does not cover any other benefit under any other law.
- 2. These tax benefits are dependent on the Company or its shareholders fulfilling the conditions prescribed under the relevant provisions of the Indian Indirect Tax Regulation. Hence, the ability of the Company or its shareholders to derive the tax benefits is dependent upon fulfilling such conditions, which based on the business imperatives, the Company or its shareholders may or may not choose to fulfil.
- 3. The tax benefits discussed in the Statement are not exhaustive and is only intended to provide general information to the investors and hence, is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the issue.

4. The Statement has been prepared on the basis that the shares of the Company are listed on a recognized stock exchange in India and the Company will be issuing equity shares.
5. The Statement is prepared on the basis of information available with the Management of the Company and there is no assurance that:
  - (i) the Company or its shareholders will continue to obtain these benefits in future;
  - (ii) the conditions prescribed for availing the benefits have been/ would be met with; and
  - (iii) the revenue authorities/courts will concur with the view expressed herein.
6. The above views are based on the existing provisions of laws and its interpretation, which are subject to change from time to time. We do not assume responsibility to update the views consequent to such changes.

For and on behalf of the Board of Directors of  
**Krsnaa Diagnostics Limited**

Pawan Daga  
Chief Financial Officer

Place: Pune  
Date: July 23, 2021

## SECTION VI - ABOUT OUR COMPANY

### INDUSTRY OVERVIEW

*Unless otherwise indicated, the information in this section is obtained or extracted from “Assessment of the diagnostic industry in India with a special focus on governmental spending” dated July 2021 prepared and released by Credit Rating Information Services of India Limited (“CRISIL”) and commissioned by and paid for by us. Neither we nor any other person connected with the Issue have independently verified this information. The data included herein includes excerpts from the CRISIL Report and may have been re-classified by us for the purposes of presentation. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry sources and publications are also prepared based on information as of specific dates and may no longer be current or reflect current trends. Industry sources and publications may also base their information on estimates, projections, forecasts and assumptions that may prove to be incorrect. Accordingly, investors must rely on their independent examination of, and should not place undue reliance on, or base their investment decision solely on this information. Financial information used herein is based solely on the audited financials of the Company and other peers. The recipient should not construe any of the contents in this report as advice relating to business, financial, legal, taxation or investment matters and are advised to consult their own business, financial, legal, taxation, and other advisors concerning the transaction. See also, “Risk Factors – Industry information included in this Prospectus has been derived from the CRISIL Report prepared by CRISIL Limited and exclusively commissioned and paid for by our Company for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate.” on page 42.*

### MACROECONOMIC OVERVIEW OF INDIA

#### *Review of India’s GDP growth*

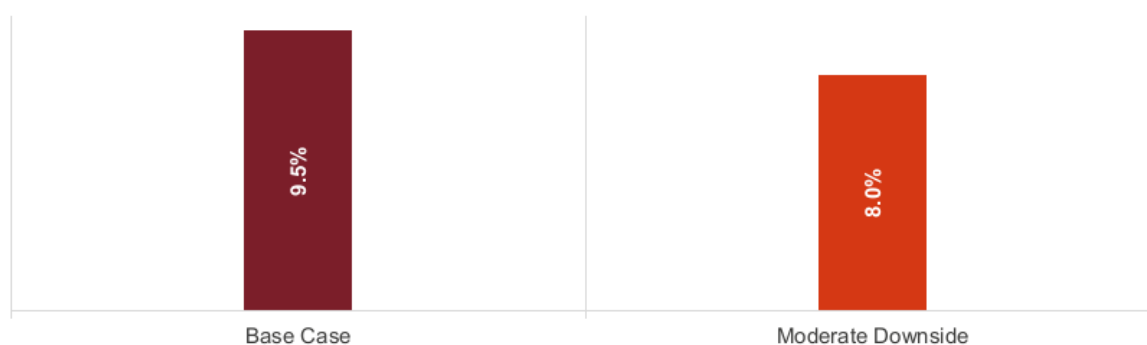
India’s gross domestic product (“GDP”) growth is forecasted to rebound to 9.5% in Fiscal 2022 as four drivers converge:

1. *Weak base:* A 7.3% contraction in GDP in Fiscal 2021 will provide a statistical push to growth next Fiscal;
2. *Global upturns:* A growth in the world GDP by 5.0%, advanced economies by 4.3%, emerging economies by 6.3%, should lift exports in the 2021 calendar year;
3. *COVID-19 curve:* India is witnessing the second wave of COVID-19 infections and at the same time learning to live with the virus, with the rollout of vaccines. These should broaden growth next Fiscal, especially in the services and unorganised sectors; and
4. *Fiscal push:* Stretch in the fiscal glide path and focus of Union Budget 2021 – 2022 on capital expenditure are expected to have a multiplier effect on growth

The base case of 9.5% GDP growth assumes that COVID-19 restrictions will continue and mobility will remain affected in some form or other, at least till August. The pace of economic recovery will also be a function of what the pace of vaccination is in the coming months. Countries with over 40% of their population vaccinated are seeing a faster and more broad-based economic recovery. The government plans to vaccinate India’s entire adult population (68% of total population) by December. CRISIL’s base case is 70% of the adult population vaccinated by December.

A third wave would pose a significant downside risk to the growth forecast, as would a slower-than-anticipated pace of vaccination. In such a pessimistic case, CRISIL sees GDP growing at 8% in fiscal 2022.

### GDP growth in FY22 (y-o-y,%)



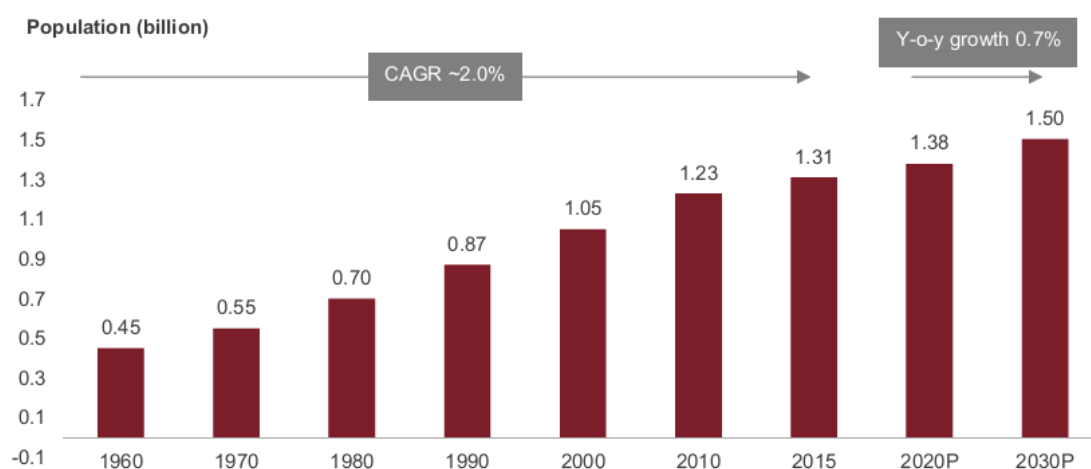
Source: S&P Global Ratings, CRISIL Research, June 2021

### Fundamental Growth Drivers of GDP

#### India's population growth

India's population registered a CAGR of approximately 1.6% between 2001 and 2011 to approximately 1.2 billion and comprised nearly 246 million households, as per the 2011 census.

According to the 'World Urbanization Prospects: The 2018 Revision' by the United Nations, India and China, the top two countries in terms of population, accounted for nearly 37% of the world's population in 2015. The report projects India's population to increase at a CAGR of 1% to 1.5 billion by 2030, making it the world's most populous country, surpassing China, which is expected to inhabit 1.4 billion people by 2030.



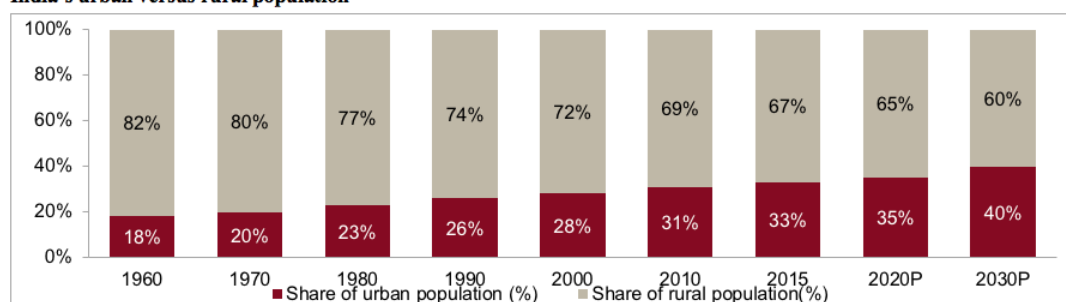
P: Projected

Source: United Nations, Department of Economic and Social Affairs, Population Division (2019); Probabilistic Population Projections Rev. 1 based on the World Population Prospects 2019 Rev. 1; CRISIL Research

#### Urbanisation likely to reach 40% by 2030

According to 'World Urbanization Prospects: The 2018 Revision by the United Nations', in 2018, China had the largest urban population, with 837 million urban dwellers, accounting for 20% of the global total. China was followed by India, with 461 million urban dwellers, and the US, with 269 million urban dwellers. The share of India's urban population, in relation to its total population, has been rising over years and printed approximately 31% in 2010. This trend will continue, with the United Nations report projecting nearly 40% of the country's population will live in urban areas by 2030.

### India's urban versus rural population



P: Projected

Source: World Urbanization Prospects: The 2018 Revision, United Nations, CRISIL Research

### Per-capita income rose at healthy pace between Fiscal 2012 and Fiscal 2020

India's per-capita income, a broad indicator of living standards, rose from ₹63,462 in Fiscal 2012 to ₹94,566 in Fiscal 2020 at a CAGR of 5.1%. This growth was led by better job opportunities, propping up overall GDP growth. Moreover, population growth has remained fairly stable at approximately 1% CAGR.

### Per capita net national income at constant prices

|                                     | FY12   | FY13   | FY14   | FY15   | FY16   | FY17   | FY18   | FY19   | FY20RE | FY21AE |
|-------------------------------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Per-capita net national income (Rs) | 63,462 | 65,538 | 68,572 | 72,805 | 77,659 | 82,931 | 87,828 | 92,241 | 94,556 | 86,659 |
| On-year growth (%)                  | 2.1    | 3.3    | 4.6    | 6.2    | 6.7    | 6.8    | 5.9    | 5.0    | 2.5    | -8.4   |

RE: Revised estimates; AE: Advance estimates;

Source: Second Advance Estimates of Annual National Income, 2020-21, CSO, MoSPI, CRISIL Research

### Key Fiscal Measures by the Central Government towards Healthcare

The healthcare budget has seen increases year-on-year. Fiscal 2022, especially, has seen a significant rise on account of the high expenses associated with tackling the COVID-19 pandemic. Between Fiscals 2011 and 2022, the budget for the Ministry of Health and Family Welfare ("MoHFW") clocked a CAGR of nearly 11%.

The latest budget involves a ₹365.76 billion allocation to the National Health Mission, which accounts for nearly 50% of the total budget of the MoHFW. Apart from the budget for the ministry, health research has been allocated ₹26.63 billion. The recent budget has tried to incorporate different aspects of healthcare, namely preventive, curative and wellbeing. The recent budget also saw the introduction of a new scheme, the Pradhan Mantri Atma Nirbhar Swasth Bharat Yojana ("PMGKY"), which will entail an outlay of ₹641.8 billion over six years. Apart from the allocation to the MoHFW, the latest budget also included ₹350 billion for the COVID-19 vaccine program and ₹131.92 billion as finance commission grant for health.

### Key Budget Proposals

#### Health and Wellbeing – Expenditure for fiscal 2022

| Ministry/departments                  | Actuals FY20 (Rs. billion) | BE FY21 (Rs. billion) | RE FY21 (Rs. billion) | BE FY22 (Rs. billion) |
|---------------------------------------|----------------------------|-----------------------|-----------------------|-----------------------|
| <b>Healthcare</b>                     | <b>643.3</b>               | <b>671.1</b>          | <b>829.3</b>          | <b>1,221.2</b>        |
| D/o health & family welfare           | 624.0                      | 650.1                 | 788.6                 | 712.7                 |
| D/o health research                   | 19.3                       | 21.0                  | 40.6                  | 26.6                  |
| Vaccination                           |                            |                       |                       | 350.0                 |
| FC grants for health                  |                            |                       |                       | 131.9                 |
| <b>Well-being</b>                     | <b>219.3</b>               | <b>273.4</b>          | <b>199.5</b>          | <b>1,017.2</b>        |
| M/o ayush                             | 17.8                       | 21.2                  | 23.2                  | 29.7                  |
| D/o drinking water & sanitation       | 182.6                      | 215.2                 | 170.2                 | 600.3                 |
| Nutrition                             | 18.8                       | 37.0                  | 6                     | 27.0                  |
| FC grants for water and sanitation    |                            |                       |                       | 360.2                 |
| <b>Overall (health and wellbeing)</b> | <b>862.6</b>               | <b>944.5</b>          | <b>1,028.7</b>        | <b>2,238.5</b>        |

BE: Budget Estimates; RE: Revised Estimates;

Source: Budget document

India's COVID-19 emergency response and health system preparedness package of ₹150 billion was announced in three phases until March 2024 to address immediate needs in the wake of the pandemic. A separate health-worker life insurance cover of ₹5 million under the PMGKY was also announced to offer support to families of frontline health workers fighting the virus.

In addition to emergency funding for the pandemic response, the economic package includes long-term measures to improve healthcare infrastructure. The government's emphasis on healthcare offers substantial opportunities for private investment to create affordable healthcare facilities and services. To boost private investment in social infrastructure, the government has announced an outlay of ₹81 billion with viability-gap funding ("VGF") limits enhanced from 20% to 30% of project cost for both the Central and state governments to attract private investments in the social infrastructure space.

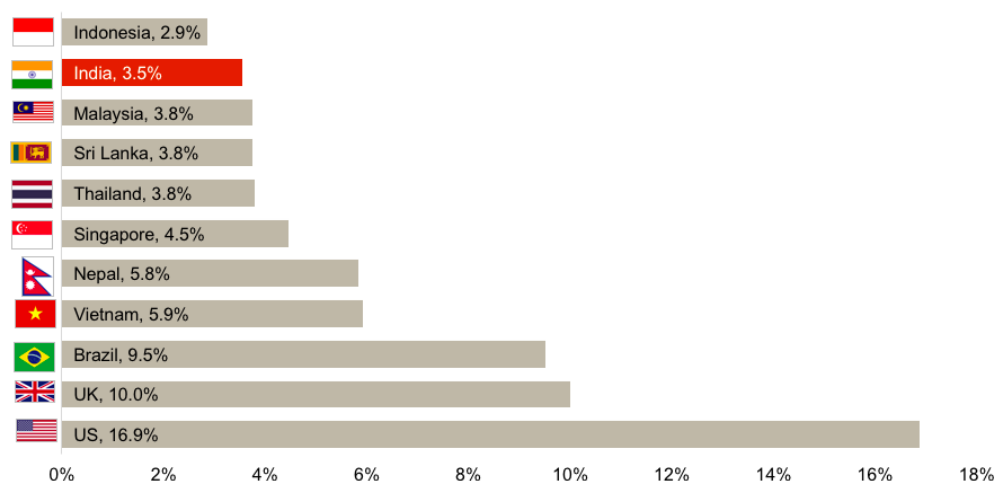
VGF support will aid in the development of hospitals and healthcare centres under public-private partnership ("PPP"). It creates an investment opportunity of ₹150-200 billion under the social-infrastructure space. Support to private investments through enhanced VGF will help grow the current health infrastructure by 4-5%. Development of healthcare infrastructure will gain preference in the current situation with a rise in healthcare spending / demand in India.

## GOVERNMENT EXPENDITURE ON HEALTHCARE IN INDIA

### *Potential for public spending on healthcare services to increase over the coming years*

Despite structural demand existing in the country and the potential opportunity it provides for growth, provision of healthcare in India is still riddled with challenges. Key challenges include inadequate health infrastructure and inequality in the quality of healthcare services provided based on affordability and financing.

**Total healthcare expenditure as percentage of GDP - 2018**

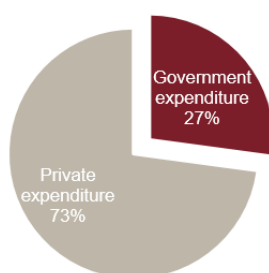


Source: Global Health Expenditure Database - WHO, CRISIL Research

Public healthcare expenditure in India is aiming to grow steadily from 1% to 2.5% - 3% of the GDP which can significantly reduce the out-of-pocket-expenditure from 65% to 35% of the overall healthcare spend.

India's current healthcare expenditure is skewed more towards private as against public expenditure. Government expenditure on healthcare has remained range bound at 20% - 30% of the current healthcare expenditure from 2010 to 2018. The rest of the expenditure is private in nature (expenditure from resources with no government control such as voluntary health insurance and direct payments for health by corporations (profit, not-for-profit and non-governmental organisations) and households. However, the government aims to increase public healthcare expenditure to 2.5% of GDP from the current 1.2%, according to the National Health Policy - 2017. In Union Budget 2021 – 2022, allocation to healthcare (including grant to states) has seen an improvement but the increased fund is to tackle the immediate COVID-19 emergency and long-term continuation of such allocation needs to be monitored.

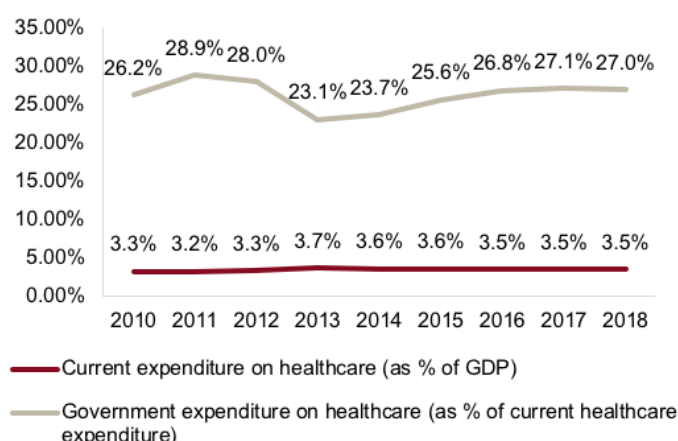
## General expenditure on health as percentage of current healthcare expenditure (2018)



Source: Global Health Expenditure Database - WHO, CRISIL Research

According to Global Health Expenditure Database compiled by WHO, India's expenditure on healthcare was 3.5% of GDP in calendar year 2018. India's nominal GDP in Fiscal 2018 was ₹131.7 trillion (constant Fiscal 2012 prices). Accordingly, the current healthcare expenditure in India in Fiscal 2018 is estimated at around ₹4.66 trillion. Though India's current healthcare expenditure has increased over the years, it is skewed towards private compared with public expenditure. Still, India's expenditure is less on account under-penetration of healthcare services and lower consumer spending on healthcare. Further, the share of public spending on healthcare services remains much lower than global peers. For example, India's per capita total expenditure on healthcare (at an international dollar rate, adjusted for purchasing-power parity) was only USD 73 in 2018 compared with USD 10,624 for the US, USD 4,315 for the UK and USD 2,824 for Singapore.

### Trend in current expenditure & government expenditure on healthcare



### Per capita current expenditure on health -2018 (\$)



Source: Global Health Expenditure Database- WHO, CRISIL Research

## Government hospitals account for the highest share towards diagnostic in India

An analysis of the expenditure towards diagnostic reveal that these expenses form an average of approximately 10% across medical institutes and regions. The highest share of these spends is in urban government hospitals (approximately 19%). In the same category, it is approximately 16% and approximately 18% for rural and overall (urban rural combined) government hospitals. Diagnostic spends form nearly 9% of the average medical expenditure across rural in the charitable hospitals, private hospitals and the overall category.

## Free diagnostic service initiative by the government of India aimed to strengthen availability and access to essential diagnostic facilities

The Health Systems Strengthening Program is of special focus for the NHM. It involves the Free Diagnostic Service initiative which has been vital in boosting the PPP model in diagnostic. The scheme is also implemented through the in-house mode wherein the government set-ups and manages the diagnostic centre. The initiative was announced in the union budget of Fiscal 2015 to tackle the issue of high out-of-pocket expenses on diagnostic. The



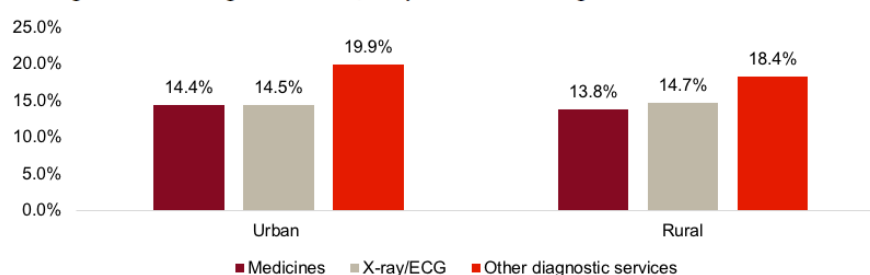
major objective of this initiative is to ensure availability and access to essential diagnostic tests at public health facilities in order to reduce direct costs and out of pocket expenditure incurred by economically weak patients.

## THE PPP MODEL AND ITS POTENTIAL

### *Huge potential for PPP model diagnostics in an underpenetrated rural India*

The National Sample Survey (“NSS”) data on the percentage of cases that receive free medicines and diagnostic services, reveal that the statistics does not vary significantly between urban and rural areas. As per the NSS report, the percentage of cases receiving free medicines in urban areas is 14.4% and that in rural stood at 13.8%. However, the trend differs slightly for other diagnostic services as the percentage is higher for urban areas (19.9%) compared with rural (18.4%). This can be attributed to low penetration of diagnostic services in rural India. This offers a huge potential for government to get into partnerships with diagnostic players in order to tap the highly under penetrated rural areas of India.

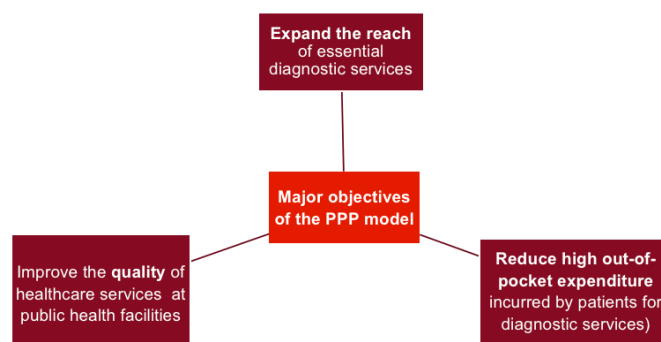
Percentage of cases receiving free medicines, X-ray/ECG and other diagnostic tests



Source: NSS Report (75<sup>th</sup> round), CRISIL Research

### *PPP model aims to expanding reach of services and reduce out-of-pocket expenditure*

The government has realised the importance of private participation in the healthcare industry and hence, PPP models in diagnostic have gained traction over the past five years. The model is expected to see further growth as India focuses more on strengthening primary healthcare centres, increasing the number of health and wellness centres and making a policy shift towards preventive care from curative care.



The PPP model involves the development of a greenfield or brownfield diagnostic centre by the private player (service provider) across various hospitals in the country and, in certain cases, such a model involves the setting up of collection points in sub-centres, primary health centres, community health centres and other remote regions (hub-and-spoke model). The gamut of services provided by these centres involves both pathology and radiology. However, the service provider may only be involved in one aspect of the diagnostic services such as X-ray, CT scan or laboratory services. The physical premise for the development is provided by the authority and, largely, these PPP implementations are in existing hospitals and requires improvement by the private player.

### ***O&M responsibilities of the service provider under the PPP model***

The operational and maintenance responsibilities of the service provider are largely given below:



### ***Working of the model***

The services are provided free of cost to beneficiaries referred by government institutes, with the cost reimbursed by the authorities on a timely basis. However, private beneficiaries are usually charged as per the rate quoted by the service provider. In terms of services offered, essential diagnostic tests and their charges to respective patients are predetermined by the authority. With regard to any additional services, the charges are mutually agreed on between the authority and the concessionaire. These user charges have escalation clauses and hence, they increase over the course of the concession period. These covenants are mentioned in the agreement and have to be abided by.

### ***Accessible and affordable services are the main strengths of a PPP model***

- *PPP model allows leveraging existing health infrastructure and upgrading their services*

One of the advantages of a PPP-led diagnostic facility is that they services are being offered at various existing healthcare service delivery points such as government hospitals / private health centres / community health centres across Tier I and Tier II and rural cities. This not only helps reduce the need to travel but also helps in reducing their out-of-pocket expenditure.

- *Enhances penetration of quality services at remote and underpenetrated locations*

The PPP model also helps establish services where existing healthcare infrastructure is poor and has not been penetrated by private players. Apart from the regular services, government is also pushing for tele-radiology services which further helps in providing quality outputs to test results without having to necessitate a professional at all locations. This is also in line with government's aim to provide access to quality healthcare services to all.

- *Government-led diagnostic facilities offer quality services at costs that are nearly 50-60% lower compared with private facilities*

Key tests and charges across private diagnostic centres and government-led PPP centres are compared below.

| Sr. no. | Name of test | Indicative cost (Rs)          |                                       |
|---------|--------------|-------------------------------|---------------------------------------|
|         |              | In private diagnostic centres | In government-led diagnostic facility |
| 1       | Sonography   | 700-1,200                     | 400-500                               |
| 2       | CT scan      | 2,000-5,000                   | 1,000-2,000                           |
| 3       | MRI scan     | 5,000-10,000                  | 1,500-4,000                           |

*Source: Industry, CRISIL Research*

The table above indicates that government-led diagnostic facilities offer diagnostic services at nearly 50-60% discounted rates compared with privately managed and run diagnostic centres. The services being offered at cheaper prices is one of the factors that encourages people specially with poor financial condition to visit the

centres and get diagnostic facilities without having to pay too much. This also promotes government's vision to facilitate affordable services to all.

- *Price escalation a part of contracts for PPP players*

An assessment of players in the out-of-hospital diagnostic industry reveals that the revenues are driven mainly by volumes. On the other hand, prices for tests have remained stable or increased only marginally in the range of 0-2% for most players during the fiscals 2017 and 2020 due to competition and added pressure as growth in revenue per test has been declining. However, in case of a player who is engaged in PPP contracts with the government, price escalation is already part of the contract. PPP models provide for a yearly 3-7% price escalation in their contracts. Yet with the base prices being 50 to 60% cheaper than the private players, PPP players thrive in a strong position to attract larger volumes.

| Revenue per patient (Rs.) | FY17 | FY18 | FY19 | FY20 | CAGR (FY17-20) | Revenue per test (Rs.) | FY17 | FY18 | FY19 | FY20 | CAGR (FY17-20) |
|---------------------------|------|------|------|------|----------------|------------------------|------|------|------|------|----------------|
| DLPL                      | 686  | 696  | 684  | 686  | 0%             | DLPL                   | 312  | 305  | 288  | 279  | -3.6%          |
| Metropolis                | -    | 836  | 854  | 857  | 1.2%*          | Metropolis             | -    | 402  | 447  | 437  | 4.2%*          |
| Thyrocare                 | 214  | 204  | 218  | 205  | 2.0%           | Thyrocare              | 222  | 217  | 227  | 216  | 1.7%           |

\* CAGR from fiscal 2018 to fiscal 2020

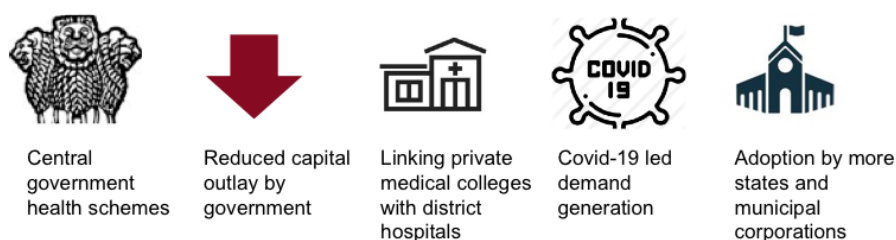
- *Eases management of hospitals towards diagnostic facilities*

Diagnostic services need special management techniques which are different as compared to managing a hospital. Hence it acts in favour of diagnostic players entering in a PPP contract with a hospital as it eases the hospital's burden to manage their diagnostic facility. Diagnostic companies are also able to have adequate back of resources to provide quality services to enhance quality.

### **Growth Drivers for the PPP model**

Apart from the fundamental factors that the healthcare delivery market is driven by, like conducive government policies, rising NCDs in the country, increasing share of aged population along with the other growth drivers such as rising health awareness, growing health insurance coverage and improving affordability, the PPP model thrives on growth drivers such as the below:

#### **Growth drivers for the government-led (PPP model) diagnostic**



Source: CRISIL Research

- *Increasing prevalence of central healthcare-related schemes*

With the rising prevalence of central schemes like Ayushman Bharat, the shift seems likely, which will boost the PPP model in the diagnostic industry. The Prime Minister has also voiced his support for private sector participation in creating a network of public health laboratories under the AB-PMJAY scheme. The NITI Aayog has also come up with draft guidelines for a PPP model in healthcare that involve the private player designing, building, financing, operating and maintaining the medical college and also upgrading, operating and maintaining the associated district hospital.

- *The model helps reduce capital outlay by the government*

As per obligations cited usually in PPP concession agreements, the private player has to procure, finance and undertake the planning, design, development, operation and maintenance of the diagnostic centre. It also involves gaining appropriate proprietary rights, licences, agreements and permissions for materials, methods, processes, and systems which are to be incorporated at the centre, at the expense of the private player. The PPP model defers immediate capital expenditure on the part of the government, and hence, the authorities can manage their budgetary allocations more effectively. The private player gets reimbursed on a timely basis as per its performance over the course of the concession period.

- *Adoption by more states and municipal corporations*

Health comes under the state list and hence, most of the development in the PPP model of diagnostic has been through state government initiatives. The PPP model has gained traction with the pushing of the NHM's Free Diagnostic Initiative. The scheme involves strengthening the diagnostic capabilities and reach of government facilities via the PPP model or in-house. Either way, the private player is involved in the process. Not only states but even municipal corporations are taking advantage of PPP model to boost their healthcare goals.

- *PPP model to link new or existing private medical colleges with functional district hospital*

To address the shortage of qualified doctors and improve the medical education infrastructure, NITI Aayog proposed the PPP model to link new or existing private medical colleges with functional district hospitals to augment medical seats. Under this envisioned model, a concessionaire will design, build, finance, operate and maintain the medical college and also upgrade, operate and maintain the associated district hospital with a minimum annual student intake of 150 MBBS seats. The concessionaire will provide all healthcare services to patients free of cost after the beneficiaries pay the registration fee of ₹10. The scheme, if implemented, will further boost opportunities for diagnostic service providers to facilitate required services under the PPP model. This is because the model concession agreement also aims to provide free/cheap diagnostic services to patients covered under the Ayushman Bharat Yojana or any other state insurance scheme.

#### *COVID-19 has acted as a boost for the PPP scheme*

The COVID-19 pandemic has also highlighted the importance of private participation in diagnostic. To ramp up the testing for COVID-19, the government of Karnataka announced the establishment of RT-PCR labs under the PPP model and has set targets to expedite testing by 3 times. The country saw opening of new labs to tackle the rising volume of testing requirements and to incorporate swiftness in result delivery. One such lab, Krsnaa Diagnostics, was set up in Kalyan, Maharashtra under the PPP model, with capacity of approximately 3,000 tests per day.

#### *Recent Trends in PPP Model across States in India*

As of February 2020, under the Free Diagnostic Initiative, Jammu and Kashmir announced implementation of tele-radiology services, in agreement with Krsnaa Diagnostics. As of January 2020, Punjab also expressed plans for a hub and spoke PPP model to set up diagnostic facilities across civil hospitals the tender for which has been won by Krsnaa Diagnostics. Around September 2019, Uttar Pradesh announced plans for setting up 500 diagnostic centres under this model where HLL Lifecare and Krsnaa Diagnostics are present. The state of Jharkhand had also proposed the implementation of diagnostic centres across 24 districts and three medical colleges. The private players in this PPP project in Jharkhand are Healthmap Diagnostics, SRL Ltd and Medall Healthcare. Karnataka also has a PPP model in place for diagnostic. As of January 2020, Karnataka had CT scan services in 14 district hospitals, MRI facilities in six district hospitals, and radiology services in one medical college (Vijayapura) under the PPP model with Krsnaa Diagnostics.

*State-wise diagnostic players presence under the PPP model*

| Sr. No. | States           | Name of the service provider |                   |                     |                       |              |          |                   |                    |                       |                      |
|---------|------------------|------------------------------|-------------------|---------------------|-----------------------|--------------|----------|-------------------|--------------------|-----------------------|----------------------|
|         |                  | Krsnaa Diagnostics           | Medall Healthcare | Spandan Diagnostics | Healthmap Diagnostics | HLL Lifecare | SRL Ltd. | Sanya Diagnostics | Teresa Diagnostics | Midnapore Diagnostics | Suraksha Diagnostics |
| 1.      | Andhra Pradesh   | ✓                            | ✓                 |                     |                       |              |          |                   |                    |                       |                      |
| 2.      | Assam            | ✓                            |                   | ✓                   |                       |              |          |                   |                    |                       |                      |
| 3.      | Gujarat          |                              |                   | ✓                   |                       |              |          |                   |                    |                       |                      |
| 4.      | Haryana          |                              |                   |                     | ✓                     |              |          |                   |                    |                       |                      |
| 5.      | Himachal Pradesh | ✓                            |                   |                     |                       |              | ✓        |                   |                    |                       |                      |
| 6.      | Jammu & Kashmir  | ✓                            |                   |                     |                       |              |          |                   |                    |                       |                      |
| 7.      | Jharkhand        |                              | ✓                 |                     | ✓                     |              | ✓        |                   |                    |                       |                      |
| 8.      | Karnataka        | ✓                            |                   |                     |                       |              |          |                   |                    |                       |                      |
| 9.      | Madhya Pradesh   | ✓                            |                   |                     |                       |              |          | ✓                 |                    |                       |                      |
| 10.     | Maharashtra      | ✓                            |                   |                     |                       | ✓            |          |                   |                    |                       |                      |
| 11.     | Manipur          | ✓                            |                   |                     |                       |              |          |                   |                    |                       |                      |
| 12.     | Meghalaya        | ✓                            |                   |                     |                       |              |          |                   |                    |                       |                      |
| 13.     | Odisha           | ✓                            |                   |                     | ✓                     |              |          |                   |                    |                       |                      |
| 14.     | Punjab           | ✓                            |                   |                     |                       |              |          |                   |                    |                       |                      |
| 15.     | Rajasthan        | ✓                            |                   |                     |                       |              |          |                   |                    |                       |                      |
| 16.     | Tamil Nadu       | ✓                            | ✓                 |                     |                       |              |          |                   |                    |                       |                      |
| 17.     | Telangana        |                              | ✓                 |                     |                       |              |          |                   |                    |                       |                      |
| 18.     | Tripura          |                              |                   |                     |                       |              |          |                   | ✓                  |                       |                      |
| 19.     | Uttar Pradesh    | ✓                            |                   |                     |                       | ✓            |          |                   |                    |                       |                      |
| 20.     | West Bengal      |                              |                   | ✓                   |                       | ✓            |          |                   |                    | ✓                     | ✓                    |

Note: Tick marks indicate the presence of players in PPP in the particular state(s). Kindly note that the above list is not exhaustive.

Source: CRISIL Research

Northeast region has been a special focus point for government and NHM on account of difficult geographies and socio-economic profiles of the various states. PPP has been key in the expansion of diagnostic services. Free diagnostic scheme has been functional in the region through both PPP and in-house mode. Free Diagnostic Service Initiative has been supported since May 2017 by Spandan Diagnostics (CT scan services), Krsnaa Diagnostics (x-ray), and HLL Lifecare (pathology). Free CT scan services are in place for Assam and Tripura under PPP. Tele-radiology services are functional via outsourcing to private players in Assam, Meghalaya and Tripura. In Tripura, implementation of all schemes under the Free Diagnostic Service Initiative has been driven by Webel Electronic Communication System Limited since Fiscal 2007 (X-ray) and Teresa Diagnostic Centre since March 2017 (CT scan). With respect to Assam, the free CT scans scheme is available across 28 district hospitals, with Spandan Diagnostic as the service provider. Free X-ray services are functional via Krsnaa Diagnostics. In 130 health facilities across Assam. Free pathology services are also provided by HLL Life Care Limited under the PPP model. In Meghalaya, since June 2017, Krsnaa Diagnostics has been providing free pathology services.

## ASSESSMENT OF THE INDIAN DIAGNOSTIC INDUSTRY

### Structure and business models of the diagnostic industry in India

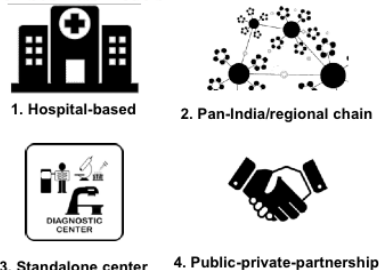
#### Industry structure

##### Based on provision of services



Source: Industry, CRISIL Research

##### Based on business models



Source: Industry, CRISIL Research

- **Hospital-based Diagnostic Centres**

Usually, secondary and tertiary hospitals have their own pathology labs and radiology centres in-house, but some outsource the management of their diagnostic facilities to third-party players. Major hospital chains such as Apollo, HCG, Max, Fortis, etc., have their diagnostic arm, which caters to their requirements. Generally, hospitals prefer to outsource their tests rather than set up an in-house laboratory testing facility. Tertiary hospitals, which may not have the equipment to conduct advanced tests, may also send samples to other high-end labs. Given that equipment for advanced tests is expensive, many hospitals find it economically unviable to operate them owing to low testing volume.

- **Diagnostic Chains**

Diagnostic chains like Dr Lal PathLabs, Krsnaa Diagnostics, Metropolis, SRL Diagnostic and Thyrocare are present either in a specific region/geography or have multi-regional presence and offer either or both pathology and radiology services. There are also prominent regional chains spread across different geographies, such as Vijaya Diagnostic, Medall Healthcare, Suraksha Diagnostic, Suburban Diagnostic, Aarthi Scans, etc, which have been successful in creating a space and brand resonance for themselves. Diagnostic chains adopt a hub-and-spoke model (usually for pathology-centric services), helping them increase their catchment area. Tele-reporting is another new technology offering which has helped increase coverage of players as it provides scope for reporting from any corner of the country. Specialised testing has seen many new entrants such as iGenetics, CORE Diagnostic, etc., since substantial growth is expected in this area owing to the shift in disease epidemiology in the country.

- **Standalone Centres**

Standalone diagnostic centres, which have a single centre, make up for 45-50% share of the market. Low entry barriers and the absence of stringent regulations have helped small pathology labs and radiology centres proliferate. They carry out basic tests that require minimal investment and space and typically have a conventional X-ray and an ultrasound machine.

- **Other Business Models in the Diagnostic Industry in India**

Different business models are being introduced in the diagnostic industry. These are hospital partnerships, PPP model, aggregator model, chained model (via franchisee), players with focus only on niche tests, etc. Diagnostic chains provide a bouquet of services to a diversified clientele, process samples from smaller hospitals and diagnostic centres, and offer corporate wellness programmes. Players such as Healthians operate more on an aggregator-based model, controlling the logistics and quality with partner labs.

- **Government-led (PPP model) diagnostic is an emerging trend in the country**

The government-led (PPP model) diagnostic involves diagnostic players entering into a public-private-partnership agreement with the government to provide specific diagnostic services (pathology, radiology or both) for a specific

concession period at predefined rates. The government-led PPP model for diagnostic is meant to improve health facilities and facilitate accessible healthcare to all, especially to the bottom of the pyramid. In a PPP model, government contributions can vary from providing land lease, upfront capital infusion, to giving financial concessions on the capital infused by the private players, rent-free land and captive customers. Players with established track records and most competitive prices have the chances of winning such PPP tenders. As a provider, the government can contribute towards building infrastructure and managing operations of hospitals and diagnostic centres and, as a payer, it can pay for healthcare services provided by the private sector. The concession period for such agreements is generally long term, for a duration of 10 years. Entities such as Krsnaa Diagnostics operate primarily on a PPP model, which represents a market opportunity of ₹95 billion to ₹100 billion as of Fiscal 2021. Players who have multi-regional presence and players who have a regional presence are also involved in the PPP model. Amongst these players, Krsnaa Diagnostics has the largest presence in the diagnostic PPP space in India.

### ***Hospital-partnership model an emerging trend for the radiology business***

From a radiology business perspective, the hub and spoke model works for player who have multiple centres in a region. In recent times, the hospital-partnership model is an emerging model for radiology players. In this model a hospital typically refers its patients to a radiology player which they have tied-up with. The model gives hospitals an opportunity to reduce their capital outlay towards in-house radiology equipment, offers hospitals better managed services and helps go away with maintenance cost towards radiology equipment too. It also aids hospitals with quality output without having to employ dedicated professionals to run the services for them.

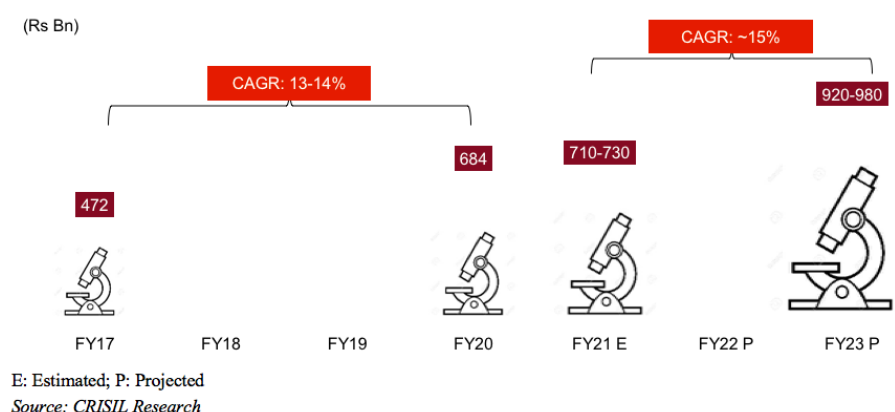
Since diagnostic companies have a singular focus they are able to provide better service thereby ensuring better footfalls which in turn also helps generate more footfalls for the hospitals. Diagnostic companies not only get an advantage of the hospital's captive footfalls but also helps them attain a brand image since they get an opportunity to cater to a large audience. This partnership model also enables a diagnostic to cut down/avoid real estate related expenses in cases where a diagnostic company establishes its service within the hospital premise itself. In such cases the diagnostic company enters into a revenue sharing model with the hospital. The revenue sharing model bodes well for the diagnostic company as the hospital takes an equal responsibility of footfalls.

### **Market Size of the Indian Diagnostic Industry**

*The Indian diagnostic industry has grown consistently over the past three fiscals and is projected to grow at a CAGR of approximately 15% between fiscals 2021 and 2023*

The size of the diagnostic industry is estimated to be approximately ₹710 billion to ₹730 billion in Fiscal 2021, registering a healthy CAGR of 13% to 14%, echoing the growth from healthcare delivery services, over Fiscal 2017's industry size of approximately ₹472 billion. The industry is expected to grow at approximately 15% and achieve a value of ₹920 billion to ₹980 billion in Fiscal 2023 (gaining a gentle push from government expenditure on testing).

**Indian diagnostic industry outlook holds potential for medium term**



There was a significant decline in revenue in April and May 2020, however, the demand experienced a certain amount of revival from June 2020. The pending demand of healthcare contributed to revenues during a traditionally lean quarter from the diagnostic perspective. There was a recovery to pre-COVID-19 levels in the third quarter, with a shift towards specialised testing, increased home collection business and business to customers (B2C).



However, a robust medium-term growth is expected going forward, both from an increase in demand for in-patient treatments (who get treated while being admitted in a hospital) and out-patients (non-hospitalised treatments, including consultancy and day surgeries at hospitals). Moreover, as literacy rates and disposable incomes rise, individuals increasingly demand better healthcare facilities and quality of care, leading to high volume growth of in-patients and out-patient treatments. The rise in healthcare demand has also received a lift from the increase in urbanisation and lifestyle-related diseases, such as cardiac diseases, diabetes and cancer, prompting many healthcare-service providers to enhance their offerings in metropolitan areas and Tier-I and II cities.

### COVID-19 has been a growth boost for private labs and PPP players:

While regular business took a backseat during the first half of Fiscal 2021, COVID-19 testing helped larger players. Large pan-India chain players disclosures revealed that most players were able to revive non-COVID-19 revenues by the second and third quarter of Fiscal 2021. However, the second wave caused a re-emergence of COVID-19 test in the fourth quarter of Fiscal 2021 for most players. Average realisation per test and per patient witnessed a declining trend in Fiscal 2021 primarily due to reduction in COVID-19 test pricing across various states in India.

Indian Council of Medical Research (“ICMR”) has approved approximately 1,457 private labs for COVID-19 testing as of July 14, 2021). With the requisite permission from ICMR to venture into COVID-19 testing, these are large accredited labs who have reverse transcription polymerase chain reaction (“RT-PCR”) testing capabilities, leaving small labs with minimal revenue during these times.

### Pathology and radiology are both equally important segments of the diagnostic industry

Over the past three fiscals, radiology has gained share from approximately 41% in Fiscal 2017 to approximately 43% in Fiscal 2020. Radiology has grown at a slightly higher rate of approximately 14% CAGR from Fiscals 2017-20 as compared to approximately 12% CAGR for pathology as a business, during the same period. Going forward, the share of radiology is projected to account for 43% to 44% in Fiscal 2023 on account of a strong growth momentum at a CAGR of 16% to 18% from Fiscals 2021 and 2023, higher than pathology, which is expected to grow at a CAGR of 15% to 17% during the same period.

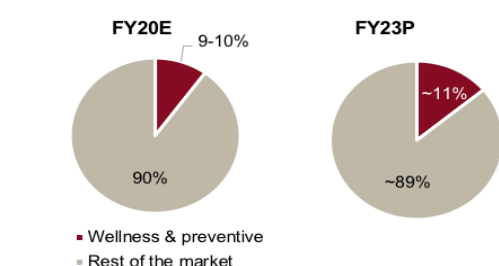
*COVID-19 has further accelerated demand for radiology thus also increasing its share within diagnostic services over the next three fiscals*

However, increasingly, RT-PCR testing has been used for COVID-19 due to its higher sensitivity. Radiology has been crucial to gauge the intensity of infection, especially in the lungs. Hence, a lot of impetus has been given to chest CT by practitioners to detect any early warnings.

- Preventive and wellness testing packages to gain impetus going ahead

Mid-sized to large diagnostic chains and hospital-based diagnostic centres are increasingly packaging and marketing their test menus in the form of preventive and wellness packages. These health packages help identify pre-existing diseases or the likely risk from particular diseases before the actual symptoms appear. The tests are expected to help people take corrective action before any chronic conditions take hold.

Many diagnostic chains are currently providing bundled services (primarily comprising pathological tests along with basic imaging tests). Corporate tie-ups occur majorly with accredited labs, which fall under the chained diagnostic category. For wellness test services to be successful, substantial investments for marketing, a wide distributed network and a strong brand are vital. Therefore, diagnostic chains have more potential to absorb and cater to the new demand for preventive health and wellness packages.



E: Estimated; P: Projected;

Source: Industry, CRISIL Research

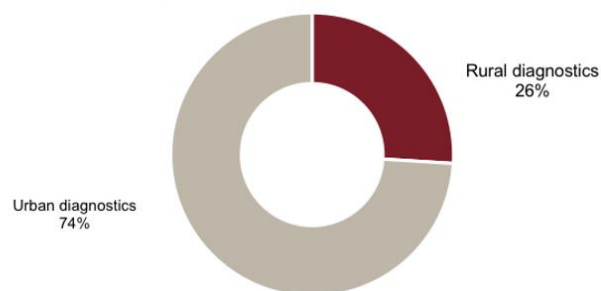
CRISIL Research estimates the overall market for wellness and preventive diagnostic was nearly 9-10% of the total diagnostic services industry in fiscal 2020. Rising disposable income combined with improving literacy is set to increase awareness about preventive healthcare, thereby boosting demand for diagnostic services. This segment is expected to account for around 11%, clocking a CAGR of 20-21% over the next three years (FY23).



Rural areas account for only 26% of revenue in the diagnostic industry thus implying a huge gap awaiting to be served

The industry can also be broadly separated into urban and rural centres, on the basis of provision of services in different areas. Urban centres typically have modern facilities and higher prices for tests. These facilities are usually located at public and private hospitals, clinics or are in the form of standalone centres or diagnostic chains. Rural centres are largely primary health centres, government dispensaries and private dispensaries that have small-scale facilities and carry out basic tests. For more advanced diagnostic tests, rural patients are referred to the nearest urban centre, therefore, also proving that there is a huge gap within healthcare services to be served in rural India. India's rural population (approximately 70% of India's total population) is expected to contribute only 26% of revenue of the overall diagnostic market.

Service-wise break-up of diagnostic industry (2020-21E)



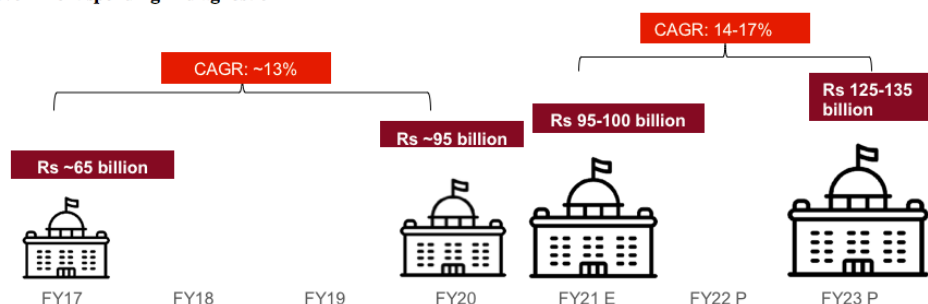
E: Estimated;

Note: CRISIL Research defines urban areas as consisting of metropolitan areas, Tier-I and II cities, as well as smaller cities as classified by the Census 2011. Urban centres are classified as units or towns with a municipality, corporation, cantonment board or notified town area committee, etc. Urban centres also fulfill the following criteria: have a minimum population of 5,000, about 75% of male main work force is engaged in non-agricultural work, and town has a density of population of at least 400 people per sq. km. All other areas which do not fulfill the requirements of urban centres are classified as rural centres. Source: CRISIL Research

Government spending towards diagnostics is expected to grow at a CAGR of 14% to 17% between Fiscals 2021 and 2023

The Government's share in the overall hospital-based diagnostic centres was approximately 35% to 40% amounting to approximately ₹95 billion in Fiscal 2020, having grown at a CAGR of approximately 13% from its value in Fiscal 2017. Going forward, the Government's share within the diagnostic industry is projected to grow at a CAGR of 14% to 17% amounting to ₹125 billion to ₹135 billion in Fiscal 2023, driven by government-led programmes, extensive PPP models to ensure higher penetration of diagnostic facilities in underpenetrated rural India and increasing focus towards healthcare at municipal corporation level.

Government spending in diagnostic



E: estimated; P: projected

Source: CRISIL Research

## Fundamental growth drivers and risks for the diagnostic industry in India

### Fundamental growth drivers



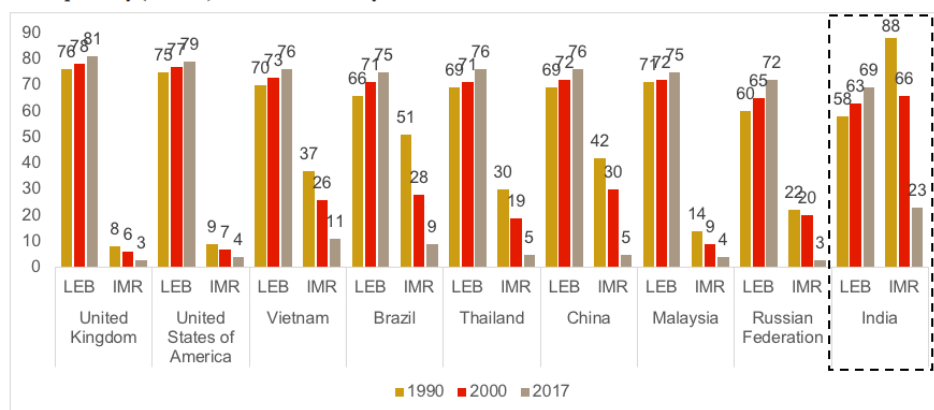
Source: CRISIL Research

A combination of economic and demographic factors is expected to drive healthcare demand in India. The Ayushman Bharat Pradhan Mantri Jan Arogya Yojana (“**PMJAY**”) scheme launched by the Government would also support these drivers in the long term. Health and wellness packages focussing on preventive healthcare amid rising NCD-related deaths are likely to fuel demand for healthcare services in general, and diagnostic services in particular. NCDs are believed to exhibit a tendency to increase along with rising income levels. Moreover, the WHO projects an increase in NCDs by 2030. The demand for healthcare services associated with lifestyle-related diseases such as cardiac ailments, cancer and diabetes to increase, is forecasted to likely be the driving force for the Indian diagnostic industry.

*With life expectancy improving and changing demographic profile, healthcare services are considered as an essential requirement*

With improving life expectancy, the demographic of the country is also experiencing a change. As of December 31, 2011, approximately 8% of the Indian population was of 60 years or more, and this is expected to increase to 12.5% by 2026. Higher vulnerability of this age group to health-related issues is an accepted fact.

**Life expectancy (at birth) and infant mortality rate: India vs other**

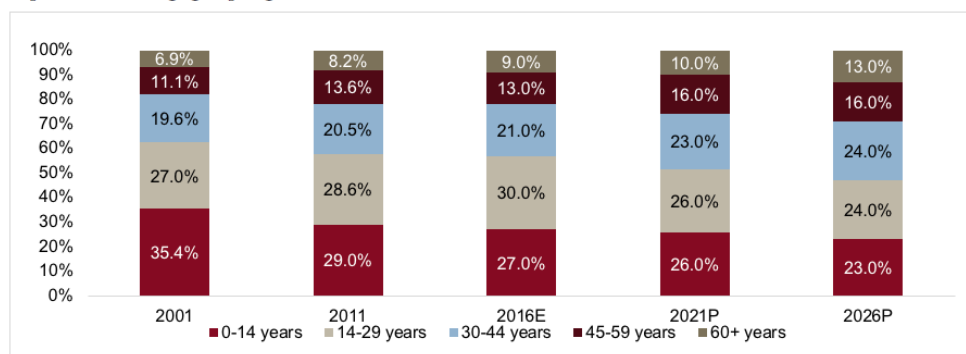


Note: LEB – Life expectancy at birth; IMR – Infant mortality rate (probability of dying by age of 1 per 1000 live births)

Source: WHO World Health Statistics 2020

According to the Report on Status of Elderly in Select States of India, 2011, published by the United Nations Population Fund (‘UNFPA’) in November 2012, chronic ailments, such as arthritis, hypertension, diabetes, asthma, and heart diseases, were commonplace among the elderly, with approximately 66% of the respective population reporting at least one of these. In terms of gender-based tendencies, while men are more likely to suffer from heart, renal and skin diseases, women showed higher tendencies of contracting arthritis, hypertension, and osteoporosis.

**Population in 60+ age group to grow faster**



Source: Census, CRISIL Research

With the Indian population is expected to grow to approximately 1.4 billion by 2026 and, considering the above-mentioned factors, the need to ensure healthcare services to this vast populace is an imperative which provides a huge opportunity to expand into a space that bears huge potential.

#### *Rising income levels to make quality healthcare services more affordable and preferred*

Growth in household incomes and, consequently, disposable incomes are critical to the overall growth in demand for healthcare delivery services in India. The share of households falling in the income bracket above ₹0.2 million is expected to go up to 35% in Fiscal 2022 from 23% in Fiscal 2017, providing potential target segment (with more paying capacity) for hospitals. The rising income levels also fares in favour of diagnostic industry. As income levels increase, it emphasises higher spending on preventive and wellness tests, and accordingly, is expected to turn out to be beneficial for the diagnostic industry.

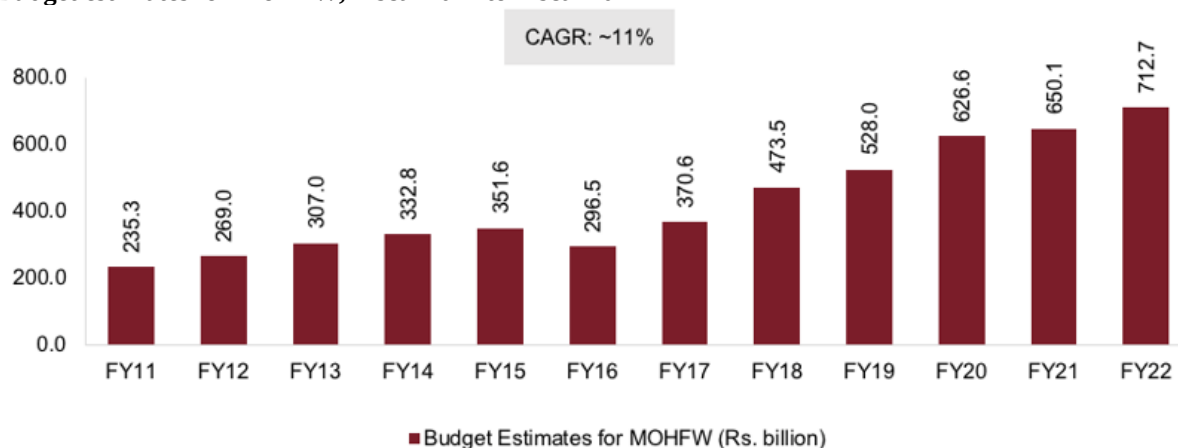
#### *Increasing health awareness to boost the hospitalisation rate and preventive and wellness tests*

With increasing urbanisation (migration of population from rural to urban areas), awareness among the general populace regarding presence and availability of healthcare services for both preventive and curative care is expected to increase. The hospitalisation rate for in-patient treatment as well as walk-in out-patients is expected to improve with increased urbanisation and increasing literacy, and therefore, paving way for the growth of diagnostic industry as well. With increase in penetration to rural India through various Government schemes and programmes, the opportunity for players involved in PPP shall also increase significantly going forward.

*Union Budget allocation towards healthcare experienced a growth at a CAGR of 11% between Fiscals 2011 to 2022*

The healthcare budget has experienced increases year-on-year. Between Fiscals 2011 and 2022, the budget for the MoHFW registered a growth at a CAGR of 11%. In recent years, the utilisation rate has been 100% or above, as has been the case since Fiscal 2016. This is also a strong growth driver for the industry and particularly the PPP initiative from Government in order to achieve the Government's goal of providing healthcare services to all.

#### **Budget estimates for MoHFW, Fiscal 2011 to Fiscal 2022**



Source: Union Budgets, CRISIL Research

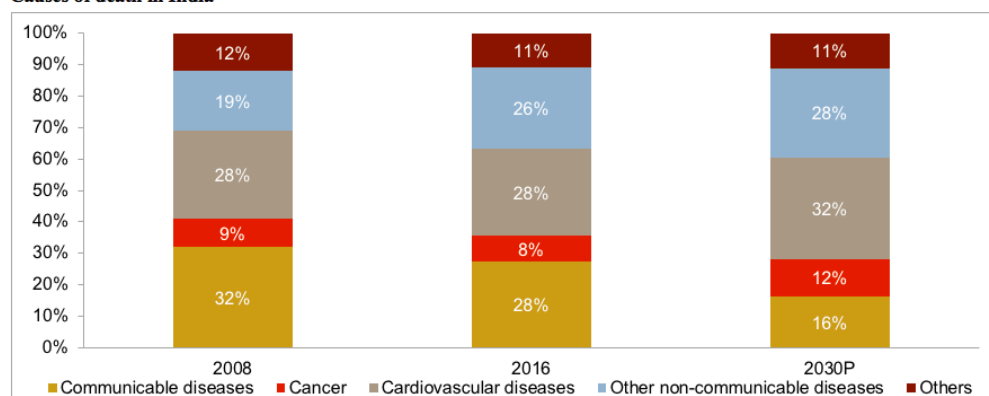
### Non-communicable diseases (“NCDs”)

As opposed to the decreasing rate in communicable diseases, lifestyle-related illnesses or NCDs have been increasing rapidly in India over the past few years. The contribution of NCDs to the disease profile has increased from 30% in 1990 to 55% in 2016. Such illnesses accounted for approximately 62% of all deaths in India in 2016.

As per the World Economic Forum, internationally approximately US\$ 30 trillion is expected to be lost by 2030 for NCD treatments and India’s is expected to account for US\$ 5.4 trillion. In 2016, of the total disease burden, the contribution of group of risks (unhealthy diet, high blood pressure, high blood sugar, high cholesterol and overweight), which primarily causes ischemic heart disease, stroke and diabetes, has increased to approximately a quarter.

CRISIL Research believes that NCDs exhibit a tendency to increase in tandem with rising income. The NCDs also entail higher and repetitive diagnostic investigations and result in higher demand for diagnostic tests.

**Causes of death in India**



Source: WHO global burden of disease, India: Health of the Nation's States, CRISIL Research

### Growing health insurance penetration to push demand for the overall healthcare delivery market including diagnostics

According to the Insurance Regulatory and Development Authority (‘IRDA’), approximately 499 million people have health insurance coverage in India in Fiscal 2020, in comparison to approximately 288 million in Fiscal 2015. However, despite this robust growth, the penetration in Fiscal 2020 was only 36%.

The share of Government-provided insurance is greater due to insurance policies availed of by individuals not covered under any schemes. Government or government-sponsored schemes, such as, the Central Government Health Scheme (‘CGHS’), Employee State Insurance Scheme (‘ESIS’), Rashtriya Swasthya Bima Yojana (‘RSBY’), Rajiv Arogyasri (Andhra Pradesh Government), Kalaighar (Tamil Nadu Government) account for 73% of health insurance coverage provided. The remaining is through commercial insurance providers, both government (Oriental Insurance and New India Assurance) and private (ICICI Lombard and Bajaj Allianz) players.

### Key risks

The industry faces skilled manpower shortage, rising costs of technology upgradation and aggressive pricing in an intensely competitive market.

#### Shortage of skilled manpower

Considerable shortage of full-time doctors and staff in the diagnostics industry prompts several labs to recruit them on an hourly basis, with many visiting more than one lab. Another area of concern is the training and retention of critical employees such as lab technicians, who are employed at labs and collections centres for the collection and preservation of patient samples. The situation is even more critical for standalone diagnostic centres, which may not be able to employ well-trained lab technicians and pathologists, thereby affecting the quality of outcomes.

### High cost of technical advancement

Diagnostic centres have to constantly upgrade their technology to stay ahead of the competition. However, these upgrades not only involve significant capital investment, but also increase maintenance cost, thereby increasing overheads. Capital intensity is higher for advanced radiology and molecular diagnostics, which require high-end equipment.

### Intense competition

Apart from prominent pan-India and regional diagnostic chains/centres, the diagnostics industry is highly fragmented. Since this sector has negligible-to-few entry barriers and is largely unregulated, small labs have proliferated. The chained diagnostic chains face competition amongst themselves in terms of patient sample volumes and aggressive pricing of tests, causing the profitability of major chains to remain bound in the near future. However, the last decade has seen consolidation by diagnostics chains via acquisition of labs across the country as well as establishment of regional reference labs to enhance penetration.

### Geographical concentration

Many small diagnostic chains operating three or four labs and concentrated in a particular place or region are susceptible to the demand-supply dynamics of that particular location.

## COMPETITIVE MAPPING OF KEY PLAYERS

Data in this section has been obtained from publicly available sources, including annual reports and investor presentations of listed players, regulatory filings, rating rationales, and/or company websites, as relevant.

All financial information included in this section is based on the audited financial information of such companies.

For this assessment, the key players considered include: Dr Lal PathLabs Limited (“**DLPL**”), Krsnaa Diagnostics Private Limited (“**Krsnaa**”), Metropolis Healthcare Limited (“**Metropolis**”), Suburban Diagnostics India Private Limited (“**Suburban**”), SRL Limited (“**SRL**”), Thyrocare Technologies Limited (“**Thyrocare**”) and Vijaya Diagnostic Centre Private Limited (“**Vijaya**”).

### Key Financial Parameters

| Key financials (FY21) | Op. income   |                  |                  | OPBDIT       |                  | PAT          |                  |                  |
|-----------------------|--------------|------------------|------------------|--------------|------------------|--------------|------------------|------------------|
|                       | (Rs million) | Y-o-y growth (%) | CAGR (FY18-FY21) | (Rs million) | CAGR (FY18-FY21) | (Rs million) | Y-o-y growth (%) | CAGR (FY18-FY21) |
| <b>DLPL</b>           | 15,818       | 19%              | 14%              | 4,368        | 18%              | 2,965        | 30%              | 20%              |
| <b>SRL</b>            | 10,321       | 2%               | 2%               | 1,711        | 4%               | 1,312        | 53%              | 20%              |
| <b>Metropolis *</b>   | 9,980        | 16%              | 16%              | 2,860        | 17%              | 1,830        | 43%              | 18%              |
| <b>Thyrocare</b>      | 4,967        | 14%              | 11%              | 1,734        | 4%               | 1,132        | 28%              | 7%               |
| <b>Krsnaa #</b>       | 2,883        | 58%              | 47%              | 943          | 41%              | 1,849        | n.m.             | 236%             |
| <b>Vijaya **</b>      | 3,768        | 11%              | 15%              | 1,660        | 28%              | 849          | 36%              | 35%              |
| <b>Suburban ##</b>    | 1,701        | 14%              | 13%              | 144          | n.m.             | 76           | n.m.             | n.m.             |

Notes: Players have been arranged in descending order of their operating income; The financials above are compared at a consolidated level for all companies except for Krsnaa and Suburban which are on standalone basis; Op. income: Operating income; OPBDIT: Operating profit before depreciation, interest and tax; PAT: Profit after tax; n.m.: Not Meaningful; Operating income for companies have been represented based on CRISIL Research's internal classification and it does not take into account non-operating income.

\* FY21 financials for Metropolis have been calculated basis quarterly disclosures made by the company.

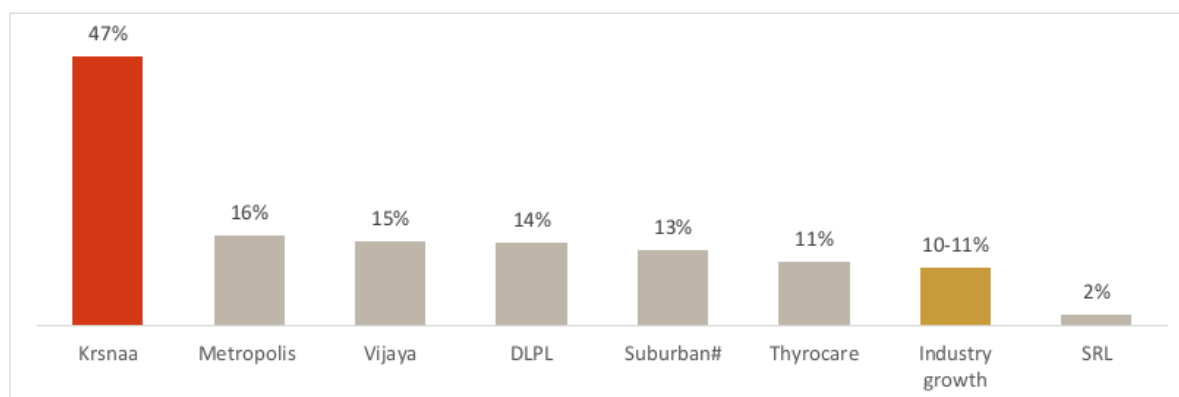
# For Krsnaa, Net revenue from operations has been considered which is equal to gross revenue from operations less revenue shared with hospitals & others. Gross revenue from operations for Krsnaa stand at Rs 3,965 million as of FY21. For all other companies only one revenue classification has been reported.

\*\* FY21 financials for Vijaya have been calculated basis Draft Red Herring Prospectus (DRHP) filled by the company dated June 5, 2021.

## Financials are as of FY20 and three year CAGR has been calculated from FY17 to FY20.

Source: Companies' annual reports, MCA filings, CRISIL Research

Operating income CAGR over fiscal 2018 to fiscal 2021 for select diagnostic players compared with the diagnostic industry CAGR over fiscal 2018 to fiscal 2021

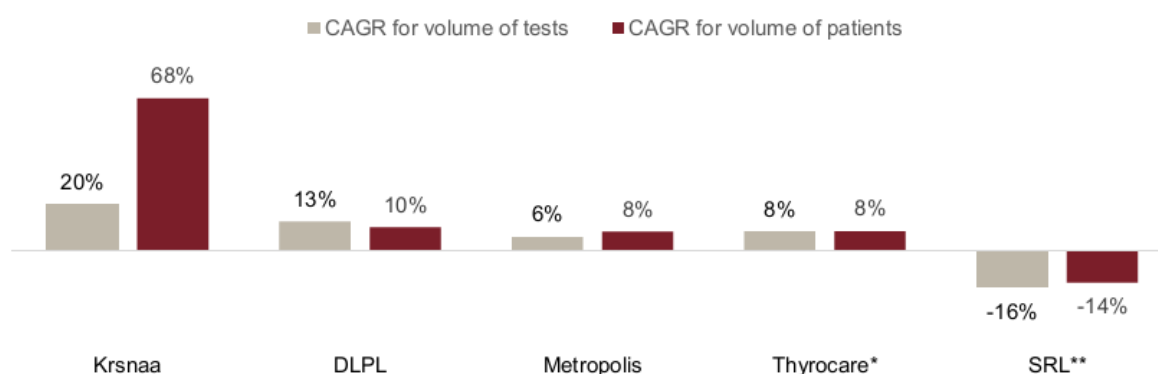


Note: Operating income for companies have been represented based on CRISIL Research's internal classification.

# Three year CAGR for Suburban has been calculated from FY17 to FY20.

Source: Companies' annual reports, MCA filings, CRISIL Research

CAGR in terms of volume of tests from fiscal 2018 to fiscal 2021



\*The figure for Thyrocare is for the period FY18 to FY20.

\*\*The figure for SRL represents CAGR between FY21 and FY19 due to change in the level of disclosures between fiscal 2018 and 2019.

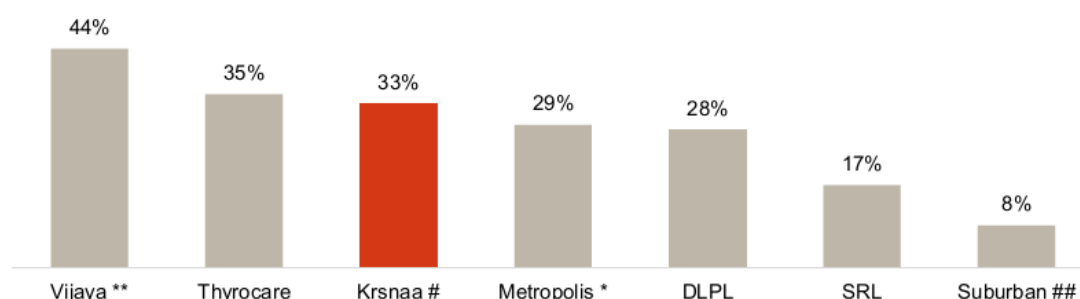
Source: Company annual reports/investor presentations, company website, CRISIL Research

### Key Observations

- The operating income of the players compared above has grown at a CAGR in the range of 11% to 16% during Fiscals 2018 and Fiscal 2021. Krsnaa registered the highest CAGR of 47% during Fiscals 2018 and 2021, followed by Metropolis with 16% and Vijaya with 15% among the key players considered above.
- In comparison to the diagnostic industry which grew at a CAGR of 10% to 11% during Fiscal 2018 and Fiscal 2021, Krsnaa indicated growth at higher CAGR of approximately 64% during the same period among the other key players compared above. Krsnaa's high growth can be attributed to the similar growth in volume of patients that it has been able to serve during Fiscal 2018 and Fiscal 2021.
- In terms of CAGR of the volume tests conducted during Fiscal 2018 to Fiscal 2021 among DLPL, SRL, Metropolis, Thyrocare and Krsnaa, Krsnaa represented the top position with a CAGR of 20% followed by DLPL with a CAGR 13% during the same period.
- In terms of year-on-year growth comparison of the key players compared above for operating income between Fiscal 2020 and Fiscal 2021, Krsnaa had the highest year-on-year growth rate of 53% followed by DLPL at 19%.

- In terms of CAGR for OPBDIT between Fiscals 2018 and 2021, Krsnaa registered a CAGR of 41% and was the leading player among the key players compared above with a significant margin over the other key players. This can be attributed to Krsnaa's high share from the radiology segment, which accounted for approximately 41%. Krsnaa is a large radiology diagnostic chain having a pan-India presence across 14 states with 1,365 radiology focused centres as at March 31, 2021. Krsnaa is also one of the largest customers of Wipro GE in Asia.
- In terms of the PAT growth over Fiscal 2018 and Fiscal 2021, Krsnaa registered the highest CAGR of 236% among the key players compared above, followed by Vijaya, with a CAGR of 35% during the same period.

#### **OPBDIT margin of select diagnostics players for fiscal 2021**



*Note: Players have been arranged in decreasing order of their OPBDIT margin; The financials above are compared at a consolidated level for all companies except for Krsnaa and Suburban which are on standalone basis; OPBDIT margin = OPBDIT / operating income;*

*\* FY21 OPBDIT margins for Metropolis have been calculated basis quarterly disclosures made by the company.*

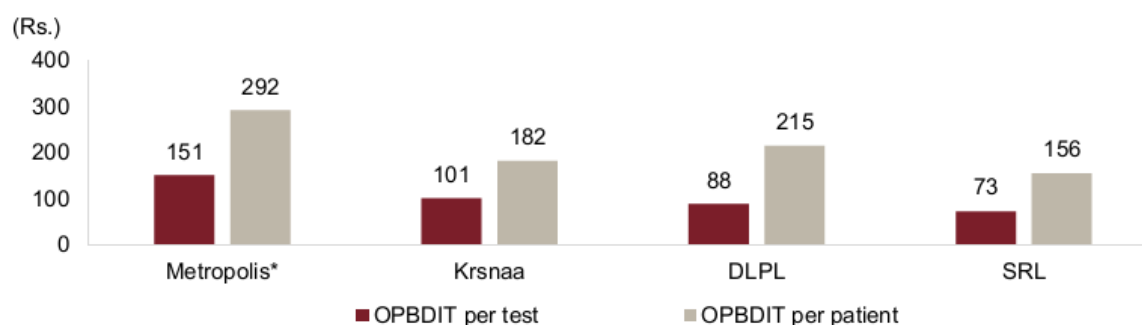
*# For Krsnaa, Net revenue from operations (which is equal to gross revenue from operations less revenue shared with hospitals & others) has been considered for OPBDIT margin calculation.*

*\*\* FY21 OPBDIT margins for Vijaya have been calculated basis Draft Red Herring Prospectus (DRHP) filled by the company dated June 5, 2021.*

*## OPBDIT margins are as on FY20.*

*Source: Companies' annual reports, MCA filings, CRISIL Research*

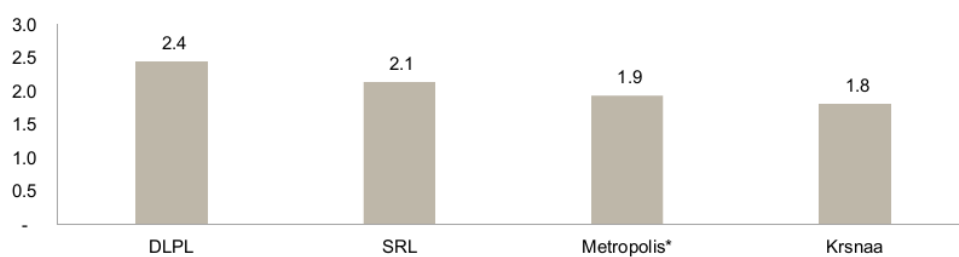
#### **OPBDIT per patient for key players (Rupees), fiscal 2021**



*\* FY21 data for Metropolis have been calculated basis quarterly disclosures made by the company*

*Source: Company annual reports/investor presentations, CRISIL Research*

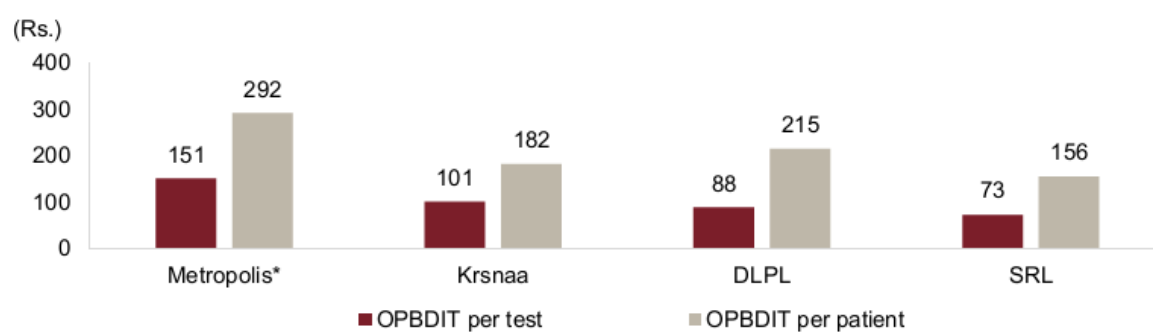
*Average tests per patients for key players, fiscal 2021*



*\* FY21 data for Metropolis have been calculated basis quarterly disclosures made by the company*

*Source: Companies' annual reports/investor presentations, CRISIL Research*

*OPBDIT per test and per patient for key players, fiscal 2021*



*\* FY21 data for Metropolis have been calculated basis quarterly disclosures made by the company*

*Source: Company annual reports/investor presentations, CRISIL Research*



**Price comparison for key pathology and radiology tests among diagnostic players**

| City: Pune    |                          |                                  |                   |                                     |        |                                        |                       |
|---------------|--------------------------|----------------------------------|-------------------|-------------------------------------|--------|----------------------------------------|-----------------------|
| Segment       | Test                     | Metropolis                       | Dr. Lal Pathlabs  | SRL                                 | Krsnaa | Difference in Krsnaa's test prices wrt |                       |
| (Price in Rs) |                          |                                  |                   |                                     |        | Min price among peers                  | Max price among peers |
| Pathology     | CBC                      | 250                              | 250               | 200                                 | 146    | -27%                                   | -42%                  |
| Pathology     | Blood sugar (Fasting/PP) | 85                               | 80                | 70                                  | 26     | -63%                                   | -69%                  |
| Pathology     | Thyroid                  | 500                              | 550               | 550                                 | 216    | -57%                                   | -61%                  |
| Pathology     | Vitamin D                | 1,500                            | 1,250             | 1,450                               | 595    | -52%                                   | -60%                  |
| Pathology     | Vitamin B12              | 1,000                            | 1,100             | 1,300                               | 243    | -76%                                   | -81%                  |
| Pathology     | HbA1C                    | 550                              | 440               | 400                                 | 141    | -65%                                   | -74%                  |
| City: Pune    |                          |                                  |                   |                                     |        |                                        |                       |
| Segment       | Test                     | Star Imaging and Research Centre | Sahyadri Hospital | Primus Diagnostic & Research Centre | Krsnaa | Difference in Krsnaa's test prices wrt |                       |
| (Price in Rs) |                          |                                  |                   |                                     |        | Min price among peers                  | Max price among peers |
| Radiology     | CT Brain                 | 4,500                            | 4,500             | 3,500                               | 2,000  | -43%                                   | -56%                  |
| Radiology     | MRI Brain                | 8,000                            | 8,250             | 7,000                               | 3,500  | -50%                                   | -58%                  |

| City: Nashik  |                          |                                |                               |                    |        |                                        |                       |
|---------------|--------------------------|--------------------------------|-------------------------------|--------------------|--------|----------------------------------------|-----------------------|
| Segment       | Test                     | Metropolis                     | Dr. Lal Pathlabs              | Medall             | Krsnaa | Difference in Krsnaa's test prices wrt |                       |
| (Price in Rs) |                          |                                |                               |                    |        | Min price among peers                  | Max price among peers |
| Pathology     | CBC                      | 250                            | 250                           | 250                | 140    | -44%                                   | -44%                  |
| Pathology     | Blood sugar (Fasting/PP) | 85                             | 60                            | 60                 | 56     | -7%                                    | -34%                  |
| Pathology     | Thyroid                  | 500                            | 750                           | 550                | 230    | -54%                                   | -69%                  |
| Pathology     | Vitamin D                | 1,500                          | 1,500                         | 1,250              | 595    | -52%                                   | -60%                  |
| Pathology     | Vitamin B12              | 1,000                          | 800                           | 800                | 259    | -68%                                   | -74%                  |
| Pathology     | HbA1C                    | 550                            | 600                           | 400                | 150    | -63%                                   | -75%                  |
| City: Nashik  |                          |                                |                               |                    |        |                                        |                       |
| Segment       | Test                     | Vinchurkar Diagnostics Pvt Ltd | Sai Hi-Tech Diagnostic Centre | Samarth Diagnostic | Krsnaa | Difference in Krsnaa's test prices wrt |                       |
| (Price in Rs) |                          |                                |                               |                    |        | Min price among peers                  | Max price among peers |
| Radiology     | CT Brain                 | 2,000                          | 2,000                         | 2,500              | 1,100  | -45%                                   | -56%                  |

Note: CRISIL Research has adopted a mix of two approaches to collect the data represented in the above table; one is referring company websites of Metropolis and SRL to get prices of particular pathology tests in the city of Pune and Nashik and second is by means of primary sourcing through telephonic calls for players especially offering radiology services in both cities of Pune and Nashik. Prices of tests for Krsnaa diagnostics represented hereby is as per data provided by the company to CRISIL Research. The data represented in the table above is as on 28<sup>th</sup> April 2021.

Source: Industry, CRISIL Research

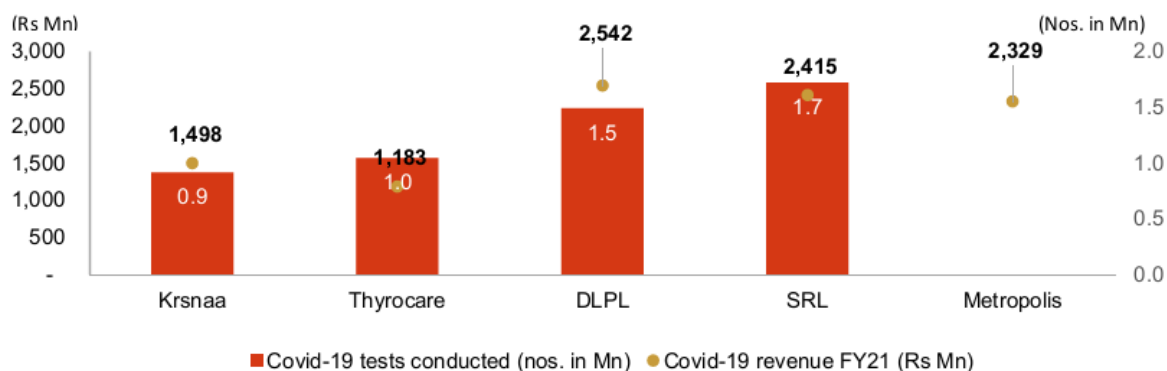
**Key Observations**

- The top three players, among the ones under assessment, with the highest OPBDIT margin for fiscal 2021 are Vijaya (44%), Thyrocare (35%) and Krsnaa (33%).
- Krsnaa's radiology tests are priced 45-60% lower than market rates while pathology tests are 40-80% lower than market rates. Despite offering services at almost 50-60% lower than its peers, Krsnaa has depicted good OPBDIT margins. This indicates Krsnaa's strong cost leadership over its peers. Further Krsnaa's lower price points make it resilient to any future price capping that the peers are susceptible to, in terms of the erstwhile price cap of ₹4,500 for RT-PCR which was significantly revised downwards to ₹500-1,500 by different states. However, since Krsnaa frequently enters into PPP contracts, price escalation in the range of 3% to 5% is taken

care in the contract agreements as against the peers who are vulnerable to price adjustments and variations in the overall market.

- In terms of OPBDIT per test and OPBDIT per patient Krsnaa fared better among the peers considered above. Krsnaa with an OPBDIT per test of ₹101 in Fiscal 2021 fared better compared with DLPL (₹88) and SRL (₹73). Krsnaa with an OPBDIT per patient of ₹182 in Fiscal 2021 fared better compared with SRL (₹156) during the same period.

#### COVID-19 testing revenue and volume of major players for Fiscal 2021



Source: Company annual reports/investor presentations, CRISIL Research

#### Key Observation

- In terms of the COVID-19 revenue for the key players compared above, DLPL is the leader, followed with SRL and Metropolis. Krsnaa registered ₹1,498 million in COVID-19 revenue as of Fiscal 2021. However, in terms of test volumes for the key players compared above, SRL is the leader with 1.7 million tests during Fiscal 2021 followed by DLPL. Thyrocare and Krsnaa stood almost at par with each other with 0.9 million tests and 1.0 million tests conducted respectively during Fiscal 2021. Krsnaa (₹1,498 million) however witnessed a higher COVID-19 revenue during Fiscal 2021 than Thyrocare (₹1,183 million).

#### Presence of Players in the PPP model

| Company    | Year of Incorporation | Geographic Presence      | Presence in PPP Model | Diagnostic Services Offered          |
|------------|-----------------------|--------------------------|-----------------------|--------------------------------------|
| DLPL       | 1995                  | Pan India, international | Yes <sup>^</sup>      | Pathology, radiology <sup>#</sup>    |
| Krsnaa     | 2011                  | Pan India                | Yes                   | Pathology, radiology, tele-radiology |
| Metropolis | 1981                  | Pan India, international | Yes*                  | Pathology <sup>#</sup>               |
| Suburban   | 2002                  | Western India            | NA                    | Pathology, radiology <sup>#</sup>    |
| SRL        | 1997                  | Pan India, international | Yes                   | Pathology, radiology, tele-radiology |
| Thyrocare  | 2000                  | Pan India, international | No                    | Pathology, radiology <sup>#</sup>    |
| Vijaya     | 2002                  | Mainly South India       | NA                    | Pathology, radiology, tele-radiology |

\*Metropolis is involved in PPP with NACO for viral load tests

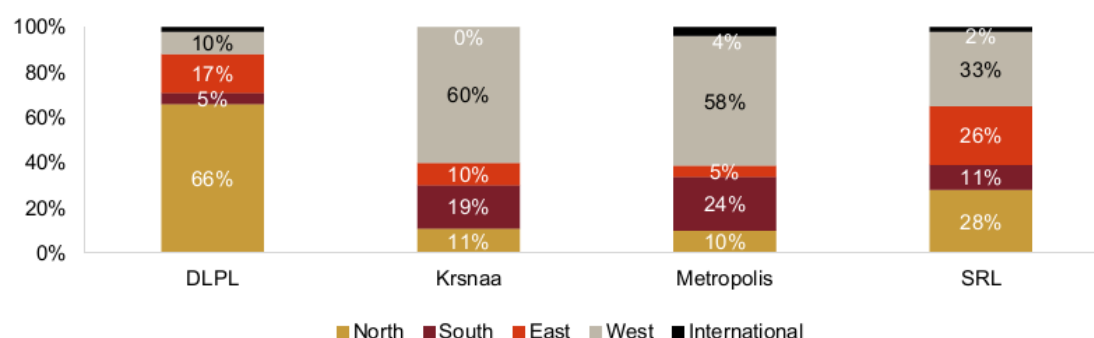
<sup>^</sup> Indo-Tibetan Border Police Force (ITBPF) empaneled Dr. Lal PathLabs to provide pathology services (at CGHS rates) to its retired and serving employees as well as their dependents on company owned PAN India network of DLPL as per a circular dated 19.02.2019 released by the Directorate General, ITBP force, MHA, Gov. of India

NA: Sufficient disclosures were not available by the company or in secondary domain to comment on the company's presence in PPP model

<sup>#</sup>: Sufficient disclosures were not available by the company or in secondary domain to comment on the company's presence in tele-radiology business

Source: Company annual reports/investor presentations/company website, CRISIL Research

### Geography-wise revenue break-up of key players as of fiscal 2021



Notes: All players' regional bifurcation have been represented as presented in the respective company annual reports/investor presentations for fiscal 2021. Players have been arranged in ascending order of their names alphabetically.

CRISIL Research has considered the following bifurcation of states into regions for Krsnaa: The West includes Maharashtra, Goa, Gujarat, and Madhya Pradesh; North includes Uttarakhand, Delhi, Haryana, Rajasthan, Bihar, Himachal Pradesh, Jammu and Kashmir, Punjab, Uttar Pradesh, and Chandigarh; South includes Andhra Pradesh, Telangana, Karnataka, Kerala, Tamil Nadu, Andaman and Nicobar Islands, and Puducherry; East includes West Bengal, Chhattisgarh, Jharkhand, Odisha, Meghalaya, Assam, Arunachal Pradesh, Sikkim, Mizoram, Nagaland, Tripura, and Manipur

### Key Observations

- Krsnaa is one of the largest differentiated diagnostic service provider in India, i.e. diagnostic player involved majorly in the PPP model of diagnostics with a revenue of over ₹1,500 million having presence across pan-India and providing specialized diagnostic services including radiology, pathology and tele-radiology services. Krsnaa is one of the leading players under the PPP model, with a pan-India presence across 14 states. Approximately 67.5% of Krsnaa's revenues in Fiscal 2021 are on account of various PPP tie-ups which Krsnaa has entered into. Among the other pan-India large players, SRL is involved in PPP with centres in Jharkhand, Himachal Pradesh and Tirupati (pilgrimage centre in Andhra Pradesh); Metropolis is involved in PPP with NACO for viral load tests and DLPL is empanelled by Indo-Tibetan Border Police Force ('ITBPF') to provide pathology services (at CGHS rates) to its retired and serving employees as well as their dependents on company owned PAN India network of DLPL.

CRISIL Research defines 'large' diagnostic players as those with revenue over ₹1,500 million.

## OUR BUSINESS

*Some of the information in this section, including information with respect to our business plans and strategies, contain forward-looking statements that involve risks and uncertainties. You should read “Forward-Looking Statements” on page 17 for a discussion of the risks and uncertainties related to those statements and also “Risk Factors”, “Restated Financial Statements” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” beginning on pages 24, 201 and 288, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.*

*Unless otherwise indicated or the context otherwise requires, the financial information included herein is based on or derived from our Restated Financial Statements included in this Prospectus. For further information, see “Restated Financial Statements” beginning on page 201.*

*Unless otherwise indicated or the context otherwise requires, in this section, references to “the Company”, “our Company”, “we”, “us” or “our”, are to Krsnaa Diagnostics Limited.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled “Assessment of the diagnostic industry in India with a special focus on government spending” dated July 2021 (the “CRISIL Report”) exclusively prepared and issued by CRISIL Limited commissioned by and paid for by us in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. See also, “Risk Factors – Industry information included in this Prospectus has been derived from an industry report commissioned by us for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate” on page 42.*

### Overview

We are one of the largest differentiated diagnostic service provider in India (Source: CRISIL Report). We provide a range of technology-enabled diagnostic services such as imaging (including radiology), pathology/clinical laboratory and tele-radiology services to public and private hospitals, medical colleges and community health centres pan-India. We are the fastest growing diagnostic chain in India on multiple parameters including operating income, operating profit before depreciation, interest and tax (“OPBDIT”) and profit after tax between Fiscal 2017 and Fiscal 2020 and volume of tests conducted between Fiscal 2018 and Fiscal 2021 (amongst players with revenues exceeding ₹1,500 million) (Source: CRISIL Report). According to CRISIL Report, we also operate one of India’s largest tele-radiology reporting hubs in Pune that is able to process large volumes of X-rays, CT scans and MRI scans round the clock and 365 days a year, and allows us to serve patients in remote locations where diagnostic facilities are limited. We provide quality and inclusive diagnostic services at affordable rates across various segments. Since inception, we have served more than 23 million patients.

We focus on the public private partnership (“PPP”) diagnostics segment and have the largest presence in the diagnostic PPP segment (Source: CRISIL Report). Our PPP agreements are typically long-term in nature and ensure predictability of our revenues from operations. Our continued focus on this segment has led us to become a preferred partner for public health agencies, resulting in, since commencement of operations, 77.59% of all tenders (by number) we have bid for being granted to us. As of June 30, 2021, we have deployed 1,797 diagnostic centres pursuant to PPP agreements with public health agencies. In addition to the PPP segment, we have been growing our collaboration with private healthcare providers to operate diagnostic centres within their facilities, and have expanded from operating 14 diagnostic centres, as of March 31, 2019 to 17 diagnostic centres, as of March 31, 2020 and to 20 diagnostic centres as of March 31, 2021 while we operated 26 such diagnostic centres as of June 30, 2021.

We have an extensive network of integrated diagnostic centres across India primarily in non-metro and lower tier cities and towns. As of June 30, 2021, we operated 1,823 diagnostic centres offering radiology and pathology services in 13 states across India. Our operating model involves diagnostic centres operated under a hospital-partnership model. These diagnostic centres are located within existing facilities of public and private hospitals or community health centres, and operated pursuant to arrangements with public health agencies and private healthcare providers. In Fiscal 2021 and in the three months ended June 30, 2021, we served 5.18 million patients and 1.88 million patients, respectively. In line with our focus of providing inclusive and affordable services, we offer our diagnostic services at competitive rates and at significantly lower rates than players with revenues

exceeding ₹1,500 million (*Source: CRISIL Report*). For example, our radiology tests are priced 45% – 60% lower than market rates while pathology tests are 40% – 80% lower than market rates (*Source: CRISIL Report*). We believe that our brand is associated with quality diagnostic and healthcare services at affordable rates.

We offer a range of diagnostics imaging services and clinical laboratory tests that include both routine and specialized tests / studies and profiles, which are used for prediction, early detection, diagnostic screening, confirmation and/or monitoring of diseases. Our diagnostic imaging/radiology services include conducting X-rays, computed tomography (“CT”) scans, magnetic resonance imaging (“MRI”) scans, ultrasounds, bone mineral densitometry and mammography. In our pathology segment, our primary focus includes biochemistry, haematology, clinical pathology, histopathology and cytopathology, microbiology, serology and immunology. A suite of diagnostic equipment is located at our tele-radiology hub along with a team of radiologists which provide us significant operating efficiencies and scalability.

As of June 30, 2021, we had a team of 190 radiologists, 30 pathologists, eight microbiologists and more than 2,800 qualified professionals including clinicians, technicians and operators. We continue to make investments in equipment and in our technology platform, to ensure they meet requisite industry standards and accreditations like NABL and NABH. Our diagnostic equipment is procured from leading OEMs including Wipro GE Healthcare Private Limited, Siemens Healthcare Private Limited, Fujifilm India Private Limited, HORIBA India Private Limited and Agappe Diagnostics Limited. Our equipment is covered by comprehensive maintenance contracts with our OEM suppliers to ensure requisite equipment uptime and regular servicing and calibration. In our pathology segment, we obtain quality assessment reports and undertake comparison of results across our diagnostic centres.

Certain key operational performance indicators in relation to our business operations are set out below:

| Parameters                                                        | As of and for the year ended March 31, |           |           | As of and for the three months ended June 30, 2021 |
|-------------------------------------------------------------------|----------------------------------------|-----------|-----------|----------------------------------------------------|
|                                                                   | 2019                                   | 2020      | 2021      |                                                    |
| <b>Operational Parameters</b>                                     |                                        |           |           |                                                    |
| Diagnostic Centres                                                |                                        |           |           |                                                    |
| - Radiology                                                       | 833                                    | 897       | 1,365     | 1,370                                              |
| - Pathology (including Collection Centres and Processing Centres) | 440                                    | 455       | 465       | 487                                                |
| Collection Centres                                                | 409                                    | 422       | 425       | 443                                                |
| Processing Centres                                                | 31                                     | 33        | 40        | 44                                                 |
| Tests Conducted                                                   |                                        |           |           |                                                    |
| - Radiology                                                       | 1,950,356                              | 3,476,253 | 3,054,032 | 790,198                                            |
| - Pathology                                                       | 5,441,779                              | 7,176,459 | 6,319,285 | 2,803,747                                          |
| Equipment                                                         |                                        |           |           |                                                    |
| - CT Scan                                                         | 44                                     | 53        | 62        | 62                                                 |
| - X-Ray                                                           | 804                                    | 860       | 876       | 937                                                |
| - MRI                                                             | 18                                     | 23        | 26        | 27                                                 |

Certain key financial performance indicators in relation to our business operations are set out below:

| Parameters                                    | As of and for the year ended March 31, |          |          |
|-----------------------------------------------|----------------------------------------|----------|----------|
|                                               | 2019                                   | 2020     | 2021     |
| <b>Financial Parameters</b>                   |                                        |          |          |
| Revenue from operations (net) (₹ million)     | 2,092.35                               | 2,584.27 | 3,964.56 |
| - Contracts with Public Health Agencies       | 1,506.61                               | 1,884.34 | 2,675.70 |
| - Contracts with Private Healthcare Providers | 585.74                                 | 699.93   | 1,288.86 |
| Revenue from operations (net) (%)             |                                        |          |          |
| - Public Health Agencies                      | 72.01%                                 | 72.92%   | 67.49%   |
| - Private Healthcare Providers                | 27.99%                                 | 27.08%   | 32.51%   |
| Adjusted EBITDA <sup>#</sup> (₹ million)      | 630.02                                 | 757.74   | 1,060.47 |
| Adjusted EBITDA Margin <sup>##</sup>          | 29.40%                                 | 27.92%   | 25.95%   |

Notes:

*Adjusted EBITDA means profit / (loss) for the period plus income tax expense plus finance costs plus depreciation and amortization expenses plus loss / (gain) on fair value movement of Compulsory Convertible Preference Shares.*  
*Adjusted EBITDA Margin means Adjusted EBITDA divided by Adjusted Total Income.*

Our experienced and qualified management team has contributed to our significant growth over the years. Our Promoter, Executive Chairman and Whole-time Director, Rajendra Mutha, has considerable experience in the healthcare industry, and has been associated with our Company since inception. Our business is ably supported by an experienced team of professionals including our Managing Director, Pallavi Bhatevara and Whole-time Director, Yash Mutha, who have helped to significantly expand our operations.

The PPP segment of healthcare services is a large target market, representing a market opportunity of ₹95 billion – ₹100 billion in Fiscal 2021. Going forward, this market is expected to grow at a CAGR of 14% and 17% between Fiscal 2021 and 2023 to reach ₹125 billion and ₹135 billion on the back of higher government spending in the PPP segment (*Source: CRISIL Report*). Given our track-record of operating in the PPP segment, we believe that we are well positioned to benefit from the significant growth opportunity in this segment. We intend to further grow our business and operations organically by entering into partnership arrangements with public health agencies, private hospitals, medical colleges and community health centres as well as inorganically through value-enhancing acquisitions to consolidate our business and our leadership position. We will continue to expand our network of diagnostic centres in existing and new territories and add new services as we grow our operations. We believe this will allow us to leverage increasing operating synergies and benefit from economies of scale, to drive earnings growth, margin improvement, and increasing return on capital invested.

## Strengths

### *Unique and scaled diagnostics company*

We are one of the largest differentiated diagnostic service provider in India (*Source: CRISIL Report*). We provide a range of technology enabled diagnostic services such as imaging (including radiology), pathology/clinical laboratory and tele-radiology services to public and private hospitals, medical colleges and community health centres pan-India. In the PPP segment, we collaborate with central, state and municipal government operated health and medical facilities for the deployment and operation of our diagnostic centres. We also partner with several private sector hospitals and health centres to establish diagnostic centres within their premises. Since inception and as of June 30, 2021, we have been awarded 38 contracts on a PPP basis, of which 32 projects have been executed while in the private healthcare segment, we have 26 active collaborations. We operate a hospital partnership model where diagnostic centres we operate are located within existing premises of hospitals and health centres and support them with onsite testing.

We offer imaging (including radiology), pathology/clinical laboratory and tele-radiology services across India. In our radiology segment, we provide X-rays, CT scans, MRI scans, ultrasounds, bone mineral densitometry, mammography amongst others. In our pathology segment, we provide a spectrum of services ranging from routine tests such as CBC or blood glucose to highly specialized investigations for infectious diseases, cancer markers, hormonal assays, and therapeutic drug assays. We also provide home collection of samples for convenience of our end-customers.

The table below sets forth information relating to the number tests conducted by us in the periods indicated:

| Segment                 | Fiscal           |                   |                  | Three months ended<br>June 30, 2021 |
|-------------------------|------------------|-------------------|------------------|-------------------------------------|
|                         | 2019             | 2020              | 2021             |                                     |
| <b><i>Radiology</i></b> |                  |                   |                  |                                     |
| - CT Scans              | 297,264          | 434,042           | 479,233          | 218,661                             |
| - MRIs                  | 118,861          | 192,977           | 145,116          | 36,454                              |
| - X-rays                | 1,534,231        | 2,849,234         | 2,429,683        | 535,083                             |
| <b><i>Pathology</i></b> | 5,441,779        | 7,176,459         | 6,319,285        | 2,803,758                           |
| <b>Total</b>            | <b>7,392,135</b> | <b>10,652,712</b> | <b>9,373,163</b> | <b>3,593,956</b>                    |

Our business is focused on providing diagnostic services to the mass segment, particularly in tier II and tier III cities and towns in India in addition to metros and tier I cities. Our patient base includes large segments of government employees and their families, including public administrative officials, defence personnel, members of the judiciary and patients covered under the National Health Scheme. In Fiscal 2019, 2020 and 2021 and in the three months ended June 30, 2021, we served 3.25 million, 5.27 million, 5.18 million and 1.88 million patients,

respectively. We believe that our large network of diagnostic centres, together with the quality of our services at competitive rates, have been key factors in the significant growth we have experienced.

Tele reporting is a critical and unique aspect of our business and we operate a large tele-radiology reporting hub in Pune which is among the largest in India and equipped with sophisticated equipment and operated by a panel of experts and qualified radiologists that enable us to serve patients in remote locations where diagnostic facilities are limited. The tele-radiology hub is capable of processing large volumes of X-rays, CT scans and MRI scans round the clock over 365 days a year, including over 126,000 CT scans, over 31,500 MRIs and over 1,500,000 X-rays per month. In Fiscal 2021, our tele-reporting network covered over 479,233 CT scans for 468,753 patients, 145,116 MRIs for 134,645 patients and 2,429,683 X-rays for 2,405,077 patients, respectively, while in the three months ended June 30, 2021, it covered over 215,609 CT scans for 218,661 patients, 36,454 MRIs for 32,474 patients and 535,083 X-rays for and 529,535 patients, respectively.

### ***Strong brand equity***

We continue to focus on, and believe that the *Krsnaa* brand is associated with providing quality and reliable healthcare services at affordable prices. We believe that we provide quality services at competitive rates while following accreditations and protocols in line with best industry practice. For example, the cost of radiology tests we provide is 45% – 60% lower than market rates while the cost of our pathology tests are 40% – 80% lower than market rates (*Source: CRISIL Report*). The range of diagnostic services we offer, together with the scale of our operations allows us to achieve economies of scale and provide competitive pricing for our operations. A number of our diagnostic centres are accredited with NABL or NABH. We ensure that the look and feel of our diagnostic centres is consistent which helps brand visibility and increase brand recall. We believe this approach has enabled us to generate brand equity in the semi-urban and rural areas that we primarily cater to, where the presence of diagnostics chains is limited. Our operations have over the years been recognized by the industry and we were awarded Emerging Company Award for Health Excellence at the 42nd National Seminar of the Indian Achiever's Awards in 2017, India's Greatest Brands Award for Healthcare and Diagnostics by Asia One in 2019, Best Diagnostics Service Company of the Year and Award for the Outstanding Achievement Award in Healthcare Social Causes at the India Excellence Awards by ET Now in 2020.

Our internally developed quality assurance protocol together with the quality of laboratory equipment, testing reagents and qualified radiologists and pathologists at our diagnostic centres, contribute to the quality and accuracy of our test results. Our reports are peer-reviewed by independent third parties to further ensure the accuracy of our reports and results. Certain of our diagnostics centres are accredited with NABH, and our lab at the Late Jayabai Nanasaheb Sutar Maternity Hospital, Pune is NABL accredited. Our systems are also ISO 9001: 2015 certified for quality management. Accreditation with NABL and NABH and our other quality certifications ensure that we comply with stringent technical quality norms and follow best safety standard practices. All our diagnostic centres follow standard operating procedures to ensure standardization and quality compliance, which results in a consistent and efficient process.

### ***Extensive footprint across India with robust infrastructure***

Our network of diagnostic centres spans 13 states across India and as of June 30, 2021 were present in over 1,800 locations. We commenced operations in Fiscal 2011 with two radiology diagnostic centres and as of June 30, 2021, we have established 1,370 radiology diagnostic centres and 487 pathology diagnostic centres including 443 collection centres. We have a significant presence in each state where we operate and as part of the diagnostic centres we establish, we have deployed and operate diagnostic centres across multiple locations within a particular state. For example, we operated 24 private diagnostics centres and 590 centres in collaboration with public health agencies across 36 districts in Maharashtra where we provide radiology, pathology and tele-radiology services as of June 30, 2021. We attribute the growth of our diagnostic centres across India primarily to our ability to understand and analyse new markets and to our project management and execution capabilities. The map below indicates the locations of our diagnostic centres as of June 30, 2021:





\*Under Implementation

\*\* The USG, Dexa, Mammography and TMT Centres are not marked in this map.

As of 30th June 2021

[Map not to scale]

One of the key contributors to our success in terms of accuracy, turnaround time and scale of operations is the advanced technology infrastructure that we implement as part of our operations. Our technology infrastructure is designed to support the growth of our business and helps ensure reliability of our operations. Our ability to deploy latest equipment and technologies ensure that our processes are efficient and scalable with minimal errors. For example, in our pathology segment we obtain EQAS reports as well as undertake comparison of test results across diagnostic centres. In our radiology segment, we maintain in-house quality standards and run third party checks. Our technology platform tracks our operations and internal performance metrics, thereby enabling us to improve the operating efficiency of our business. As value added services, we provide a digital dashboard to public health agencies whom we have partnered with that provide real-time patient and testing information. We have a centralized processing software for remote management and reporting of all radiology studies. We have multiple servers that manage our operations and are equipped to handle internet redundancies. We have strong relationships with our equipment vendors which we believe ensures timely deployment of machinery, advantageous asset pricing, fleet-wide maintenance and preferred vendor status with certain of our equipment suppliers. On account of our scale of operations, we are able to negotiate favorable terms for procurement of equipment from our vendors. We are the largest customer of Wipro GE in Asia (Source: CRISIL Report).

In our radiology segment, we deploy MRI, CT scan and X-ray machines while our pathology services use fully automatic analysers to run a range of basic to highly specialized tests. We are among the few companies in India



to have MRI machines ranging from 0.2 Tesla to 3 Tesla machines and multi-slice CT to 128 slice CT scanners (Source: CRISIL Report). We procure our CT scan systems from global equipment manufacturers such as Wipro GE Healthcare Private Limited, Siemens Healthcare Private Limited and Fujifilm India Private Limited. The ultrasound examinations we conduct at various locations are equipped with technology that is capable of 2D and 4D imaging. These scanners are capable of performing specialized investigations with minimum radiation dose to the patient and produce quality images to provide accurate diagnosis. Our digital, high-resolution X-ray systems are entirely digital, quicker, accurate and produce less radiation to patients than traditional systems. We are equipped with an advanced cloud-based picture archiving and communication system workflow capable of rapid deployment and easy integration with our operational requirements. Quantitative assessment is undertaken on fully automated analysers that we procure from Agappe Diagnostics Limited and which we believe eliminates human error.

### ***Business model with robust revenue visibility***

Our operations across radiology and pathology provide us with diversified sources of revenue. Our PPP agreements, to deploy diagnostic centres for our radiology and pathology services are typically long-term contracts that ensure visibility of revenues for our operations. The term of our contracts with public health agencies ranges between two years and 10 years and typically include a term extension clause based on performance and mutual agreement. Further, considering our services at competitive rates, public health agencies have expanded the coverage of the scope of our services to additional centres without any additional bidding process.

Pursuant to the terms of our PPP agreements, the medical facility typically provides rent-free space and access to its utilities and other infrastructure for installation and operations of our diagnostic centres. Certain agreements also include price escalation clauses that allow us to revise the rates for our services periodically during the tenure of the contract. While a fresh competitive bidding process follows after the expiry of the term of the contract for a particular location, our existing spend on diagnostic equipment and infrastructure development allow us to bid competitively for such projects.

A diagnostic centre within an existing facility has significant advantages that include lower marketing spend and a captive customer base. We do not spend on doctor referral fees and commissions. We also incur limited rental expenses which we believe is margin accretive for us. Our hospital partnership model of operations ensures captive customer, synergies in various costs as well as significant volumes that ensures that our cost structure is efficient.

Our cost efficient operations also help us bid at competitive prices thereby allowing us to convert more bids into projects. Our ability to ensure competitive pricing allows us to address regulatory price limits on tests that may be stipulated by the government to keep healthcare costs in check.

### ***Well positioned to capitalize on healthcare spending across public and private sectors***

CRISIL Research estimates the size of the diagnostic industry in India to be between ₹710 billion and ₹730 billion in Fiscal 2021, clocking a CAGR of 13% to 14% between Fiscal 2017 and Fiscal 2020, mirroring the growth from healthcare delivery services. The industry is expected to grow at 14% and 17% and achieve a value of ₹920 billion and ₹980 billion between Fiscal 2020 and Fiscal 2023. Going forward, the government's share within the diagnostic industry is projected to grow at a CAGR of between 14% and 17% to ₹125 billion - ₹135 billion between Fiscal 2020 and Fiscal 2023, driven by government-led programs. The National Health Mission ("NHM") seeks to achieve universal access to equitable, affordable and quality health care services that are accountable and responsive to people's needs. Under the NHM, the PPP model has gained traction. The PPP model aids the expansion of quality healthcare services into less-developed and remote regions of the country (Source: CRISIL Report).

Our track-record of executing PPP contracts across India with public health agencies to provide diagnostic services within public hospitals will ensure that we stand to benefit from such increased healthcare spending. Since commencing our operations we have completed 32 PPP contracts and as of June 30, 2021 operated 1,797 diagnostics centres in public healthcare facilities across 13 states. We believe we are a preferred partner for public health agencies in implementing diagnostic centres that is evident from our bid-win rate of 77.59% for tenders that we have bid for since commencement of operations, including a 100% qualification rate on technical grounds. Revenue from sale of service to public health agencies was ₹1,506.61 million, ₹1,884.34 million and ₹2,675.70 million in Fiscal 2019, 2020 and 2021 and represented 72.01%, 72.92% and 67.49% of our total revenue from operations in similar periods, respectively.

Given our ability to deploy and operate diagnostic centres in tier II and tier III cities and towns, private players in the healthcare industry also engage us to establish diagnostic centres in such areas within their existing facilities. As of June 30, 2021, we have established partnerships with six private medical colleges, 18 private tertiary hospitals and two private laboratories, reflecting our ability to provide quality diagnostic services in the private sector as well. As of March 31, 2019, 2020 and 2021 and as of June 30, 2021, we had 14, 17, 20 and 26 contracts with non-government customers to establish and operate diagnostic centres, respectively and generated ₹585.74 million, ₹699.93 million and ₹1,288.86 million in revenues from such contracts in Fiscal 2021.

#### ***Scalable and agile business model with efficient cost structure***

Our operations across 13 states allows us to deploy new locations faster and efficiently. Our tele-reporting operations allow us to centralize resources and ready-to-build locations make our operations scalable. We have deployed 1,797 diagnostic centres on a PPP basis, as of June 30, 2021. We believe that our ability to establish and operate diagnostic centres across various segments and locations in India has contributed to our growth and leadership position in the Indian diagnostic industry. Our model also ensures that we do not pay any referral commissions to independent practitioners and private clinics, lower spend on marketing and promotions resulting in cost efficiency for our operations.

Our existing large-scale operations have enabled us to address diagnostic requirements on account of the COVID-19 pandemic and as part of our response to the COVID-19 pandemic, our diagnostic centres have performed over 900,000 COVID-19 PCR tests in Fiscal 2021. We also established India's first Indian Council of Medical Research ("ICMR") accredited COVID-19 testing facility under the PPP model in Pune and is accredited by the ICMR (Source: CRISIL Report) and developed a mobile testing facility within an air-conditioned bus jointly with IIT Alumni Council's COVID-19 task force and the Brihanmumbai Municipal corporation.

#### ***Consistent track record of financial performance***

We are the fastest growing diagnostic chain in India in terms of operating income (amongst players with revenues exceeding ₹1,500 million), OPBDIT and profit after tax between Fiscal 2017 and Fiscal 2021 and volume of tests conducted and patients between Fiscal 2018 and Fiscal 2021 (Source: CRISIL Report). We have demonstrated consistent growth in terms of our revenues and Adjusted EBITDA over the years. Our net revenue from operations increased at a CAGR of 37.65% from ₹2,092.35 million in Fiscal 2019 to ₹3,964.56 million in Fiscal 2021. Adjusted EBITDA for Fiscal 2019, 2020 and 2021 was ₹630.02 million, ₹757.74 million and ₹1,060.47 million, respectively while our Adjusted EBITDA margin was 29.40%, 27.92% and 25.95%, respectively, for similar periods.

In the last three Fiscals we have not incurred any write-offs and have not had any bad debts. We have witnessed consistent improvement in our balance sheet position in the last three Fiscals. Our total assets have grown from ₹5,289.85 million as of March 31, 2019 to ₹6,299.82 million as of March 31, 2020 and were ₹6,045.30 million as of March 31, 2021.

We have consistently generated positive cash flows from our operating activities and were ₹582.66 million, ₹378.09 million and ₹1,025.58 million in Fiscal 2019, 2020 and 2021, respectively. We believe that our strong balance sheet position and healthy operating cash flows will enable us to pursue our growth opportunities and also fund our strategic initiatives.

#### ***Ability to maintain cost competitiveness through operating leverage***

We operate diagnostic centres under a hospital partnership model, within public and private health care facilities. Under the hospital partnership model, we benefit from the captive patient base of such facilities and the large volume of diagnostics tests undertaken for these patients. The volume tests, we undertook between Fiscal 2018 and Fiscal 2021 grew at a CAGR of 20% which was the highest among amongst diagnostic companies with revenues exceeding ₹1,500 million (Source: CRISIL Report). Larger volumes help diagnostic chains achieve economies of scale, as equipment are optimally utilized and operating costs are spread over a larger number of centres (Source: CRISIL Report). Our high diagnostics volumes in-turn help us enjoy economies of scale and thereby optimize our operational costs, resulting in price competitiveness. Our ability to competitively price our diagnostic services has enabled us to convert bids into actual contracts and is evident from our bid-win rate of 77.59% for tenders (by number) that we bid for since commencement of operations. These contract wins in turn, have further augmented our volume of diagnostic services and improved our operating leverage. As per the CRISIL Report, our OPBDIT margin was amongst the highest within diagnostic companies with revenues exceeding

₹1,500 million in Fiscal 2020.



We believe that we are, therefore, well positioned to withstand pressures on account of any pricing caps on diagnostic services that the government may mandate in the future to keep healthcare costs in check. Further, we believe these also act as entry barriers for players to replicate and scale our business model.

#### ***Experienced promoters and management team supported by strong employee base***

We attribute our growth to the experience of our Promoter and senior management team. Our Promoter and Chairman, Rajendra Mutha, is a first generation entrepreneur and has over 10 years of experience in the field of pharmacy and diagnostics. He has been instrumental in our Company's growth since its inception in 2010. Our Managing Director, Pallavi Bhatevara, is responsible for expansion and growth of our Company and is involved in the tendering process and implementation and execution of projects. Our Whole-time Director, Yash Mutha, has over 12 years of experience in the field of audit and risk management and has been associated with multinational corporations and global audit firms. We have also benefited from investments by Kitara and Somerset in Fiscal 2016 and from Phi Capital in Fiscal 2019 and the support of Phi Capital's nominee director on our board.

Our senior management team has significant experience and have been with our Company collectively for over 30 years. Our operations are led by Shivananda Rao, Chief Operating Officer, who has over 22 years of extensive experience in the healthcare and hospitality sector and Dr. Kiran Bhise, Medical Director, is a practising laparoscopy surgeon, endoscopist and surgical gastroenterologist with over 21 years of medical experience and is a member of the Association of Minimal Access Surgeons of India and Association of Surgeons of India.

#### **Strategies**

##### ***Continue to expand presence across India***

We intend to continue to expand our network of diagnostic centres and services within India and in particular increase our presence in geographies where we are currently present. We intend to grow our network across all states in India by leveraging our experience of deploying and operating diagnostic centres. The scale of our operations, presence in tier II and tier III locations, ability to offer competitive pricing to customers, accuracy of diagnostic test results and service delivery including through tele-reporting coupled with brand-building activities will allow us to grow our customer base.

Going forward, the government's share within the diagnostic industry is projected to grow on account of government-led programmes, extensive PPP models to ensure higher penetration of diagnostic facilities in underpenetrated rural India and increasing focus towards healthcare at municipal corporation level (*Source: CRISIL Report*). We believe that the value we add to the services provided at public hospitals on account of the quality of our services, competitive rates and advanced technology, makes us a preferred partner for the expansion of healthcare facilities across the country. We differentiate ourselves on account of our pan-India presence and our suite of services that we offer, each of which, we believe acts an entry barrier for newer entrants in the industry. Our track-record of executing PPP projects across India with various public health agencies to provide diagnostic services within hospitals or medical facilities ensures that we stand to benefit from such increased healthcare spending.

We also intend to grow our focus on the private sector across both business-to-business and business-to-consumer segment by partnering with more private sector healthcare providers, establishing standalone diagnostic centres, integrated brand building campaigns, raising awareness among doctors on the quality and comprehensive nature of our service offerings and focusing on customer experience and improvement.

### ***Expand our offering of diagnostic services with a focus on specialized diagnostics***

Going forward we intend to enhance our capabilities in specialized diagnostic services such as molecular diagnostics and genomics. We believe we can leverage our presence in multiple states, our extensive network of centres and advanced infrastructure to offer additional diagnostic services. Further, at our diagnostic centres where we offer radiology services, we intend to create additional infrastructure to offer pathology services as well. We also intend to expand capabilities at our existing diagnostic centres to provide a wide range of services including healthcare screening and chronic and lifestyle disease management services. We also intend to offer additional value added services, such as customer care services, home collection of specimens and home delivery of reports.

### ***Grow our digital footprint***

We actively implement technologies for customer engagement, service provision and interaction with our vendors. We intend to increase our touch points and engagement with customers through various digital and technology initiatives. Certain of these measures include developing online initiatives such as bookings, receiving reports and availability of patient and family history as part of our mobile application and teleconsultation. We also intend to leverage our data analytics capabilities by creating an intelligent dashboard that will be able to analyse historical trends and provide more value-added services. We believe that the granularity of data available with us, both geographically and across various segments will enable us to develop and support artificial intelligence based solutions in radiology and pathology. We also intend to leverage our relationships with equipment vendors to ensure that we have access to advanced technologies. For instance, we are working towards procuring a centralized processing unit for our operations and equipment that will centrally monitor and implement quality checks for our pathology and radiology equipment. We plan to invest in implementing artificial intelligence and machine learning to be able to continue to provide quality and reliable diagnostic services at affordable prices.

### ***Maintain high social impact***

We intend to continue to grow our operations by increasing customer footfalls at our diagnostic centres. We intend to increase our branding and marketing initiatives to promote the *Krsnaa* brand further. As part of our efforts to promote compliance with the United Nation's Sustainable Development Goals (SDGs) and in particular to 'ensure healthy lives and promote well-being for all at all ages', we are working with state governments in Karnataka and Odisha to establish diagnostic centres that will provide diagnostic services at no charge or at subsidized rates to patients from lower income group through various government schemes and initiatives such as the 'Free Diagnostics Scheme'. This will ensure a revenue stream for us while helping us achieve our social objectives. We also intend to grow revenues by entering into additional contracts with private healthcare operators to establish diagnostic centres.

### ***Continue to improve profitability and efficiency***

In order to maintain profitability and owing to the highly competitive nature of the industry in which we operate, it is critical for us to rationalize our costs to improve our margins. We propose to explore vendor financing, whereby we intend to leverage our relationships with our equipment vendors to reduce financing costs of equipment. Will also look to explore sources other than traditional banks and lenders. For instance, we will continue to explore additional funding from multilateral agencies and sovereign funds where the tenure of funding is longer term and at lower interest rates than traditional financing. We will also explore off-balance sheet funding arrangements in the form of letters of credit. We believe that the scale of our operations and our credit history allow us to obtain such funding that would otherwise not be available to others.

To increase efficiency of our operations, we intend to continue to upgrade our diagnostic equipment and technology. We intend to negotiate competitive rates with our equipment vendors for our diagnostic equipment and maintenance contracts. This would allow us to continue to scale our operations while also ensuring that we are able to keep our costs low. Among the key areas, that we will focus on is to expand our tele-radiology hub. This will allow us to lower our reporting costs. We also intend to source quality reagents at competitive rates given the volume of tests we offer and conduct.

### ***Expand our business and geographical footprint through opportunistic acquisitions***

We intend to augment our growth by pursuing selective acquisitions and strategic alliances that provide us access to technology expertise, specialised services, market share and geographical reach and allow us to expand our offerings and grow our customer base. We have historically expanded our business through organic growth only

and intend to evaluate inorganic growth opportunities going forward. We may opportunistically consider acquisitions to selectively expand in the segments we operate. We intend on executing bolt-on acquisitions and expediting post-acquisition integrations through our standardized protocols, IT infrastructure integrations, logistics, financial and equipment servicing capabilities. Through our proposed acquisitions and strategic initiatives we also intend to expand our presence internationally by following the same approach that has allowed us to grow our business and operations. We believe such acquisitions will support our long-term strategy, strengthen our competitive position, increase our market share and aid in acquiring technical expertise and achieving greater scale to grow our earnings and increase shareholder value.

## **Our Business Operations**

### **Services**

We provide specialized diagnostic imaging (including radiology), pathology/clinical laboratory and tele-radiology services. Through our network of diagnostic centres, we offer a range of test that includes 1,394 radiology tests and 2,544 pathological tests, as of June 30, 2021 that cover a range of specialties and disciplines.

### ***Radiology***

We are a large radiology chain (*Source: CRISIL Report*) in having a pan-India operations across 13 states with 1,370 radiology focused centres, as of June 30, 2021. Our diagnostic centres provide physicians and individual patients with imaging capabilities to facilitate the diagnosis and treatment of diseases and disorders and may reduce unnecessary invasive procedures, often reducing the cost and amount of care for patients. Diagnostic imaging involves the use of non-invasive procedures to generate representations of internal anatomy and function that can be recorded on film or digitized for display on a video monitor. Our business model does not require us to have radiologists at diagnostic centres in remote locations as scans are centrally processed at our tele-radiology hub unless required under a particular contract.

The principal diagnostic imaging modalities we use at our radiology diagnostic centres are:

**MRI.** MRI has become widely-accepted as the standard diagnostic tool for a wide and fast-growing variety of clinical applications for soft tissue anatomy, such as those found in the brain, spinal cord and interior ligaments of body joints such as the knee. MRI uses a strong magnetic field in conjunction with low energy electromagnetic waves that are processed by a computer to produce high-resolution, three-dimensional, cross-sectional images of body tissue, including the brain, spine, abdomen, heart and extremities. MRI systems can have either open or closed designs, routinely have magnetic field strength of 1.5 Tesla to 3.0 Tesla. We operate MRI machines of 0.35 Tesla, 1.5 Tesla and 3 Tesla. As of June 30, 2021, we had 27 MRI systems in operation.

**CT.** CT provides high resolution images of the body and internal organs. This modality combines special X-ray equipment with sophisticated computers to produce multiple cross-sectional images. These cross-sectional images can then be examined by a radiologists to diagnose problems such as cancers, cardiovascular disease, infectious disease, trauma and musculoskeletal disorders. We have dual slice, 16, 32, 64 and 128 slice CT scan systems installed at various centres. These scanners are capable of performing specialized investigations with minimum radiation dose to the patient and produces quality images to provide accurate diagnosis. As of June 30, 2021, we had 62 CT systems in operation.

**X-ray.** X-ray systems use roentgen rays to penetrate the body and record images of organs and structures on film. Our X-rays are undertaken using a digital system which ensures images are available immediately and measurements can be made of any area of the body. We perform all types of X-rays and routine fluoroscopy studies such as upper GIs and barium enemas, as well as advanced procedures including arthrograms, myelograms and ITS HSG, VCUGs. As of June 30, 2021, we had 937 digital X-ray systems in operation.

**Mammography.** Mammography is a specialized form of radiology using low dosage X-rays to visualize breast tissue and is the primary screening tool for breast cancer. Mammography procedures and related services assist in the diagnosis of and treatment planning for breast cancer.

**Ultrasound and Colour Doppler.** Ultrasound (sonography) is an imaging technology that uses high frequency sound waves to visualize tissues, muscles, tendons and many internal organs to capture their size, structure and any pathological lesions with real time imaging. An ultrasound probe sends an ultrasound pulse into tissues and receives echoes back, which forms an image on sonography machines screen, from which we can diagnose causes

of pain, swellings, infections, free fluid etc. Certain of our diagnostic centres offer a wide range of ultrasound examinations done through high end, advanced ultrasound machines and reported by qualified radiologists. All sonography studies, consisting of 2D /4D imaging, all routine scans, Doppler, 2-D Echo as well as USG guided interventional procedures are done in our centres.

Colour Doppler is a special modality in sonography which examines blood supply/ blood vessels of various organs in body. It evaluates the obstructions of blood flow and predicts their causes and outcome. Colour Doppler provides an opportunity for prevention and early treatment of certain fatal diseases/ conditions. It helps diagnose certain acute conditions like torsion of testes/ ovaries. An ultrasound machine equipped with Colour Doppler facilities is required to perform this test. All of our ultrasound systems have Colour Doppler facilities. As of June 30, 2021, we had 36 ultrasound systems with Colour Doppler facilities in operation.

*Bone Densitometry.* Our Dual Energy X-ray Absorptiometry (“**DEXA**”) system is located at our diagnostic centre in KLE Hospital, Karnataka. This scanner determines bone density at the hip and spine, diagnoses and tracks osteoporosis and osteopenia (early stage of osteoporosis). We also have a portable ultrasound based BMD machine which can be used as a screening device to check the symptoms of osteoporosis.

### ***Pathology***

We offer a comprehensive test menu covering the key disciplines of conventional and specialised lab services and our offerings encompass a wide range of investigations from routine tests to highly specialized ones. We have top of the line fully automated analysers and a team of highly skilled and trained technical staff to undertake these investigations.

#### ***Routine Testing***

Routine testing is typically performed on whole blood, serum, plasma and other body fluids and specimens such as microbiology samples. These tests measure various important bodily health parameters such as the functions of the kidney, heart, liver, thyroid gland and other organs. We perform and report most routine testing procedures utilizing a variety of sophisticated and computerized testing instruments. This equipment is operated by an experienced team of technicians led by consultant pathologists. Commonly ordered tests include blood chemistries, hormone analysis, haematology and coagulation testing and clinical pathology testing, such as urinalysis. As of June 30, 2021, we offered 302 routine tests.

#### ***Specialized Testing***

Specialized tests are clinical laboratory tests that are not routine. Specialized tests include molecular diagnostics, protein chemistry, cellular immunology, flowcytometry, genetics, cytogenetics, immunohistochemistry and advanced microbiology tests. They also include anatomic pathology testing for the diagnosis of cancer and other medical conditions through the examination of tissue and cell samples taken from patients, and include the disciplines of histopathology, cytopathology, clinical pathology and immunopathology. Because of their complexity, these tests may require professional attention from skilled personnel, generally require more sophisticated technology, equipment and materials and are performed less frequently than routine tests. Commonly ordered specialized tests include viral and bacterial detection tests, drug therapy monitoring tests, gene-based tests, autoimmune panels and complex cancer evaluations. As of June 30, 2021, we offered 2,242 specialized tests.

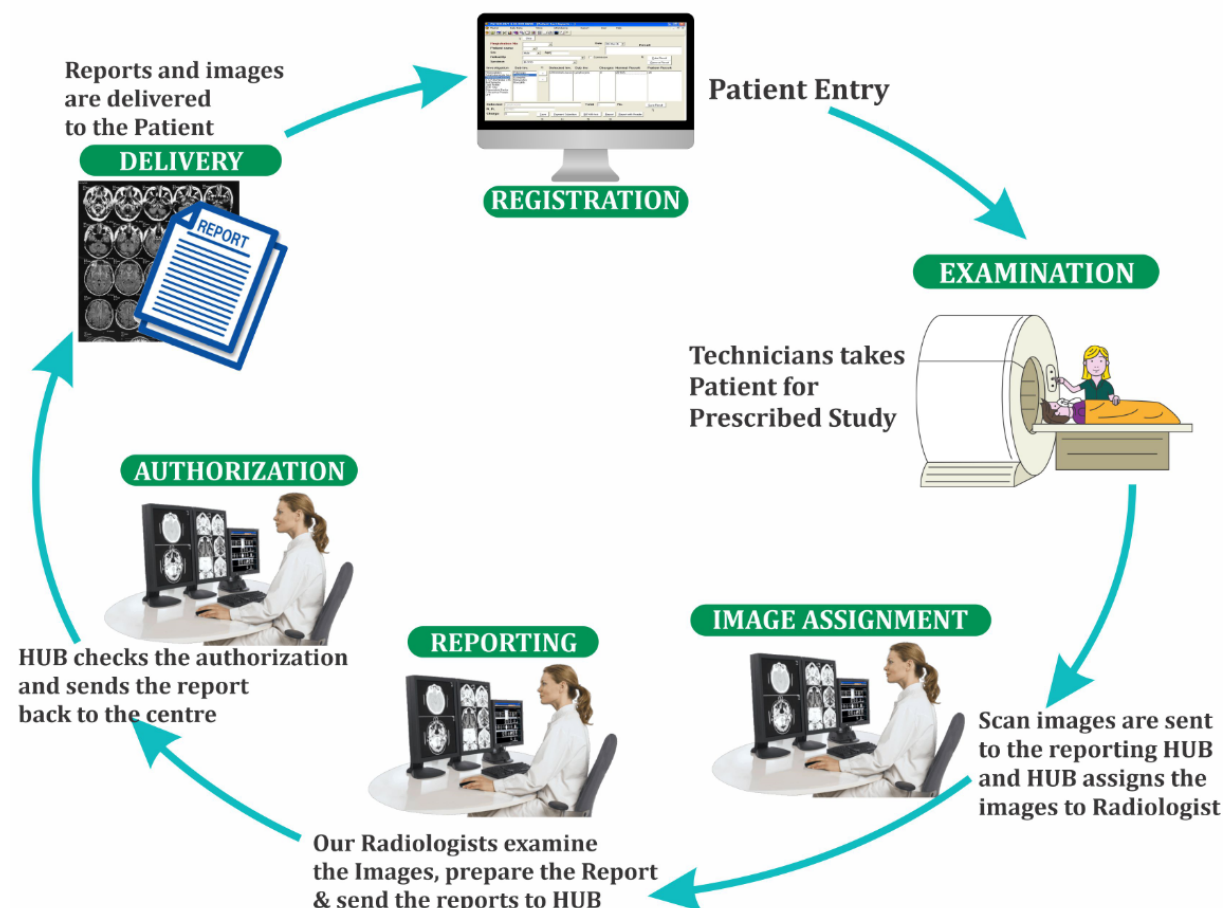
### ***Tele-radiology***

We offer our tele-radiology services from a 4,578 square facility in Pune comprising of sections for 80 CT/MRI/X-Ray technologists teams, a 100-member conference room and radiologists reporting area.

The hub is operated by a panel of expert and qualified radiologists and as of June 30, 2021, it had a team of 190 in-house and tele-reporting radiologists reporting on CT/ MRI / X-ray studies from India and various countries of the world.

The team at the tele-radiology hub monitors real-time critical findings of CT/ MRI/ X-ray modalities and the same is informed to referring physicians. The reporting standards followed aide in accurate diagnosis, which further helps in quicker and better treatment.

Medical monitors help in quality imaging by the technologists and reporting by radiologists. Interconnectivity between our tele-radiology hub and diagnostic centres through a 100MBPS leased line that ensures seamless transmission of images between our diagnostic centres and the hub. There is uninterrupted connectivity between our diagnostic centres and the hub, with 24/7 power backup available. The tele-radiology hub provides round-the-clock services.



### Home Collection Services

Our home collection service allows specimens to be collected from our patients' locations, such as their homes or offices. This is a key part of our customer-centric approach, as we strive to provide convenient, quality services to our patients. We believe our home collection service also helps to alleviate potential "high traffic" periods in our diagnostic centres.

### Network of Diagnostic Centres

We provide diagnostic services in India through our network of diagnostic centres that include radiology diagnostic centres, pathology diagnostic centres and collection centres. As of June 30, 2021, we operated 1,370 radiology diagnostic centres and 487 pathology diagnostic centres including 443 collection centres and 44 processing centres across 13 states in India.

The table below sets out details of our diagnostic centres as of the dates indicated:

| Sr. No. | Type of Diagnostic Centre | As of March 31, 2019 | As of March 31, 2020 | As of March 31, 2021 | As of June 30, 2021 |
|---------|---------------------------|----------------------|----------------------|----------------------|---------------------|
| 1.      | Radiology                 | 833                  | 897                  | 1,365                | 1,370               |
| 2.      | Pathology                 | 440                  | 455                  | 465                  | 487                 |
| 3.      | Collection Centres        | 409                  | 422                  | 425                  | 443                 |
| 4.      | Processing Centres        | 31                   | 33                   | 40                   | 44                  |

After March 31, 2021, our Company was awarded a tender for the development, operation and maintenance of radiology imaging diagnostic centres in select hospitals in Punjab. As part of the establishment of the centres, we are required to procure, operate and maintain 23 new 32 slice CT scanners, six new 1.5 Tesla 16 channel MRI machines and other miscellaneous medical devices. Pursuant to an escrow arrangement under the tender, in the event any payments are delayed by more than 15 days, payments to our Company are released directly from the escrow account. We have also submitted a bid to establish pathology diagnostic centres in Punjab. In addition, we have also been awarded additional contracts to establish diagnostic centres in public and private healthcare facilities in the states of Himachal Pradesh and Maharashtra.

*Radiology Diagnostic Centres.* As of June 30, 2021, we have 1,370 radiology diagnostic centres with capabilities to perform tests such as MRI, CT, ultrasound, ultrasound sonography / DEXA / mammography and X-ray. In addition, our radiology diagnostic centres have remote review and reporting capabilities and are fully-connected through special image transfer software and equipped to provide tele-radiology.

*Pathology Diagnostic Centres.* As of June 30, 2021, we have 487 pathology diagnostic centres. We have organized our pathology diagnostic centres into a “hub and spoke” model, whereby specimens are collected from across multiple locations within a catchment area or region for shipment to a pre-designated diagnostic centre for centralized diagnostic testing.

*Collection Centres.* A collection centre is a central facility that collects specimens within an area or a region for shipment by independent courier services, to a pre-designated diagnostic centre for testing. As of June 30, 2021, we had 443 collection centres.

*Processing Centres.* Our processing centres act as regional hubs, which accumulate samples from other smaller laboratories and collection centres across the region. Processing centres are equipped to conduct both routine and specialized pathology tests. Pathology samples are brought to the processing centre for processing and reports generated by the processing centres are sent to the patients through collection centres or other smaller laboratories or can be viewed online. As of June 30, 2021, we had 44 processing centres.

## **Public Private Partnership Projects**

We enter into agreements with public health agencies to establish and operate onsite diagnostic centres at existing healthcare facilities. Under these arrangements, we establish and manage “in-hospital” diagnostic centres to conduct onsite testing. Pursuant to the terms of our contractual agreements, the medical facility typically provides rent-free space and access to its utilities and other infrastructure, and we provide the diagnostic equipment and are responsible for all costs relating to personnel, transportation of samples and maintenance of the laboratory. As of March 31, 2019, 2020 and 2021 and as of June 30, 2021, we operated 1,222, 1,311, 1,783 and 1,797 diagnostic centres pursuant to our PPP contracts, respectively.

We have a dedicated team that handles such projects and the team is responsible for managing the tender process hosted by the public health agency which includes undertaking detailed analysis of each location, assessment of footfalls, availability of utilities and commercial viability. The team is also responsible for the preparation and submission of relevant bid documentation, addressing and resolving queries and clarifications and coordinating with various other department in relation to the submission of the bids.

### *Tender Process*

Public health agencies typically advertise for establishing diagnostic centres on their websites and in national newspapers. Accordingly, our tender department does a regular review of such national newspapers and relevant websites to identify tenders that could be potentially viable for us. Once identified, the tender department seeks approval of the management to determine if the identified project can be pursued. These discussions are based on various factors which include the geographic location of the diagnostic centre and the degree of complexity in establishing the diagnostic centre in such location, the cost and profitability estimates and our competitive advantage relative to other likely bidders. Generally, tender bid submissions are evaluated only if there is more than one bidder for the tender.

Our Company has a dedicated tender department that is responsible for bidding and pre-qualifications. The tender department evaluates our Company’s credentials in light of the stipulated eligibility criteria. Notices inviting bids may either involve pre-qualification or a post qualification process. Pre-qualification applications generally require us to submit details about our organizational set-up, financial parameters (such as turnover, net worth and profit



and loss history), employee information, equipment owned or to be procured, portfolio of existing and ongoing diagnostic centres. Bidders are allowed to seek clarifications in relation to the tenders within a specified period of time.

After we pre-qualify for a bid, we are required to submit a technical and financial bid. In order to submit the bid, our Company conducts an in-depth study, which inter alia includes, (i) study of the technical and commercial conditions and requirements of the diagnostic centre; (ii) a site visit to determine conditions of the healthcare facility; (iii) local survey to determine patient footfalls; and (iv) analysis of the prices and rates of local taxes and levies (if any).

Once the bid is accepted and if we are successful, the public health agency issues a letter of intent to our Company stating that we have been awarded the contract. We are also required to submit a performance guarantee or deposit earnest money with the public health agency. We then negotiate and execute definitive agreements with the public health agency that captures the scope of establishing the proposed diagnostic centre.

We have entered PPP contracts with NHM funded central government agencies, state healthcare agencies, municipal corporation and Indian Railways hospitals.

#### *Summary of Key Terms of PPP Contracts*

Set forth below are some of the key terms that typically form a part of the contracts we execute with public health agencies:

**Term.** The term of our contracts with public health agencies ranges between two years and 10 years and typically includes a renewal clause that is subject to actual performance and mutual agreement of the parties.

**Personnel.** Contracts typically contain provisions that set out the personnel that we are required to engage for the operation of the diagnostic centres. These include radiologists, lab technicians, lab administrators, data entry operators and other ancillary staff.

**Infrastructure.** Under each of the contracts, space for establishing the diagnostic centre is provided by the respective public health agency. While typically, the contracts provide that the public health agency will provide the space for establishing the diagnostic centre within an existing medical facility at no additional charge, however in certain instances, we are required to pay rent for the space allotted. The agency also provides water facilities and assistance with electrical connections, however our Company is responsible for the charges for such utilities.

**Equipment.** The contracts typically set out the details of the diagnostic equipment that we are required to install and operate diagnostic at each diagnostic centre we operate. We are also required to ensure that the equipment is serviced in timely manner. We are also required to furnish independent third party reports of calibration of laboratory equipment.

**Quality.** We are required to ensure the quality of the tests we conduct in the pathology segment while in the radiology segment, we are required to ensure that certain minimum technical specifications for CT, MRI and X-rays undertaken are maintained.

**Insurance.** We are required to obtain insurance for fixtures, equipment and other installations at diagnostic centres.

**Termination.** Our contracts include termination provisions that provide for termination by our Company on account of non-payment of amounts owed to us under the contracts or on account of any force majeure event. The public health agency may also terminate the contract on grounds including failure to remedy any failure in the provision of services, insolvency or bankruptcy and engaging in corrupt or fraudulent practices. Upon termination, the performance security or deposit with the public health agency is refunded to our Company and payment is required to be made for services rendered till the date of termination. In certain contracts, performance security is only refundable in the event of a force majeure event or in the event the relevant public health agency defaults in its obligations.

**Invoicing.** Payment for services varies under the contracts we enter into and in instances we collect payments from patients directly while under certain contracts invoices raised by our Company on the public health agency from time-to-time and in accordance with specific conditions contained under specific contracts.

## **Arrangements with Private Healthcare Providers**

We enter into agreements with private healthcare providers to establish diagnostic centres within their existing healthcare facilities. These include hospitals of medical colleges and universities, hospitals and healthcare facilities administered by community health centres and other private healthcare facilities. As of March 31, 2019, 2020 and 2021 and as of June 30, 2021, we operated 14, 17, 20 and 26 diagnostic centres pursuant arrangements with private healthcare providers, respectively.

Under the hospital partnership model, we have a revenue sharing arrangement in certain of our contracts with public health agencies and private healthcare providers, pursuant to which they are entitled to a share of the revenues generated from the diagnostic services we render.

## **Process of Establishing Diagnostic Centres**

Upon award of a contract, the procurement department is provided with details along with the budgeted rates for material, services and equipment. The material, services and equipment required for establishment of diagnostic centres are estimated by the tender department personnel and then passed on to the procurement department along with the schedule of requirements. Upon receipt of the letter, we begin mobilizing manpower and equipment resources and the setting up of diagnostic centre. Construction activity typically commences once the public health agency approves working designs and issues drawings. The project team immediately identifies and works with the procurement department to procure the key construction materials and services required to commence construction. Based on the contract documents, a detailed schedule of construction activities is prepared. We have a multi-tiered project management system that helps us track the physical and financial progress of work vis-à-vis the schedule. Additionally, the senior management of our Company follow a hands-on approach with respect to the project execution. We are required to achieve to certain milestones for establishing the diagnostic centres and are required to meet timelines that are agreed with the public health agency.

## **Logistics and Procedures**

### *Logistics*

All samples, including blood, body fluids, culture specimens and swabs are transported from the place of collection to the processing centre. All samples collected are accompanied by a properly filled Test Requisition Forms (“TRF”). In case samples are transported from one centre to another, orders of these samples are sent electronically to the processing centre.

### *Packaging*

Care is taken to ensure that each sample is properly labelled and barcoded, as required. Samples are transported in leak-proof containers. All samples are handled as potentially bio-hazardous and all universal safety precautions are complied with. All samples are packed with triple layer packaging. The innermost layer is the primary tube itself which should be capped properly to ensure that there is no leakage. All samples of one consignment which are of one type (blood, urine, etc.) are placed in a zip lock bag and stored in an upright position. The TRFs and the other documents are placed in the outer sleeve of the zip lock bag. These bags are then placed in a separate ice lined cushioned bag in which temperature is maintained at 2° to 8° Celsius. Absorbent material is placed in between the samples and the outer container as well as between consignments. The bag is secured to ensure that there is no spillage of the contents. Each bag also has a biohazard label on its outer side. If there is any leakage, samples are segregated and the concerned processing or collection centre is informed. The other samples are sent for accessioning and processing.

### *Testing Process*

*Imaging / Radiology.* Our radiology scans are conducted at our diagnostic centres where we have imaging equipment. Prior to the scan, clinical history is obtained and patients are counselled on the scan procedure to be performed. Informed consent of the patient / relative is taken in language understandable by the patient / relative. The patient is then prepared for the scan by ensuring clothing is appropriate and in case of MRI, we ensure that there are no metallic objects. A trained technician then performs the required imaging procedures and the images are captured in the tele-reporting software.

The images obtained during the procedures are then transferred to the centralized tele-radiology hub through tele-reporting software. The technologists at the hub evaluate the images received for quality and patient history and then assigns the study to available radiologists. The concerned radiologist then evaluates the images provided and uses a customized template to provide a report within a stipulated time. Quality check mechanisms are in place to monitor appropriate scans as per prescription. Reports are available in the portal for the team at respective diagnostic centres to download, print and hand it over to the patient / relative.

**Pathology.** Most of our tests are conducted through fully automated systems. Before placing specimens into the equipment, quality controls are run to verify and validate the accuracy of the machine. These quality controls are verified and validated by the consultant pathologist. Specimens are then placed in the testing equipment, which is interfaced bi-directionally with our Information Management Systems (“IMS”). The testing equipment can take instructions from the IMS after it reads the sample barcode and automatically connects to the IMS for patient and test details. The process is fully automated and once the equipment concludes the testing, results are automatically uploaded into the IMS under the relevant barcode. A supervisor monitors the results and, wherever needed, orders re-check. Validated results are then transferred into the IMS for a medical review by doctors. Specialists including pathologists, microbiologists, biochemists, gene cists or surgical pathologists review results against the patient’s history and demographics before authorizing the results. If results in the report are within the normal reference ranges, the report is auto-authorized and gets automatically uploaded to our website for download by patients. Reports containing results outside reference ranges are reviewed by the respective doctors prior to being authorized. As part of our standard operating procedure, we select certain test results for re-testing with no additional cost to patients. To facilitate additional tests and re-checks, we store specimens for a specified length of time in accordance with our internal policy. Pursuant to our waste management agreements with authorized third parties, specimens are disposed of through a waste management system that complies with applicable environment and health and safety laws.

## Equipment

**Suppliers.** We use technology and equipment manufactured and provided by international suppliers. Our key suppliers are the manufacturers of imaging equipment, automated analysers, reagents and diagnostic kits. We maintain strong relationship with equipment vendors that ensures quicker deployment of machinery, advantageous asset pricing and fleet wide maintenance. We are the largest customer of Wipro GE in Asia (*Source: CRISIL Report*).

The following table lists some examples of the high-quality and high-throughput machines used by our Company:

| Sr. No.          | Equipment                                | Throughput (Scans /Day or Tests / Day) |
|------------------|------------------------------------------|----------------------------------------|
| <b>Radiology</b> |                                          |                                        |
| 1.               | MRI                                      | 50                                     |
| 2.               | CT                                       | 100                                    |
| 3.               | X-Ray / CR                               | 35                                     |
| <b>Pathology</b> |                                          |                                        |
| 1.               | Immunoassay Analyser                     | 240                                    |
| 2.               | Biochemistry Analyser                    | 800                                    |
| 3.               | Electrolyte Analyser                     | 60                                     |
| 4.               | Automated culture and sensitivity system | 40 positions per day                   |

Our reagent supply agreements typically include minimum purchase levels for each month that we are required to meet, and our suppliers provide volume discounts from time to time.

**Maintenance.** The timely and effective maintenance of our equipment and instruments is essential for the efficient operation of our diagnostic equipment. Purchased equipment typically has a 12 – 36 months supplier warranty for any defects, malfunctions and any required repairs required. We enter into comprehensive maintenance contracts with our equipment vendors and the manufacturer or dealer is responsible for the maintenance and repair of the equipment. A comprehensive maintenance contract, in addition, obliges the manufacturer or dealer to replace spare parts at its own cost. We have a dedicated service desk with equipment vendors ensuring that equipment downtime is minimal and thereby ensuring uninterrupted services to our customers.

## Sales and Marketing

Our sales and marketing department is engaged in developing and implementing strategies relating to our services, their pricing and promotion of such services. Our sales and marketing team is responsible for generating new business, identifying new opportunities, maintaining existing relationships and generating additional revenues from existing customers. The sales and marketing department undertakes planning, budgeting, organizing, implementation, and control of sales programs. We also engage senior management in the sales and marketing process to build more strategic relationships with healthcare providers and to enhance experience of the users of our services. Among the activities that the department is responsible for include recruiting, training, motivating and evaluation of members of the sales force.

Our sales and marketing team is headed by a National Sales Head and is divided into four strategic business units (“SBUs”) that cover West, North, North East and South India operations. Each SBU is managed by a dedicated ‘Business Regional Head’ followed by sales and marketing functional teams. Our dedicated sales and marketing team focuses on customer groups and service types. Our sales force focuses on marketing all radiological investigations related to MRI, CT, X-Ray, USG, clinical laboratory testing and related services to consultant physicians. We have a team of domain experts, who are trained and focus on educating customers on new and more complex diagnostics tests both in radiology and pathology.

*Marketing.* We invest in cost-effective marketing tools and digital marketing to enhance brand awareness and increase our customer base. Our main marketing activities focus on consultant physicians and retail marketing. Our consultant physician marketing efforts are focused on promotion of our services in the medical and health services communities, primarily through the organization of webinars and continuing medical education programs and other medical education initiatives. Additionally, we also conduct consumer awareness programmes for our customers with an opportunity to familiarize themselves with our services and understand the benefits of preventive care.

*Sales.* Each SBU has an operations team and a sales team. The operations team is responsible for management of our patient touch points and institutional touch points and ensuring services are rendered properly. The sales team focuses on developing relationships with consultant physicians, and is also responsible for educating healthcare professionals on our several service offerings. We also have a dedicated sales team, which engages with key decision makers, and whose primary focus is to promote high-end tests both in the field of radiology and pathology. For our institutional customers, we have a dedicated sales team that focus on corporate customers for medical check-up contracts and government tenders including PPP arrangements.

## Information Technology

Our information technology systems serve our patients and help to ensure the efficiency of our business by monitoring our network’s performance, refining resource allocation and helping us respond to changes. We have a scalable information technology infrastructure designed to satisfy the requirements of our operations, to support the growth of our business and to help ensure the reliability of our operations as well as the security of patient information.

*Information Management System (IMS).* IMS stores and manages all diagnostic data, including all patient demographic and medical diagnostics information. IMS also allows us to track specimen collection, shipping and testing in real time. Our primary data centre in connection with IMS is centrally hosted at a data centre in Hyderabad through a third party service provider, and all of our diagnostic centres are connected directly to the main data centre through real-time, point-to-point through an open internet connection, with individual user IDs and password.

*Enterprise Resource Planning (ERP) System.* Our ERP system has capabilities for the maintenance of records for accounts payable, as well as banking and general ledgers. The system, which is hosted at our corporate office, operates based on a centralized model with integration capabilities for new cloud-based applications. This ensures that the system is designed for scalability and connectivity, allowing us to grow our network while remaining connected via the cloud. This ERP system also allows us to better control our finances, inventory and purchasing through the provision of real-time data from our locations throughout India.

*Picture Archiving and Communications System (PACS).* Our PACS ensures lossless compression and transmission of images. It operates on broadband, 2G and 3G networks.

**Tele-Reporting Software.** Our tele-reporting software has developed workflows for assignment of images, tracking and downloading images, reporting, finalising, trauma / emergency reporting and quality check of each study.

**Privacy and Security of User Data.** We store patient data on our main data server, which has certified authentication mechanisms and which is maintained by our own information technology staff. When patients access their health information on our website/ mobile application, they do so through a password-protected encryption system, also a one-time password based system.

**Mobile Apps and E-services.** Our mobile application, offer customers the opportunity to access promotions, locate diagnostic centres and collection centres, view results, access the menu of services and receive automatic notifications. The mobile application allows patients to book appointments, book home collection slots, access their pathology report, which are based on a one-time password system. The mobile application is currently available for Android devices. We also operates a website portal that allows patients to securely access their test results online.

## Quality Assurance

Each of our diagnostic centres ensure compliance with quality standards that are designed to improve the processes for collection, handling, storage and transportation of patient specimens, as well as to assure accurate and timely test results and work environment of our employees in general.

Our diagnostic centres are accredited by NABH and NABL to ensure that the services we offer and our centres comply with International Organisation for Standardization Standards. NABL certification is a mandatory eligibility condition for diagnostic centres empanelment under the Central Government Health Scheme. NABL accreditation involves on-site inspections of the diagnostic centre and participation in their proficiency testing programs for categories in which the diagnostic centre is accredited. The standard recognizes the technical competence of medical laboratories, thereby providing a ready means for customers to find reliable testing and calibration services. In addition, some of our diagnostic centres have achieved International Organization for Standardization, or ISO, certification for their quality systems.

In addition to the elective and compulsory external inspections and proficiency testing programs required by the Government of India and other applicable regulatory agencies, we have systems and procedures in place to emphasize and monitor quality through inter-centre comparisons, thereby helping to maintain reporting standards within our entire network of diagnostic centres.

## Competition

The principal competitive factors in the diagnostic testing market in India include: consistently high-quality and accuracy of tests; strong doctor referral network; cost-effectiveness and pricing of our testing services.

The diagnostic industry is highly competitive and fragmented. According to the CRISIL Report, some of the major diagnostic laboratory services providers in India currently include Dr. Lal Path Labs, SRL Limited, Metropolis Healthcare Limited, Suburban Diagnostics India Private Limited, Vijaya Diagnostic Centre Private Limited and Thyrocare Technologies Limited. In addition, we compete with many smaller, independent clinical and anatomical laboratories, smaller radiology centres as well as laboratories owned by hospitals and physicians. For further information regarding the highly competitive nature of our industry, see “*Industry Overview – Competitive Mapping of Key Players*” on page 135.

Some of our competitors may have substantially greater financial, marketing, technical or other resources than we do. Also see, “*Risk Factors – The diagnostics industry in India is highly competitive and our inability to compete effectively may adversely affect our business, results of operations and financial condition.*” on page 34.

## Intellectual Property

Our Company has registered the following trademarks:

| Sr. No. | Trademark            | Trademark No. | Class | Certificate No. | Validity       |
|---------|----------------------|---------------|-------|-----------------|----------------|
| 1.      | “Krsna”              | 2512863       | 5     | 1361130         | April 12, 2023 |
| 2.      | “Krsna”              | 2512864       | 44    | 1361131         | April 12, 2023 |
| 3.      | “Krsnaa Diagnostics” | 3473590       | 44    | 2247676         | February 03,   |

| Sr. No. | Trademark                          | Trademark No. | Class | Certificate No. | Validity          |
|---------|------------------------------------|---------------|-------|-----------------|-------------------|
|         |                                    |               |       |                 | 2027              |
| 4.      | "Let's Do Good"                    | 3473591       | 44    | 1831241         | February 03, 2027 |
| 5.      | "Krsnaa Diagnostics Let's Do Good" | 4863407       | 44    | 2793003         | February 14, 2031 |

### Trademark Applications

Our Company has made applications for the registration of the following trademarks:

| Sr. No. | Trademark     | Class | Application Number | Date of Application |
|---------|---------------|-------|--------------------|---------------------|
| 1.      | "Krsna D"     | 44    | 4863404            | February 15, 2021   |
| 2.      | "Krsnaa Logo" | 44    | 4863405            | February 15, 2021   |
| 3.      | "Ayaksham"    | 44    | 4921038            | March 25, 2021      |

Further, one application for registration of trademark made by us has been refused and two applications have been objected.

### Environmental, Health and Safety

We are subject to Indian laws and regulations relating to the protection of the environment, human health and safety, and laws and regulations relating to the handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials. All our diagnostic centres are subject to applicable laws and regulations relating to biohazard disposal of all laboratory specimens. See "*Key Regulations and Policies in India*" on page 163.

We have also established requirements relating to workplace safety for our premises for molecular imaging and have developed laboratory security policies that restrict the area of radioactive exposure to protect workers or unauthorized persons from accessing or being exposed to radioactive and other dangerous materials.

Our procedures include, among other things, work practice controls, protective clothing and equipment, training, laboratory design, housekeeping and hygiene practices and other measures designed to minimize exposure to and transmission of blood-borne pathogens and reduce the likelihood of accidents. We have also adopted protocols for emergency situations.

We are also committed to providing employees with a safe working environment. Our employees are trained and encouraged to use personal protective equipment while handling biological specimen and adhere to national and local safety guidelines, including that of biomedical waste disposal.

### Corporate Social Responsibility

Our Company has formulated a Corporate Social Responsibility ("CSR") policy in accordance with the requirements of the Companies Act, 2013 and the rules thereunder. Our Board of Directors have also constituted a Corporate Social Responsibility Committee. Our CSR activities focus on promoting preventive health care in remote areas, improvement in health of socially and economically marginalized sections of society, promoting education and vocation training among children and women, eradication of hunger, slum area development and disaster management.

Certain of our CSR activities include conducting health camps in rural areas. Further, as part of our CSR initiatives and on account of the COVID-19 pandemic, we donated ventilators and face masks to the Municipal Corporation of Pune.

In Fiscal 2019, 2020 and 2021, we were required to spend ₹0.83 million, ₹2.39 million and ₹3.48 million, respectively. We did not incur any expenditure towards CSR activities during Fiscal 2019 and 2020, however we incurred ₹6.71 million as expenditure towards our CSR activities in Fiscal 2021.

## Employees

As of June 30, 2021, our team comprised 2,053 permanent employees. We also engaged 984 employees on a contractual basis, as of June 30, 2021. Further, engaged 220 contract labour, as of June 30, 2021.

The following table sets forth the number of our total workforce (including employees on a contract basis and contract labour) as of June 30, 2021:

| Sr. No.      | Function                                | Employees    |
|--------------|-----------------------------------------|--------------|
| 1.           | Radiologists                            | 190          |
| 2.           | Pathologists                            | 30           |
| 3.           | Clinicians (Microbiologist)             | 8            |
| 4.           | Lab Technicians (Includes Phlebotomist) | 838          |
| 5.           | X-Ray Technicians                       | 349          |
| 6.           | CT/MRI Technicians                      | 254          |
| 7.           | Other Support Functions                 | 1,588        |
| <b>Total</b> |                                         | <b>3,257</b> |

We train our employees on a regular basis to increase the level of operational excellence, improve productivity and maintain compliance standards on quality and safety. We also conduct training workshops for our employees to develop a variety of skill sets and organize modules at regular intervals to promote teamwork and personal growth of employees.

In addition, we have entered into arrangements with third party personnel companies for the supply of contract labour primarily for executing housekeeping and security services at our diagnostic centres and corporate office. Our employees are not unionized into any labour or workers' unions and we have not experienced any major work stoppages due to labour disputes or cessation of work in the last three years.

## Insurance

We maintain insurance policies covering equipment at our diagnostic centres, group insurance policies for our employees covering against accidents and medical claims, money-transit and infidelity guarantee, key man insurance for our Promoter and vehicle insurance. We have also procured directors' and officers' liability insurance policy for claims made against our employees, directors and officers.

The table below sets forth details of our coverage of our insurance policies and other particular, as of March 31, 2021:

| Type of Insurance                    | Nature of Coverage                                                        | Maximum Claim Amount (₹ million) | Annual Premium Amount (₹ million) |
|--------------------------------------|---------------------------------------------------------------------------|----------------------------------|-----------------------------------|
| Group Employee Insurance             | Accident                                                                  | 69.50                            | 0.12                              |
|                                      | Mediclinam                                                                | 27.80                            | 2.94                              |
| Center Indemnity Insurance           | Indemnity                                                                 | 50.00                            | 0.69                              |
| Directors & Officers Insurance       | Directors and Officers liability                                          | 210.00                           | 0.22                              |
| Key Man Insurance                    | Key man liability                                                         | 500.00                           | 0.42                              |
| Cash Policy Insurance                | Fidelity guarantee and coverage against riots, strike and infidelity risk | 10.30                            | 0.08                              |
| Director & Loan Protection Insurance | Coverage towards credit security and critical illness                     | 89.80                            | 1.07                              |
| Laptop Insurance                     | All risk coverage                                                         | 25.45                            | 0.37                              |
| Stock Insurance                      | Coverage towards fire and burglary                                        | 100.00                           | 0.05                              |
| Vehicle Insurance                    | Vehicle coverage                                                          | 17.05                            | 0.37                              |
| Machinery Insurance                  | Coverage towards fire and burglary                                        | 3,475.03                         | 2.15                              |
| <b>Total</b>                         |                                                                           | <b>4,574.93</b>                  | <b>8.48</b>                       |

We believe that our insurance coverage is in accordance with industry custom, including the terms of and the coverage provided by such insurance. Our policies are subject to standard limitations. Therefore, insurance might not necessarily cover all losses incurred by us and we cannot provide any assurance that we will not incur losses or suffer claims beyond the limits of, or outside the relevant coverage of, our insurance policies. See “*Risk Factors – An inability to maintain adequate insurance cover in connection with our business may adversely affect our operations and profitability.*” on page 45.

**Property**

Our Company’s registered and corporate office are located at S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka – Haveli, Pune - 411 019, Maharashtra, India. Both our registered office and corporate office are situated on premises that are leased by our Company. Our tele-radiology hub is also located at our corporate office in Pune. We also operate a liaison office in Delhi that is situated on leased premises.



## KEY REGULATIONS AND POLICIES IN INDIA

*The following description is a summary of certain key statutes, rules, regulations, notifications, memorandums, circulars and policies which are applicable to our Company and the business undertaken by our Company.*

*The information detailed in this chapter, is based on the current provisions of key statutes, rules, regulations, notifications, memorandums, circulars and policies, as amended, and are subject to future amendments, changes and/or modifications. The information detailed in this chapter has been obtained from sources available in the public domain. The regulations set out below may not be exhaustive and are only intended to provide general information to the investors and are neither designed nor intended to substitute professional legal advice. The statements below are based on the current provisions of Indian law, and remain subject to judicial and administrative interpretations thereof, which are subject to change or modification by subsequent legislative, regulatory, administrative or judicial decisions.*

*While taxation statutes such as the Income Tax Act, 1961 apply to us as it does to any other company, services provided by our Company are exempt from indirect taxes such as the goods and service taxes. For details of approvals obtained by our Company, see “Government and Other Approvals” on page 329.*

### **Industry specific legislations**

#### ***The Clinical Establishments (Registration and Regulation) Act, 2010 (“CERR Act”)***

The CERR Act is a central legislation and provides for registration and regulation of clinical establishments. It prescribes the minimum standards for facilities and services provided by clinical establishments. In terms of the CERR Act, ‘clinical establishment’ includes a place established in connection with the diagnosis or treatment of diseases where pathological, bacteriological, genetic, radiological, chemical, biological investigations or other diagnostic or investigative services with the aid of laboratory or other medical equipment, are usually carried on.

In addition, most of the States in India where we operate have legislated their own clinical establishment laws. These legislations *inter alia* include (i) Tamil Nadu Clinical Establishments (Regulation) Act, 1997; (ii) the Orissa Clinical Establishments (Control and Regulation) Act, 1990; (iii) Punjab State Nursing Home Registration Act, 1991; and (iv) Allopathic Private, Medical Care Establishments (Registration and Regulation) Act, 2002.

#### ***The Clinical Establishments (Central Government) Rules, 2012 (“CECG Rules”)***

The CECG Rules *inter alia* provide conditions for registration and continuation of clinical establishments. In terms of the CECG Rules, clinical establishments are required to charge rates for each type of procedures and services within the range of rates determined by the Central Government and display the same in a local language as well as in English. Clinical establishments are required to maintain electronic records of patients and statistics, in accordance with the CECG Rules.

The Ministry of Health and Family Welfare vide its notification dated May 18, 2018 amended the CECG Rules and introduced minimum standards for medical diagnostic laboratories (or pathological laboratories). It stipulates that each clinical establishment undertaking diagnosis or treatment of diseases, pathological, bacteriological, genetic, radiological, chemical, biological investigations or other diagnostic or investigative services are carried on with the aid of laboratory or other medical equipment, to comply with the minimum standards of facilities and services.

Certain States in India have framed rules under the CERC Act or under respective state legislation for clinical establishment, prescribing *inter alia* the powers of registration authority, procedure for registration of clinical establishments and applicable fee.

#### ***The Preconception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Act, 1994 (“PCPNDT Act”)***

The PCPNDT Act prohibits sex selection, before or after conception, regulates use of pre-natal diagnostic techniques for the purposes of detecting genetic abnormalities or metabolic disorders or chromosomal abnormalities or certain congenital malformations or sex-linked disorders and provides for prevention of their misuse for sex determination leading to female foeticide. The PCPNDT Act regulates the registration of genetic counselling centres, laboratories or clinics, and lays down conditions for performing pre-natal diagnostic

techniques. The PCPNDT Act prohibits any person, organisation, including genetic counselling centre, laboratory or clinic from issuing, publishing or distributing any advertisement regarding facilities of pre-natal determination of sex and mandates genetic counselling centres, genetic laboratories or genetic clinics to be registered failing which penal action could be initiated against them. The central supervisory board constituted under the PCPNDT Act is authorised to lay down a code of conduct to be observed by persons working in any genetic counselling centre, genetic laboratory or genetic clinic. Appropriate authority appointed by Central and respective State Government are conferred powers *inter alia* to grant, suspend or cancel the registration certificate of a genetic counselling centre, laboratory or clinic.

#### ***The Preconception and Pre-Natal Diagnostic Techniques (Prohibition of Sex Selection) Rules, 1996 (“PCPNDT Rules”)***

The PCPNDT Rules prescribe qualifications of employees, required equipment and places for a genetic counselling centre, laboratory and clinic. The PCPNDT Rules stipulate the format in which an application for registration should be made by such centre, laboratory or clinic before the appropriate authority appointed under the PCPNDT Act and lays down the manner in which records are to be maintained and preserved by such genetic counselling centre, genetic laboratory or genetic clinic. The PCPNDT Rules provide for code of conduct and conditions to be followed by owners, employees or any other persons associated with a genetic counselling centre, genetic laboratory and genetic clinic registered under the PCPNDT Act. The PCPNDT Rules further require every genetic counselling centre, laboratory and clinic to intimate every change of employee, address and equipment installed, to the appropriate authority within the time prescribed and preserve such information as permanent records.

#### ***National Accreditation Board for Hospitals and Healthcare Providers (“NABH”)***

NABH is a constituent board of the Quality Council of India, set up to establish and operate accreditation programme for healthcare organisations. The board is structured to cater to much desired needs of the consumers and to set benchmarks for progress of health industry. The board while being supported by all stakeholders including industry, consumers, government, have full functional autonomy in its operation. NABH offers a certification programme for laboratories that conduct biological, microbiological, immunological, chemical, haematological, pathological, cytological or other examination of materials derived from the human body for the purpose of providing information for the diagnosis, prevention and treatment of disease.

#### ***National Accreditation Board for Testing and Calibration Laboratories (“NABL”)***

The NABL is an autonomous body established under the aegis of Department of Science and Technology, Government of India. NABL provides government, regulators and the diagnostic industry with a scheme of laboratory accreditation through third-party assessment for formally recognizing the quality and technical competence of the testing and calibration of laboratories in accordance with International Organisation for Standardization Standards. NABL certification is a mandatory eligibility condition for diagnostic centres empanelment under the Central Government Health Scheme. Diagnostic laboratories which are not accredited by NABL may also participate in application and get empanelled under the Central Government Health Scheme but their empanelment shall be provisional till they are inspected by Quality Council of India or NABL and are recommended for continuation of empanelment under the Central Government Health Scheme; however, there is no legal obligation to obtain certification from the NABL.

#### ***Indian Council of Medical Research Regulations – ICMR Guidelines for Good Clinical Laboratory Practices, 2021 (“GCLP”)***

The GCLP are guidelines provided by the Indian Council of Medical Research with the objective of promoting uniformity in maintaining quality of laboratory services, the first GCLP guidelines were released in the year 2008. GCLP 2021 aims to establish minimum criteria which should be followed by clinical and research laboratories involved in examining human samples, in routine healthcare delivery and clinical research, respectively. The GCLP 2021 provides guidelines with regards to (i) infrastructure; (ii) personnel training; (iii) equipment; (iv) examination processes; (v) sample storage and disposal; (vi) safety and hygiene measure; (vii) ethical considerations; and (viii) quality control and management.

#### ***Indian Council of Medical Research (“ICMR”) Guidelines for COVID-19 testing private laboratories in India (“ICMR Guidelines”)***

The guidelines laid down by ICMR for COVID-19 testing in private laboratories in India which was notified in the year 2020. The ICMR Guidelines stipulates that test to be conducted by a laboratory which has NABL

accreditation for RT-PCR assay for RNA virus. The guidelines are with respect to (i) sample collection and testing guidelines (ii) reporting protocols (iii) policy for sample storage and destruction; (iv) policy for sample storage and destruction; and (v) cost of the test.

### ***The Atomic Energy Act, 1962 (“AE Act”)***

In order to ensure safe disposal of radioactive waste and to secure public safety, including that of persons handling radioactive substances, the AE Act empowers the Central Government to regulate the disposal of minerals, concentrates and other materials which contain uranium in excess of the prescribed proportion. The AE Act states that the Central Government may prohibit acquisition, production, possession, use, disposal, export or import of any prescribed equipment or substance, excepting under a license granted by it to that effect. Further, the AE Act enables the Central Government to make rules regarding premises or places where radioactive substances are manufactured, produced, mined, treated, stored or used or radiation generating plant, equipment or appliance is used.

### ***The Atomic Energy (Radiation Protection) Rules, 2004 (“AERP Rules”)***

The AERP Rules stipulate that every person intending to use any radioactive material for any purpose, in any location and in any quantity, has to comply with the requirements of AE Act. The AERP Rules mandate every person handling radio-active material to apply for a license which may be subsequently modified, revoked or withdrawn at the discretion of the competent authority and such license is valid for a period of five years from the date of its issue. The AERP Rules lay down various compliance measures regarding *inter alia* maintenance of radiation protection equipment and health surveillance of workers. The AERP Rules also prescribe certain general safety guidelines, directives for emergency preparedness and accidents.

The AERP Rules also require every licensee to comply with the surveillance procedures, safety codes and safety standards specified by the Atomic Energy Regulatory Board. Every license issued, unless otherwise specified, is valid for a period of five years from the date of issuance of such license. Rule 27 of the AERP Rules provides for radiation surveillance requirements that provide that the siting, design, construction, commission, operation, servicing and maintenance and decommissioning of facilities involving the use of radiation should be done in accordance to specifications laid down by competent authority in the relevant safety codes and standards; the workers should be subjected to personnel monitoring and health surveillance and appropriate record of the same to be maintained; the transport of radioactive material in public domain should be in accordance to the relevant regulations pertaining to transport by different modes; and appropriate quality assurances of the premises must be maintained.

### ***Atomic Energy Regulatory Board – Safety Code for Medical Diagnostic X-Ray Equipment and Installation dated October 5, 2001 (“X-ray Code”)***

The X-ray Code governs radiation safety in design, installation and operation of x-ray generating equipment for medical diagnostic purposes. Pursuant to the X-ray Code, medical diagnostic x-ray equipment and protective devices are required to be operated in accordance with the requirements outlined and it is the responsibility of the employer to ensure radiation safety, availability of radiological safety officer and qualified personnel for handling of x-ray equipment and providing requisite equipment and facilities to such personnel to discharge their duties. The X-ray Code also provides for approval of each type of medical x-ray equipment. The acquisition of X-ray equipment through purchase, transfer, gift, leasing or loan is required to be registered with the competent authority. Further, no diagnostic X-ray equipment can be operated unless the licensee obtains license and/or registration from the competent authority. Non-compliance with the X-ray Code shall be punishable with imprisonment or fine or both.

### ***Radiation Surveillance Procedure for Medical Applications of Radiation, 1989 (“RSPM Notification”)***

The RSPM Notification was promulgated to ensure that procedures and installations involving radiation installations, radiation equipment and radioactive material are performed in conjunction with a pre-planned surveillance programme approved by the competent authority to ensure adequate protection. Any person desirous of handling any radioactive material or radiation equipment has obtain prior permission in the form of either a license or an authorisation from the competent authority. The RSPM Notification stipulates the working conditions that are to be ensured at every medical radiation installation and provides safety guidelines regarding *inter alia* design safety of equipment, planning of radiation instalments, commissioning of radiation equipment and isolation and disposal of radioactive effluents or damaged radioactive material.

### ***Epidemic Disease Act, 1897 (“ED Act”)***

The ED Act is a central legislation that provides for the prevention of spread of a dangerous epidemic disease. It prescribes the powers to the State and Central Government to take special measures to prevent the spread of the epidemic. It also provides for penalty and punishment for violation of the provisions of the ED Act, which includes any damage caused to healthcare service personnel and property.

### ***Guidelines relating to import of blood samples***

The “Guidelines for Exchange of Human Biological Material for Biomedical Research Purposes” issued by the Central Government on November 19, 1997 authorises the Indian Council of Medical Research (“ICMR”) to set up a committee for consideration of proposals relating to import of biological materials, such as blood samples, for commercial purposes and/or evaluation of cases involving transfer of infectious biological material, human biological waste or other cases for commercial purposes from foreign research centres to Indian diagnostic laboratories. In accordance with the ICMR Guidance, applications for import of blood samples are required to be made to the ICMR for onward consideration by a committee. Applicant companies are required to comply with inter alia the “Guidance on Regulations for the Transport of Infectious Substances (2013-2014)” and “Laboratory Biosafety Manual – 2004”, issued by the World Health Organization, United Nations, class (6.2) specifications for packing instructions, and the Environment Protection Act, 1986, along with the rules framed thereunder.

### ***Environmental laws***

#### ***The Environment (Protection) Act, 1986 (“EPA”)***

The EPA has been enacted for the protection and improvement of the environment. It stipulates that no person carrying on any industry, operation or process shall discharge or emit or permit to be discharged or emitted any environmental pollutant in excess of such standards as may be prescribed. Further, no person shall handle or cause to be handled any hazardous substance except in accordance with such procedure and after complying with such safeguards as may be prescribed. EPA empowers the Central Government to take all measures necessary to protect and improve the environment such as laying down standards for emission or discharge of pollutants, providing for restrictions regarding areas where industries may operate and generally to curb environmental pollution.

#### ***Bio-Medical Waste Management Rules, 2016 (“BMW Rules”)***

The Central Government has framed the BMW Rules, pursuant to the rule making power conferred under the Environment Act. The BMW Rules apply to persons generating, collecting, receiving, storing, transporting, treating, disposing or handling bio-medical waste in any form including hospitals, clinics and pathological laboratories. The BMW requires an occupant of an institution generating bio-medical waste to take steps to ensure that such waste is handled without any adverse effect to human health and the environment. The BMW Rules regulates modes of treatment and disposal of “bio-medical waste” which is defined as any waste generated during diagnosis, treatment or immunisation of human beings or animals or in research activities pertaining thereto or in the production or testing of biologicals, as defined in the BMW Rules. The BMW Rules require every occupier of an institution handling bio-medical waste in any form and providing services to more than 1000 patients per month, to obtain an authorisation from the prescribed authority. The BMW Rules require such authorised person to submit an annual report and an accident report to the prescribed authority and maintain relevant records. However, the prescribed authority may cancel, suspend or refuse to renew an authorisation, if for reasons to be recorded in writing, the occupier/ operator has failed to comply with any of the provisions of Environment Act or BMW Rules.

### ***Labour related legislations***

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws, including the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Employee’s State Insurance Act, 1948, the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952, Payment of Gratuity Act, 1972, the Payment of Bonus Act, 1965 the Bombay Shops and Establishments Act, 1975 and the Maternity Benefit Act, 1961, Maharashtra Labour Welfare Fund Act, 1953 among others.

In order to rationalize and reform labour laws in India, the Government has enacted the following codes:

- (a) Code on Wages, 2019, which regulates and amalgamates wage and bonus payments and subsumes four existing laws namely – the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965, Professional Tax Act, 1975 and the Equal Remuneration Act, 1976. It regulates, *inter alia*, the minimum wages payable to employees, the manner of payment and calculation of wages and the payment of bonus to employees.
- (b) Industrial Relations Code, 2020, which consolidates and amends laws relating to trade unions, the conditions of employment in industrial establishments and undertakings, and the investigation and settlement of industrial disputes. It subsumes and simplifies the Trade Unions Act, 1926, the Industrial Employment (Standing Orders) Act, 1946 and the Industrial Disputes Act, 1947.
- (c) Code on Social Security, 2020, which amends and consolidates laws relating to social security, and subsumes various social security related legislations, *inter alia* including the Employee's State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961 and the Payment of Gratuity Act, 1972. It governs the constitution and functioning of social security organisations such as the Employee's Provident Fund and the Employee's State Insurance Corporation, regulates the payment of gratuity, the provision of maternity benefits and compensation in the event of accidents that employees may suffer, among others.

These codes shall become effective on the day that the Government shall notify for this purpose.

### **Intellectual Property Laws**

#### ***The Trade Marks Act, 1999 (Trademarks Act)***

The Trademarks Act provides for the application and registration of trademarks in India for granting exclusive rights to marks such as a brand, label and heading and obtaining relief in case of infringement. The Trademarks Act also prohibits any registration of deceptively similar trademarks or compounds, among others. It also provides for infringement, falsifying and falsely applying for trademarks.

### **Information Technology Laws**

Our Company is also required to comply with the provisions of the Information Technology (Reasonable security practices and procedures and sensitive personal data on information) Rules, 2011. The rules aim to protect sensitive personal data such as medical records and history which is collected by an individual or a person who is involved in commercial or professional activities and ensure that the same are available for view by such providers of information who has provided such information under lawful contract.

### **Other laws**

In addition to the above, our Company is also required to comply with the provisions of the Companies Act and rules framed thereunder, and other applicable statutes imposed by the Centre or the State Government and authorities for our day-to-day business and operations. Our Company is also amenable to various central and state tax laws.

## HISTORY AND CERTAIN CORPORATE MATTERS

### Brief history of our Company

Our Company was originally incorporated as 'Krsna Diagnostics Private Limited' at Pune, Maharashtra as a private limited company under the Companies Act, 1956, pursuant to a certificate of incorporation dated December 22, 2010, issued by the RoC. The name of our Company was changed to 'Krsnaa Diagnostics Private Limited', pursuant to a fresh certificate of incorporation issued by the RoC on January 29, 2015. Thereafter, our Company was converted into a public limited company pursuant to a special resolution passed in the extraordinary general meeting of the Shareholders of our Company held on April 25, 2021 and consequently the name of our Company was changed to its present name pursuant to a fresh certificate of incorporation issued by the RoC on May 6, 2021.

### Change in the registered office

Except as disclosed below, there has been no change in our registered office since incorporation:

| Effective date of change | Details of change                                                                                                                                                                                                                                                            | Reason(s) for change                       |
|--------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| June 1, 2011             | The registered office of our Company was changed from A-2, 196+20, Shantiban Society, Chinchwad, Pune - 411 033 to Plot No 98, Pavananagar, Opposite Fathechand Jain School, Chinchwad, Pune - 411 033, Maharashtra                                                          | Administrative and operational convenience |
| March 31, 2021           | The registered office of our Company was changed from Plot No 98, Pavananagar, Opposite Fathechand Jain School, Chinchwad, Pune - 411 033 to S.No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka – Haveli, Pune - 411 019, Maharashtra | Administrative and operational convenience |

### Changes in the name of our Company

Except as disclosed below, there have been no changes in the name of our Company since incorporation:

| Effective date of change | Details of change                                                                                                    | Reason(s) for change                                                  |
|--------------------------|----------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------|
| January 29, 2015         | The name of our Company was changed from 'Krsna Diagnostics Private Limited' to 'Krsnaa Diagnostics Private Limited' | For numerological reasons                                             |
| April 25, 2021           | The name of our Company was changed from 'Krsnaa Diagnostics Private Limited' to 'Krsnaa Diagnostics Limited'        | Conversion from a private limited company to a public limited company |

### Main Objects of our Company

The main objects contained in our Memorandum of Association are as mentioned below:

*"1. To carry on in India or abroad the business of designing, constructing, running, collaborating, with all kinds of hospitals, dispensaries, health clubs, clinics, laboratories, Multispeciality hospitals offering comprehensive range of medical services and consultancies, diagnostics centres, nursing homes, geriatric clinics and centres, various schemes under medical insurance and to act as manufacturers, producers, traders, buyers, sellers, importers, exporters, retailers and dealers of all types of pharma products, drugs, medicines, enzymes, mixtures, vitamins, hormones, herbals, and their by-products, intermediates, derivatives formulations and compounds, antibiotics, antimicrobials, and to provide biotechnology and bioinformatics consultancy services, education and training in the field of Biotechnology and to perform Research for Biotech and Pharmaceutical Industry and to deal in all types description, specification, strengths and application of pharmaceutical products of medicaments in all its branches such as allopathic, ayurvedic, homeopathic, herbal, bio-chemic used for treatment, cure and health care of human being and animals."*

The main objects as contained in the Memorandum of Association enable our Company to carry on the business presently being carried out.

## Amendments to our Memorandum of Association

Set out below are the amendments to our Memorandum of Association in the ten years preceding the date of this Prospectus:

| Date of Shareholders' Resolution | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| February 12, 2013                | Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company, from ₹1,00,00,000 comprising of 10,00,000 equity shares of ₹10 each to ₹4,00,00,000 comprising of 40,00,000 equity shares of ₹10 each                                                                                                                                                                    |
| January 29, 2015                 | Clause I of the Memorandum of Association was amended to reflect the change in the name of our Company from 'Krsna Diagnostics Private Limited' to 'Krsnaa Diagnostics Private Limited'                                                                                                                                                                                                                                                |
| March 26, 2015                   | Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company, from ₹4,00,00,000 comprising of 40,00,000 equity shares of ₹10 each to ₹5,20,00,000 comprising of 52,00,000 equity shares of ₹10 each                                                                                                                                                                    |
| May 22, 2015                     | Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company, ₹5,20,00,000 comprising of 52,00,000 equity shares of ₹10 each to ₹55,16,15,422 comprising of 52,00,000 equity shares of ₹10 each and 40,61,914 Series A CCPS                                                                                                                                            |
| January 5, 2017                  | Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company, from ₹55,16,15,422 comprising of 52,00,000 equity shares of ₹10 each and 40,61,914 Series A CCPS to ₹70,18,55,422 comprising of 52,00,000 equity shares of ₹10 each, 40,61,914 Series A CCPS and 6,00,960 Series B CCCPS                                                                                 |
| January 22, 2019                 | Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company, from ₹70,18,55,422 comprising of 52,00,000 equity shares of ₹10 each, 40,61,914 Series A CCPS and 6,00,960 Series B CCCPS to ₹146,15,76,922 comprising of 52,00,000 equity shares of ₹10 each, 40,61,914 Series A CCPS, 6,00,960 Series B CCCPS and 30,38,886 Series C CCPS                              |
| February 2, 2021                 | Clause V of our Memorandum of Association was amended to reflect the increase in the authorized share capital of our Company, from ₹146,15,76,922 comprising of 52,00,000 equity shares of ₹10 each, 40,61,914 Series A CCPS, 6,00,960 Series B CCCPS and 30,38,886 Series C CCPS to ₹147,15,76,922 comprising of 62,00,000 equity shares of ₹10 each and 40,61,914 Series A CCPS, 6,00,960 Series B CCCPS and 30,38,886 Series C CCPS |
| March 31, 2021                   | Clause V of our Memorandum of Association was amended to reflect the reclassification in the authorized share capital of our Company, from ₹147,15,76,922 comprising of 62,00,000 equity shares of ₹10 each, 40,61,914 Series A CCPS, 6,00,960 Series B CCCPS and 30,38,886 Series C CCPS to ₹147,15,76,922 comprising of 2,12,24,000 equity shares of ₹10 each, 40,61,914 Series A CCPS and 30,38,886 Series C CCPS                   |
| April 25, 2021                   | Clause V of our Memorandum of Association was amended to reflect the sub-division of the face value of the Equity Shares of our Company. As a result of such sub-division, the number of Equity Shares in Clause V of the Memorandum of Association stood revised from 6,494,964 Equity Shares of ₹10 each to 12,989,928 Equity Shares of ₹5 each.                                                                                     |
| April 25, 2021                   | Clause I of the Memorandum of Association was amended to reflect the change in the name of our Company from 'Krsnaa Diagnostics Private Limited' to 'Krsnaa Diagnostics Limited'                                                                                                                                                                                                                                                       |

## Major events and milestones of our Company

The table below sets forth the key events in the history of our Company:

| Fiscal | Particulars                                                                    |
|--------|--------------------------------------------------------------------------------|
| 2011   | Incorporation of our Company with two radiology centres                        |
| 2013   | Started operating 12 centres in Himachal Pradesh in public private partnership |
| 2016   | Investment by Somerset and Kitara in our Company                               |
| 2017   | Completed installation of 50 centres in four states                            |
| 2018   | Expanded operations across 13 states                                           |
| 2019   | Received accreditation from NABH for a centre in Madhya Pradesh                |
| 2019   | Investment by Phi Capital in our Company                                       |
| 2020   | Received accreditation from NABH and NABL for certain centres in Maharashtra   |
|        | Expanded to over 1,500 centres across India                                    |
|        | Received accreditation from NABL for certain centres in Rajasthan              |

### Key awards, accreditations or recognitions

Our Company has received the following key awards, accreditation and recognition:

| Sr. No. | Key Awards/ Accreditations                                                                                            | Calendar Year |
|---------|-----------------------------------------------------------------------------------------------------------------------|---------------|
| 1.      | Star of Asia Award for Health Excellence at the 10 <sup>th</sup> International Seminar of the Indian Achievers Forum  | 2016          |
| 2.      | Emerging Company Award for Health Excellence at the 42 <sup>nd</sup> National Seminar of the Indian Achiever's Awards | 2017          |
| 3.      | India's Greatest Brands Award for Healthcare and Diagnostics by Asia One                                              | 2019          |
| 4.      | Best Diagnostic and Imaging Centre of the Year (Asia) at the Asia Healthcare Summit and Awards                        | 2020          |
| 5.      | Best Diagnostics Service Company of the Year at the India Excellence Awards by ET Now                                 | 2020          |
| 6.      | Outstanding Achievement Award in Healthcare Social Causes at the India Excellence Awards by ET Now                    | 2020          |

### Our holding company

As on the date of this Prospectus, our Company does not have a holding company.

### Subsidiaries, associates or joint ventures

We do not have any associates or joint ventures, and for details with respect to our Subsidiaries, see “*Our Subsidiaries*” on page 173.

### Time/cost overrun

Other than in the ordinary course of implementation of and setting up of our diagnostic centres, there have been no time/cost overruns in relation to implementation of our projects since incorporation.

### Launch of key products or services, capacity/ facility creation, location of plants, entry into new geographies or exit from existing markets

For details of key products or services launched by our Company, capacity/ facility creation, location of plants, entry into new geographies or exit from existing markets to the extent applicable, see “*Our Business*” on page 142.

### Defaults or rescheduling/ restructuring of borrowings with financial institutions/banks

Our Company has not defaulted on repayment of any loan availed from any banks or financial institutions. The tenure of repayment of any loan availed by our Company from banks or financial institutions has not been rescheduled or restructured. However, in response to the COVID-19 pandemic, the RBI allowed banks and lending institutions to offer moratoriums to their customers to defer payments under loan agreements. Pursuant to such measures, we availed a moratorium offered by the RBI to defer payments under a few loan agreements.

### Details of material acquisition or divestments in the last 10 years

Our Company has not undertaken a material acquisition or divestment of any business/undertaking in the 10 years preceding the date of this Prospectus.

### Material mergers or amalgamation in the last 10 years

Our Company has not undertaken any material mergers or amalgamation in the 10 years preceding the date of this Prospectus.

### Revaluation of assets in the last 10 years

Our Company has not revalued its assets in the 10 years preceding the date of this Prospectus.



## Details of shareholders' agreements

Other than as stated below, as on the date of this Prospectus, there are no subsisting shareholder's agreements among our shareholders *vis-a-vis* our Company, which our Company is aware of:

### **Existing Investors SHA, Amendment Agreement to the Existing Investor SHA, SSA and the Existing Investors WCA**

Our Company, our Promoter, the Investors, Pallavi Bhatevara and the Minority Shareholders (collectively the "**Parties**") have entered into the Existing Investors SHA to govern certain *inter-se* rights and obligations in the Company on December 22, 2018, in furtherance to a share subscription agreement dated December 22, 2018 ("**SSA**") entered into by *inter alia* the Company, and by way of which certain investments were made in the Company by Phi Capital (or its nominees). The SSA contemplates the payment of an aggregate consideration of ₹1,000.00 million by Phi Capital in lieu of its subscription to the share capital of the Company. The SSA *inter alia* contemplates an arrangement wherein, in the event of more than 30 per cent of gross internal rate of return on Phi Capital's investment in the Company, 20 per cent of amounts in excess of the said 30 per cent of gross internal rate of return, shall be shared with our Promoter in a manner mutually agreed between our Promoter and Phi Capital. In accordance with the SEBI Listing Regulations, such right shall remain subject to approval of the Board and ratification by way of an ordinary resolution of the Shareholders post listing. Subsequently, the Parties entered into an amendment agreement to the Existing Investor SHA dated July 1, 2020 ("**SHA Amendment Agreement**") which *inter alia*, (i) altered certain commercial terms related to the conversion formula of the Preference Shares. Such commercial terms were altered through (a) the waiver by the holders of Series A CCPS of their right under the Existing Investors SHA to receive additional Equity Shares by way of adjustment; and (b) the waiver by the holders of Series C CCPS of their right under the Existing Investors SHA, to receive Equity Shares by way of adjustment. Further, the SHA Amendment Agreement also extended certain mutually decided exit timelines contemplated under the Existing Investor SHA.

Further, in terms of the Existing Investors SHA, the Investors are *inter alia* entitled to exercise certain rights in the manner provided in the Existing Investors SHA, including (a) a right to "*tag*" along in the event of a transfer of securities by our Promoter, the Minority Shareholders or Pallavi Bhatevara to a third party; (b) pre-emptive rights in case of further issuances of securities by our Company; (c) certain information rights with respect to internal records and business plans of the Company; (d) a right to carry out an internal audit of the Company by appointing an independent internal auditor of their choice; (e) certain Board composition rights and (f) right to appoint observers to the Board. Further, the Existing Investors SHA *inter alia* contemplates certain restrictions on the Parties in relation to transfer of securities. The Existing Investors SHA will terminate: (i) viz. each Investor, in the event such Investor ceases to hold securities of the Company; (ii) on successful listing of the Company or a transfer of securities in accordance with the terms thereof; (iii) upon termination of the SSA or (iv) by the written consent of the Parties, whichever is earlier. The understanding contemplated by the Existing Investors SHA (as amended) is embedded in Part B of the Articles of Association, which shall stand deleted upon the commencement of listing and trading of the Equity Shares of the Company on any recognized stock exchange in India pursuant to an initial public offering of Equity Shares of the Company.

Subsequently, the parties to the Existing Investors SHA have entered into the Existing Investors WCA, which is effective on and from the execution date i.e., May 14, 2021, until the earlier of: (i) withdrawal of the Offer or withdrawal of the Draft Red Herring Prospectus; (ii) December 31, 2021 unless otherwise extended by the Parties in writing or (iv) consummation of the Offer, i.e., upon receipt of final listing and trading approval from each of the Stock Exchanges for the listing and trading of the Equity Shares of the Company pursuant to an IPO (such period referred to as "**Term**"), on which date, the Existing Investors WCA shall automatically terminate without any further act or deed required by any Party. In terms of the Existing Investors WCA, during the Term, the Parties have agreed to suspend/amend certain rights under the Existing Investors SHA to facilitate the Offer, which include (a) pre-emptive rights in relation to transfer of Securities pursuant to the Offer; (b) sharing of Offer expenses; and (c) information rights. Upon expiry of the Term, in the event that the Offer is not consummated, the provisions of the Existing Investors SHA shall be reinstated as of the date immediately prior to the Existing Investors WCA, without giving effect to the terms of the Existing Investors WCA. Additionally, in terms of the Existing Investors WCA, Somerset, Kitara and Phi Capital shall have the right to appoint up to 1 (one) observer each (i.e., in aggregate, 3 (three) observers), in a non-participating capacity to the Board. Subject to compliance with necessary confidentiality obligations and applicable Laws including the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended and Code of Conduct on Insider Trading formulated by the Company, the observers so appointed shall be provided with the same information rights as would be available to the Directors from time to time in relation to matters to be considered by the Board. Such right to appoint an observer shall terminate upon filing of the red herring prospectus with the RoC and such observers shall not attend

any meeting of the Board of Directors of the Company on and after filing of such red herring prospectus. Further, in terms of the Existing Investors WCA, decisions with respect to various aspects of the Offer, including in relation to the Offer terms, shall be authorized by the IPO Committee. The quorum requirements of the IPO Committee stipulate the presence of at least 1 (one) representative/nominee of the Investors for its meetings. Further, all matters as agreed in the Existing Investors WCA viz. the Existing Investors SHA require written consent from the nominees/representatives of the Investors.

Further, in terms of the Existing Investors WCA, Phi Capital shall be entitled to nominate one Director to the Board in a non-executive capacity post listing of the Company pursuant to the Offer, till such time Phi Capital holds 5% (five per cent) of the paid up capital of the Company, on a fully diluted basis. Such right of Phi Capital shall remain subject to ratification by way of a special resolution of the Shareholders post listing. Such right of Phi Capital to nominate a director, has been embedded in Part A of the Articles of Association. For further details, see “*Main Provisions of the Articles of Association*” on page 374.

#### **Other agreements**

Neither our Promoter nor any of the Key Managerial Personnel, Directors or employees of our Company have entered into an agreement, either by themselves or on behalf of any other person, with any Shareholder or any other third party with regard to compensation or profit sharing in connection with the dealings of the securities of our Company.

Our Company has not entered into any other subsisting material agreement, other than in the ordinary course of business.

#### **Significant financial and/or strategic partners**

Our Company does not have any significant financial and/or strategic partners as of the date of filing this Prospectus.

#### **Guarantees given by the promoter participating in the Offer for Sale**

Our Promoter is not offering any Equity Shares held by him, in the Offer for Sale.

## OUR SUBSIDIARIES

Our Company has seven Subsidiaries as on the date of this Prospectus, namely (i) KDPL Diagnostics (Amritsar) Private Limited; (ii) KDPL Diagnostics (Bathinda) Private Limited; (iii) KDPL Diagnostics (Jalandhar) Private Limited; (iv) KDPL Diagnostics (Ludhiana) Private Limited; (v) KDPL Diagnostics (Patiala) Private Limited; (vi) KDPL Diagnostics (SAS Nagar) Private Limited; and (vii) Krsnaa Diagnostics (Mohali) Private Limited, details of which are set forth below.

### 1. KDPL Diagnostics (Amritsar) Private Limited (“KDPL Amritsar”)

#### *Corporate Information*

KDPL Amritsar was incorporated as a private limited company on March 24, 2021 under the Companies Act, 2013. Its CIN is U85100PN2021PTC199780 and its registered office is situated at S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka - Haveli, Pune - 411 019, Maharashtra.

#### *Nature of Business*

KDPL Amritsar is currently involved in the business of constructing, designing, running and collaborating with all kinds of hospitals, dispensaries, nursing homes, health clubs, clinics, diagnostic centres offering comprehensive range of medical services.

#### *Capital Structure*

The capital structure of KDPL Amritsar as on the date of this Prospectus is as follows:

| Particulars                                  | No. of equity shares of face value of ₹10 each |
|----------------------------------------------|------------------------------------------------|
| Authorised share capital                     | 15,00,000                                      |
| Issued, subscribed and paid-up share capital | 1,00,000                                       |

#### *Shareholding Pattern*

The shareholding pattern of KDPL Amritsar as on the date of this Prospectus is as follows:

| Sr. No.      | Name of the shareholder    | Number of equity shares (of ₹10 each) held | Percentage of total capital (%) |
|--------------|----------------------------|--------------------------------------------|---------------------------------|
| 1.           | Krsnaa Diagnostics Limited | 9,999                                      | 99.99                           |
| 2.           | Rajendra Mutha             | 1                                          | 0.01                            |
| <b>Total</b> |                            | <b>10,000</b>                              | <b>100.00</b>                   |

### 2. KDPL Diagnostics (Bathinda) Private Limited (“KDPL Bathinda”)

#### *Corporate Information*

KDPL Bathinda was incorporated as a private limited company on March 24, 2021 under the Companies Act, 2013. Its CIN is U85100PN2021PTC199781 and its registered office is situated at S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka - Haveli, Pune - 411 019, Maharashtra.

#### *Nature of Business*

KDPL Bathinda is currently involved in the business of constructing, designing, running and collaborating with all kinds of hospitals, dispensaries, nursing homes, health clubs, clinics, diagnostic centres offering comprehensive range of medical services.

#### *Capital Structure*

The capital structure of KDPL Bathinda as on the date of this Prospectus is as follows:

| Particulars                                  | No. of equity shares of face value of ₹10 each |
|----------------------------------------------|------------------------------------------------|
| Authorised share capital                     | 15,00,000                                      |
| Issued, subscribed and paid-up share capital | 1,00,000                                       |

#### *Shareholding Pattern*

The shareholding pattern of KDPL Bathinda as on the date of this Prospectus is as follows:

| Sr. No.      | Name of the shareholder    | Number of equity shares (of ₹10 each) held | Percentage of total capital (%) |
|--------------|----------------------------|--------------------------------------------|---------------------------------|
| 1.           | Krsnaa Diagnostics Limited | 9,999                                      | 99.99                           |
| 2.           | Rajendra Mutha             | 1                                          | 0.01                            |
| <b>Total</b> |                            | <b>10,000</b>                              | <b>100.00</b>                   |

### 3. KDPL Diagnostics (Jalandhar) Private Limited (“KDPL Jalandhar”)

#### *Corporate Information*

KDPL Jalandhar was incorporated as a private limited company on March 24, 2021 under the Companies Act, 2013. Its CIN is U85100PN2021PTC199783 and its registered office is situated at S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka - Haveli, Pune 411 019, Maharashtra.

#### *Nature of Business*

KDPL Jalandhar is currently involved in the business of constructing, designing, running and collaborating with all kinds of hospitals, dispensaries, nursing homes, health clubs, clinics, diagnostic centres offering comprehensive range of medical services.

#### *Capital Structure*

The capital structure of KDPL Jalandhar as on the date of this Prospectus is as follows:

| Particulars                                  | No. of equity shares of face value of ₹10 each |
|----------------------------------------------|------------------------------------------------|
| Authorised share capital                     | 15,00,000                                      |
| Issued, subscribed and paid-up share capital | 1,00,000                                       |

#### *Shareholding Pattern*

The shareholding pattern of KDPL Jalandhar as on the date of this Prospectus is as follows:

| Sr. No.      | Name of the shareholder    | Number of equity shares (of ₹10 each) held | Percentage of total capital (%) |
|--------------|----------------------------|--------------------------------------------|---------------------------------|
| 1.           | Krsnaa Diagnostics Limited | 9,999                                      | 99.99                           |
| 2.           | Rajendra Mutha             | 1                                          | 0.01                            |
| <b>Total</b> |                            | <b>10,000</b>                              | <b>100.00</b>                   |

### 4. KDPL Diagnostics (Ludhiana) Private Limited (“KDPL Ludhiana”)

#### *Corporate Information*

KDPL Ludhiana was incorporated as a private limited company on March 22, 2021 under the Companies Act, 2013. Its CIN is U85100PN2021PTC199690 and its registered office is situated at S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka - Haveli, Pune 411 019, Maharashtra.

#### *Nature of Business*

KDPL Ludhiana is currently involved in the business of constructing, designing, running and collaborating with all kinds of hospitals, dispensaries, nursing homes, health clubs, clinics, diagnostic centres offering comprehensive range of medical services.

#### *Capital Structure*

The capital structure of KDPL Ludhiana as on the date of this Prospectus is as follows:

| Particulars                                  | No. of equity shares of face value of ₹10 each |
|----------------------------------------------|------------------------------------------------|
| Authorised share capital                     | 15,00,000                                      |
| Issued, subscribed and paid-up share capital | 1,00,000                                       |

#### *Shareholding Pattern*

The shareholding pattern of KDPL Ludhiana as on the date of this Prospectus is as follows:

| Sr. No.      | Name of the shareholder    | Number of equity shares (of ₹10 each) held | Percentage of total capital (%) |
|--------------|----------------------------|--------------------------------------------|---------------------------------|
| 1.           | Krsnaa Diagnostics Limited | 9,999                                      | 99.99                           |
| 2.           | Rajendra Mutha             | 1                                          | 0.01                            |
| <b>Total</b> |                            | <b>10,000</b>                              | <b>100.00</b>                   |

#### 5. KDPL Diagnostics (Patiala) Private Limited (“KDPL Patiala”)

##### *Corporate Information*

KDPL Patiala was incorporated as a private limited company on March 25, 2021 under the Companies Act, 2013. Its CIN is U85100PN2021PTC199785 and its registered office is situated at S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka - Haveli, Pune 411 019, Maharashtra.

##### *Nature of Business*

KDPL Patiala is currently involved in the business of constructing, designing, running and collaborating with all kinds of hospitals, dispensaries, nursing homes, health clubs, clinics, diagnostic centres offering comprehensive range of medical services.

##### *Capital Structure*

The capital structure of KDPL Patiala as on the date of this Prospectus is as follows:

| Particulars                                  | No. of equity shares of face value of ₹10 each |
|----------------------------------------------|------------------------------------------------|
| Authorised share capital                     | 15,00,000                                      |
| Issued, subscribed and paid-up share capital | 1,00,000                                       |

##### *Shareholding Pattern*

The shareholding pattern of KDPL Patiala as on the date of this Prospectus is as follows:

| Sr. No.      | Name of the shareholder    | Number of equity shares (of ₹10 each) held | Percentage of total capital (%) |
|--------------|----------------------------|--------------------------------------------|---------------------------------|
| 1.           | Krsnaa Diagnostics Limited | 9,999                                      | 99.99                           |
| 2.           | Rajendra Mutha             | 1                                          | 0.01                            |
| <b>Total</b> |                            | <b>10,000</b>                              | <b>100.00</b>                   |

#### 6. KDPL Diagnostics (SAS Nagar) Private Limited (“KDPL SAS Nagar”)

##### *Corporate Information*

KDPL SAS Nagar was incorporated as a private limited company on March 25, 2021 under the Companies Act, 2013. Its CIN is U85110PN2021PTC199787 and its registered office is situated at S. No. 243/A, Hissa No. 6, CTS No. 4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka - Haveli, Pune 411 019, Maharashtra.

##### *Nature of Business*

KDPL SAS Nagar is currently involved in the business of constructing, designing, running and collaborating with all kinds of hospitals, dispensaries, nursing homes, health clubs, clinics, diagnostic centres offering comprehensive range of medical services.

##### *Capital Structure*

The capital structure of KDPL SAS Nagar as on the date of this Prospectus is as follows:

| Particulars                                  | No. of equity shares of face value of ₹10 each |
|----------------------------------------------|------------------------------------------------|
| Authorised share capital                     | 15,00,000                                      |
| Issued, subscribed and paid-up share capital | 1,00,000                                       |

### **Shareholding Pattern**

The shareholding pattern of KDPL SAS Nagar as on the date of this Prospectus is as follows:

| <b>Sr. No.</b> | <b>Name of the shareholder</b> | <b>Number of equity shares (of ₹10 each) held</b> | <b>Percentage of total capital (%)</b> |
|----------------|--------------------------------|---------------------------------------------------|----------------------------------------|
| 1.             | Krsnaa Diagnostics Limited     | 9,999                                             | 99.99                                  |
| 2.             | Rajendra Mutha                 | 1                                                 | 0.01                                   |
| <b>Total</b>   |                                | <b>10,000</b>                                     | <b>100.00</b>                          |

## **7. Krsnaa Diagnostics (Mohali) Private Limited**

### **Corporate Information**

Krsnaa Diagnostics (Mohali) Private Limited was incorporated as a private limited company in Pune, Maharashtra, on July 27, 2021 under the Companies Act, 2013. Its CIN is U85300PN2021PTC202948 and its registered office is situated at S. No. 243/A, HissaNo.6, CTS No.4519, 4519/1, Near Chinchwad Station, Chinchwad, Taluka-Haveli, Pune-411019 Maharashtra, India.

### **Nature of Business**

Krsnaa Diagnostics (Mohali) Private Limited is currently involved in the business of constructing, designing, running and collaborating with all kinds of hospitals, dispensaries, nursing homes, health clubs, clinics, diagnostic centres offering comprehensive range of medical services.

### **Capital Structure**

| <b>Particulars</b>                           | <b>No. of equity shares of face value of ₹ 10 each</b> |
|----------------------------------------------|--------------------------------------------------------|
| Authorised share capital                     | 15,00,000                                              |
| Issued, subscribed and paid-up share capital | 1,00,000                                               |

### **Shareholding Pattern**

The shareholding pattern of Krsnaa Diagnostics (Mohali) Private Limited as on the date of this Prospectus is as follows:

| <b>S. No.</b> | <b>Name of the shareholder</b> | <b>Number of equity shares (of ₹10 each) held</b> | <b>Percentage of total capital (%)</b> |
|---------------|--------------------------------|---------------------------------------------------|----------------------------------------|
| 1.            | Krsnaa Diagnostics Limited     | 9,999                                             | 99.99                                  |
| 2.            | Rajendra Mutha                 | 1                                                 | 0.01                                   |
| <b>Total</b>  |                                | <b>10,000</b>                                     | <b>100.00</b>                          |

### **Accumulated profits or losses**

As on the date of this Prospectus, there are no accumulated profits or losses of any of our Subsidiaries that have not been accounted for by our Company.

### **Interest in our Company**

Except as provided in “Our Business” on page 142, none of our Subsidiaries have any business interest in our Company.

### **Common pursuits**

Our Subsidiaries are in the same line of business as that of our Company and accordingly, there are certain common pursuits amongst our Subsidiaries and our Company. Our Company will adopt necessary procedures and practices as permitted by law and regulatory guidelines to address any conflict situations as and when they arise.

### **Other confirmations**

None of our Subsidiaries are listed on any stock exchange in India or abroad. Further, neither have any of the securities of our Subsidiaries been refused listing by any stock exchange in India or abroad, nor have any of our Subsidiaries failed to meet the listing requirements of any stock exchange in India or abroad.

## OUR MANAGEMENT

### Board of Directors

The Articles of Association require that our Board shall comprise of not less than three Directors and not more than fifteen Directors, provided that our Shareholders may appoint more than fifteen Directors after passing a special resolution in a general meeting.

As on the date of filing this Prospectus, we have eight Directors on our Board, of whom five are non-executive directors including four Independent Directors. Additionally, out of the four Independent Directors, one is an independent woman director. Our Company is in compliance with the corporate governance laws prescribed under the SEBI Listing Regulations and the Companies Act, 2013 in relation to the composition of our Board and constitution of committees thereof.

The following table sets forth the details of our Board as of the date of this Prospectus:

| Name, designation, date of birth, address, occupation, current term, date of appointment and DIN                                                                                                                                                                                                                                                                                                                                                                                                                | Age (years) | Other directorships                                                                                          |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|--------------------------------------------------------------------------------------------------------------|
| <b>Rajendra Mutha</b><br><i>Designation:</i> Executive Chairman and Whole-time Director<br><i>Date of birth:</i> June 1, 1974<br><i>Address:</i> Flat No. 19, A2, Shantiban Society, Near PN Gadgil Showroom, Chinchwad Gaon, Pune – 411033, Maharashtra<br><i>Occupation:</i> Business<br><i>Current term:</i> For a period of five years, with effect from April 26, 2021 till April 25, 2026, not liable to retire by rotation<br><i>Period of directorship:</i> Since incorporation<br><i>DIN:</i> 01066737 | 47          | <i>Indian companies</i><br>Krsna Diagnostics (Mumbai) Private Limited<br><br><i>Foreign companies</i><br>Nil |
| <b>Pallavi Bhatevara</b><br><i>Designation:</i> Managing Director<br><i>Date of birth:</i> January 29, 1978<br><i>Address:</i> Princeton Town, Row House no.1, Kalyani Nagar, Pune – 411006, Maharashtra<br><i>Occupation:</i> Business<br><i>Current term:</i> For a period of five year, with effect from April 26, 2021 till April 25, 2026, liable to retire by rotation<br><i>Period of directorship:</i> January 29, 2013<br><i>DIN:</i> 03600332                                                         | 43          | <i>Indian companies</i><br>Nil<br><br><i>Foreign companies</i><br>Nil                                        |
| <b>Yash Mutha</b><br><i>Designation:</i> Whole-time Director<br><i>Date of birth:</i> November 11, 1980<br><i>Address:</i> P-001, Rohan Mithila, VIP Airport Road, Near Pune Airport, Viman Nagar, Pune – 411014, Maharashtra<br><i>Occupation:</i> Service                                                                                                                                                                                                                                                     | 40          | <i>Indian companies</i><br>1. Proximit Media India Private Limited#<br><br><i>Foreign companies</i><br>Nil   |

| <b>Name, designation, date of birth, address, occupation, current term, date of appointment and DIN</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                  | <b>Age (years)</b> | <b>Other directorships</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                            |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p><i>Current term:</i> For a period of five years with effect from April 26, 2021 till April 25, 2026, liable to retire by rotation</p> <p><i>Period of directorship:</i> Since January 31, 2019</p> <p><i>DIN:</i> 07285523</p>                                                                                                                                                                                                                                                                                                                        |                    |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       |
| <p><b>Prem Pradeep</b></p> <p><i>Designation:</i> Non-Executive Nominee Director*</p> <p><i>Date of birth:</i> September 28, 1954</p> <p><i>Address:</i> 691/692, Ranka Heights, 4<sup>th</sup> Main 7<sup>th</sup> Cross, Near Shanthi Sagar, Domlur Layout, Bangalore – 560071, Karnataka</p> <p><i>Occupation:</i> Investment Professional</p> <p><i>Current term:</i> Not liable to retire by rotation</p> <p><i>Period of directorship:</i> Since October 8, 2020</p> <p><i>DIN:</i> 07400417</p>                                                   | 66                 | <p><i>Indian companies</i></p> <p>1. TVS Sensing Solutions Private Limited</p> <p><i>Foreign companies</i></p> <p>Nil</p>                                                                                                                                                                                                                                                                                                                                                                                                                                             |
| <p><b>Chhaya Palrecha</b></p> <p><i>Designation:</i> Non-Executive Independent Director</p> <p><i>Date of birth:</i> October 14, 1974</p> <p><i>Address:</i> Flat No-503, Thackers House, General Thimayya Road, East Street, Camp, Pune City, Pune – 411001, Maharashtra</p> <p><i>Occupation:</i> Professional</p> <p><i>Current term:</i> For a period of five years with effect from April 25, 2021 till April 24, 2026, not liable to retire by rotation</p> <p><i>Period of directorship:</i> Since April 25, 2021</p> <p><i>DIN:</i> 06914875</p> | 46                 | <p><i>Indian companies</i></p> <p>1. Garware Bestretch Limited;<br/>2. Garware Healthcare Limited;<br/>3. Garware Holdings Limited;<br/>4. Quickfind Online Services Private Limited; and<br/>5. Universal Sompo General Insurance Company Limited</p> <p><i>Foreign companies</i></p> <p>Nil</p>                                                                                                                                                                                                                                                                     |
| <p><b>Chetan Desai</b></p> <p><i>Designation:</i> Non-Executive Independent Director</p> <p><i>Date of birth:</i> January 14, 1951</p> <p><i>Address:</i> 901, Matoshree Kunj, Tanaji Malusare Marg, Vile Parle West, Mumbai 400 056, Maharashtra</p> <p><i>Occupation:</i> Professional</p> <p><i>Current term:</i> For a period of five years with effect from April 25, 2021 till April 24, 2026, not liable to retire by rotation</p> <p><i>Period of directorship:</i> Since April 25, 2021</p> <p><i>DIN:</i> 03595319</p>                         | 70                 | <p><i>Indian companies</i></p> <p>1. Angel Xpress Foundation;<br/>2. Brookfield India Infrastructure Manager Private Limited;<br/>3. Chemspec Chemicals Limited;<br/>4. Crystal Crop Protection Limited;<br/>5. Delta Corp Limited;<br/>6. Daman Hospitality Private Limited;<br/>7. OhMy Loan Private Limited;<br/>8. OhMy Technologies Private Limited;<br/>9. Reliance Financial Limited;<br/>10. Reliance Securities Limited;<br/>11. Sula Vineyards Private Limited; and<br/>12. UTI Retirement Solutions Limited</p> <p><i>Foreign companies</i></p> <p>Nil</p> |
| <p><b>Prakash Iyer</b></p> <p><i>Designation:</i> Non-Executive Independent Director</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                 | 59                 | <p><i>Indian companies</i></p> <p>1. Livpure Private Limited</p>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |



| <b>Name, designation, date of birth, address, occupation, current term, date of appointment and DIN</b>                                                                                                                                                                                                                                                                                                                                                                                                   | <b>Age (years)</b> | <b>Other directorships</b>                                                    |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------|-------------------------------------------------------------------------------|
| <i>Date of birth:</i> March 15, 1962<br><br><i>Address:</i> C 1902, One North, Hadapsar, Pune – 411028, Maharashtra<br><br><i>Occupation:</i> Professional<br><br><i>Current term:</i> For a period of five years with effect from April 25, 2021 till April 24, 2026, not liable to retire by rotation<br><br><i>Period of directorship:</i> Since April 25, 2021<br><br><i>DIN:</i> 00529591                                                                                                            |                    | <i>Foreign companies</i><br><br>Nil                                           |
| <b>Rajiva Ranjan Verma</b><br><br><i>Designation:</i> Non-Executive Independent Director<br><br><i>Date of birth:</i> February 8, 1956<br><br><i>Address:</i> 115, New Moti Bagh, East Netaji Nagar, Delhi – 110023, New Delhi<br><br><i>Occupation:</i> Professional<br><br><i>Current term:</i> For a period of five years with effect from April 25, 2021 till April 24, 2026, not liable to retire by rotation<br><br><i>Period of directorship:</i> Since April 25, 2021<br><br><i>DIN:</i> 09157414 | 65                 | <i>Indian companies</i><br><br>Nil<br><br><i>Foreign companies</i><br><br>Nil |

\*Prem Pradeep has been nominated to the Board by Phi Capital pursuant to the terms of the Existing Investors SHA.

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### **Brief profiles of our Directors**

**Rajendra Mutha** is the Executive Chairman of our Board of Directors and Whole-time Director of our Company. He is a registered pharmacist certified by the Maharashtra State Pharmacy Council. He has been associated with our Company since incorporation and has over 10 years of experience in the field of pharmacy and diagnostics. He is currently responsible for the overall management of the Company.

**Pallavi Bhatevara** is the Managing Director of our Company. She has passed the higher secondary exams from the Maharashtra State Board of Secondary and Higher Secondary Education. She has been associated with our Company since January 29, 2013 and has 8 years of experience in the field of diagnostic services. She is currently responsible for expansion and growth of our Company and is involved in the tendering process and implementation and execution of projects.

**Yash Mutha** is the Whole-time Director of our Company. He holds a bachelor's degree in commerce from the University of Pune and has been admitted to the Institute of Chartered Accountants of India as an associate member. He is also a certified fraud examiner and has been accredited by Association of Certified Fraud Examiners, USA and a Certified Information Systems Auditor ("CISA") accredited by the CISA Certification Committee, USA. He has been associated with our Company since October 17, 2018. He has over 12 years of experience in the field of audit and risk management. He is currently responsible for internal audit, risk review and development of business processes. Prior to joining our Company, he was associated with BSR & Co. LLP as assistant manager (audit), Deloitte as senior manager (audit), KPMG as a governance and risk compliance services manager and Credit Suisse Services (India) Private Limited as assistant vice president.

**Prem Pradeep** is the Non-Executive Nominee Director of our Company (nominee of Phi Capital). He holds a bachelor's degree in mechanical engineering from the Indian Institute of Technology and master's degree in management from the Indian Institute of Management. He has been associated with our Company since October 8,

2020. He has experience in the field of operations and execution. Prior to joining our Company, he was associated with TVS Interconnect Systems Limited as president and CEO and thereafter Executive Director, and Bharti Infratel Limited as Chief Executive Officer. He is currently associated with Phi Capital Management LLP as an Operating Partner.

**Chhaya Palrecha** is a Non-Executive Independent Director on the board of our Company. She holds a bachelor's degree in commerce from the University of Pune and is a member of the Institute of Chartered Accountants of India. She also holds the diploma in international financial reporting from the Association of Chartered Certified Accountants. Prior to joining our Company, she was associated with Prasanna Purple Mobility Solutions Private Limited as the chief financial officer

**Chetan Desai** is a Non-Executive Independent Director of our Company. He is a fellow member of the Institute of Chartered Accountants of India. He has over 46 years of experience as a chartered accountant and was associated with M/s. Haribhakti & Co. LLP., as managing partner.

**Prakash Iyer** is a Non-Executive Independent Director of our Company. He holds a master's degree in management from the Indian Institute of Management, Ahmedabad. Prior to joining our Company, he was associated with Kimberly-Clark Lever Private Limited as managing director, India.

**Rajiva Ranjan Verma** is a Non-Executive Independent Director of our Company. He passed the intermediate examination in science held by Patna University and a bachelor's degree in law from the Bhagalpur University. He is an erstwhile Indian police service officer associated with Bihar police and has held positions such as of director of national crime records bureau, director general of the Railway Protection Force, Government of India prior to joining our Company. He is also a recipient of the president's police medal. He was associated with Tata Power Company Limited as chief of security, vigilance and corporate relations.

### **Confirmations**

None of our Directors is or was a director of any company listed on any stock exchange, whose shares have been or were suspended from being traded during the five years preceding the date of this Prospectus, during the term of his/her directorship in such company.

None of our Directors is, or was a director of any listed company, which has been or was delisted from any stock exchange, during the term of his/her directorship in such company.

None of our Directors are related to each another.

No consideration, either in cash or shares or in any other form have been paid or agreed to be paid to any of our Directors or to the firms, trusts or companies in which they have an interest in, by any person, either to induce any of our Directors to become or to help any of them qualify as a director, or otherwise for services rendered by them or by the firm, trust or company in which they are interested, in connection with the promotion or formation of our Company.

Further, none of our Directors have been identified as Wilful Defaulters as defined under the SEBI ICDR Regulations.

None of our Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.

### **Arrangement or understanding with major Shareholders, customers, suppliers or others**

Except for our Nominee Director, namely, Prem Pradeep, who has been nominated for appointment pursuant to the terms of the Shareholder's Agreement, there are no arrangements or understandings with the major shareholders, customers, suppliers or others, pursuant to which any of our Directors was appointed or selected as a director.

### **Service contracts with Directors**

Our Company has not entered into any service contracts with any Director, which provide for benefits upon termination of employment.

## Terms of appointment of our Executive Directors:

### 1. Rajendra Mutha

Our Board at their meeting held on April 25, 2021 approved the re-appointment of Rajendra Mutha as Executive Chairman and Whole-time Director for a period of five years. Our Shareholders have approved such re-appointment for a period five years at their extra-ordinary general meeting held on April 25, 2021. The following table sets forth the terms of appointment of Rajendra Mutha as approved our Shareholders at their meeting held on April 25, 2021.

| Sr. No. | Category                   | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |
|---------|----------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Salary                     | ₹2.2 million per month including all components other than provident fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                   |
| 2.      | Perquisites and allowances | <ul style="list-style-type: none"><li>• contribution by our Company to provident fund;</li><li>• provision of a car with driver for official purposes and such driver's remuneration/expenses as fixed/approved by the Board shall be reimbursed, if he is not provided with a driver on the rolls of the Company;</li><li>• free use of our Company's mobile phone and telephone at his residence;</li><li>• reimbursement of medical expenses incurred for him and his family subject to ceiling of one month's salary in a year or three month's salary over a period of three years; and</li><li>• actual leave travel expenses, as per the rules of our Company, excluding hotel and food charges once in a year to any place in India to him and his family</li></ul> |

### 2. Pallavi Bhatevara

Our Board at their meeting held on April 25, 2021 approved the re-appointment of Pallavi Bhatevara as Managing Director for a period of five year. Our Shareholders have approved such re-appointment for a period five year at their extra-ordinary general meeting held on April 25, 2021. The following table sets forth the terms of appointment of Pallavi Bhatevara as approved our Shareholders at their meeting held on April 25, 2021.

| Sr. No. | Category                   | Particulars                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                             |
|---------|----------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Salary                     | ₹0.5 million per month including all components other than provident fund                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
| 2.      | Perquisites and allowances | <ul style="list-style-type: none"><li>• contribution by our Company to provident fund;</li><li>• provision of a car with driver for official purposes and such driver's remuneration/expenses as fixed/approved by the Board shall be reimbursed, if she is not provided with a driver on the rolls of the Company;</li><li>• free use of our Company's mobile phone and telephone at her residence;</li><li>• reimbursement of medical expenses incurred for her and her family subject to ceiling of one month's salary in a year; and</li><li>• actual leave travel expenses, as per the rules of our Company, excluding hotel and food charges once in a year to any place in India to her and her family</li></ul> |

### 3. Yash Mutha

Our Board at their meeting held on April 25, 2021 approved the re-appointment of Yash Mutha as a Whole-time Director for a period of five years. Our Shareholders have approved such re-appointment for a period five years at their extra-ordinary general meeting held on April 25, 2021. The following table sets forth the terms of appointment of Yash Mutha as approved our Shareholders at their meeting held on April 25, 2021.

| Sr. No. | Category                   | Particulars                                                                                                                                                                                                                                                                                                                                                                                                   |
|---------|----------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1.      | Salary                     | ₹0.5 million per month including all components other than provident fund                                                                                                                                                                                                                                                                                                                                     |
| 2.      | Perquisites and allowances | <ul style="list-style-type: none"><li>• contribution by our Company to provident fund;</li><li>• provision of a car with driver for official purposes and such driver's remuneration/expenses as fixed/approved by the Board shall be reimbursed, if he is not provided with a driver on the rolls of the Company;</li><li>• free use of our Company's mobile phone and telephone at his residence;</li></ul> |

| Sr. No. | Category | Particulars                                                                                                                                                                                                                                                                                                                                                                                          |
|---------|----------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|         |          | <ul style="list-style-type: none"> <li>reimbursement of medical expenses incurred for him and his family subject to ceiling of one month's salary in a year or three month's salary over a period of three years; and</li> <li>actual leave travel expenses, as per the rules of our Company, excluding hotel and food charges once in a year to any place in India to him and his family</li> </ul> |

### Terms of appointment of our non-Executive Directors

Pursuant to the Board resolution dated May 13, 2021 each non-Executive Director is entitled to receive sitting fees of ₹50,000 per meeting for attending meetings of the Board and of the respective committees of the Board, within the limits prescribed under the Companies Act, 2013, and the rules made thereunder.

### Payments or benefits to Directors

Our Company has not entered into any contract appointing or fixing the remuneration of a Director in the two years preceding the date of this Prospectus.

In Fiscal 2021, our Company has not paid any compensation or granted any benefit on an individual basis to any of our Directors (including contingent or deferred compensation) other than the remuneration paid to them for such period. The remuneration paid to our Directors in Fiscal 2021 is as follows:

#### 1. Executive Directors

The details of the remuneration paid to our Executive Directors in Fiscal 2021 is as set out below:

| Name of Director  | Designation                                | Remuneration (in ₹ million) |
|-------------------|--------------------------------------------|-----------------------------|
| Rajendra Mutha    | Executive Chairman and Whole-time Director | 6.21                        |
| Pallavi Bhatevara | Managing Director                          | 4.78                        |
| Yash Mutha        | Whole time Director                        | 3.47                        |

#### 2. Non-Executive non-Independent Directors

Our Non-Executive non-independent Directors were not paid any remuneration or sitting fees during Fiscal 2021.

#### 3. Non-Executive Independent Directors

Our Non-Executive Independent Directors have been appointed on April 25, 2021 Accordingly, no remuneration or sitting fees has been paid to any of our Non-Executive Independent Directors in Fiscal 2021.

### Remuneration paid by our Subsidiaries

As on date of this Prospectus, none of our Directors have received any remuneration from the Subsidiaries of our Company.

### Shareholding of Directors in our Company

Our Articles of Association do not require our Directors to hold qualification shares.

The table below sets forth details of Equity Shares held by the Directors, as on date of this Prospectus:

| Sr. No. | Name of the Director | Number of Equity Shares held |
|---------|----------------------|------------------------------|
| 1.      | Rajendra Mutha       | 8,029,920                    |
| 2.      | Pallavi Bhatevara    | 300,236                      |

Further, as on the date of this Prospectus, Yash Mutha holds 292,380 ESOPs granted to him under ESOP Scheme.

## **Borrowing Powers**

Pursuant to our Articles of Association, the applicable provisions of the Companies Act, 2013, and a resolution passed by our Shareholders at their general meeting held on April 25, 2021, our Board has been authorized to borrow by obtaining loans, overdraft facilities, lines of credit, commercial papers, nonconvertible debentures, external commercial borrowings (loans/bonds), rupee denominated offshore bonds or in any other forms from banks, financial institutions, insurance companies, mutual funds or other corporates or other eligible investors, including by way of availing credit limits through non-fund based limits i.e. bank guarantee, letter of credit, etc. or by any other means as deemed fit by it, against the security of term deposits, movables, immovable or such other assets as may be required or as unsecured, at any time or from time to time, any sum or sums of money(ies) which together with monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), exceeding the aggregate of paid-up share capital of our Company, its free reserves and securities premium, provided that the total amount so borrowed by the Board shall not at any time exceed ₹3,500.00 million.

## **Bonus or profit-sharing plan for our Directors**

Rajendra Mutha, Pallavi Bhatevara and Yash Mutha are entitled to a performance linked bonus as approved by Board and Shareholders on April 25, 2021 which would be payable subject to achievement of certain performance criteria and other such criteria which is considered appropriate by the Board from time to time. Other than the above, our Company does not have any performance linked bonus or a profit-sharing plan for our Directors.

## **Interest of Directors**

All our Non-Executive Independent Directors may be deemed to be interested to the extent of sitting fees payable to them for attending meetings of our Board and/or committees thereof as approved by our Board, the reimbursement of expenses payable to them, and commission as approved by our Board.

Our Executive Directors may be deemed to be interested to the extent of the remuneration payable to each of them by our Company as Directors of our Company

Rajendra Mutha and Pallavi Bhatevara may also be interested to the extent of their shareholding in our Company, and to the extent of any dividend payable to them and other distributions in respect of such shareholding. Yash Mutha may be interested to the extent of the ESOPs granted to him as per the ESOP Scheme. Further, the Company has availed loans from Pallavi Bhatevara and Rajendra Mutha. For further details on our related party transactions, see "*Restated Financial Statements*" on page 201.

Our Executive Chairman, Rajendra Mutha is also indirectly interested in our Company to the extent of 2.09% of the pre-Offer equity share capital held by Krsna Diagnostics (Mumbai) Private Limited, one of the members of our Promoter Group in which Rajendra Mutha holds 99.99% of the share capital.

All the Directors may be deemed to be interested in the contracts, agreements/arrangements entered into or to be entered into by our Company with any company which is promoted by them or in which they hold directorships or any partnership firm in which they are partners.

For details pertaining to profit sharing arrangement of our directors with Phi Capital, see "*Details of shareholders' agreements- Existing Investors SHA, SSA and the Existing Investors WCA*" on page 171.

### *Interest of Directors in the promotion or formation of our Company*

Other than Rajendra Mutha, none of our Directors have any interest in the promotion or formation of our Company.

Our Directors do not have any interest in any property acquired or proposed to be acquired of or by our Company.

Further, our Directors do not have any interest in any transaction by our Company for acquisition of land, construction of building or supply of machinery during the three years preceding the date of this Prospectus.

## **Changes to our Board in the last three years**

| Name                      | Date of appointment/<br>cessation | Designation (at the time of<br>appointment/ cessation) | Reason                                                                                      |
|---------------------------|-----------------------------------|--------------------------------------------------------|---------------------------------------------------------------------------------------------|
| Rajiva Ranjan Verma       | April 25, 2021                    | Non-Executive Independent Director                     | Appointment                                                                                 |
| Prakash Iyer              | April 25, 2021                    | Non-Executive Independent Director                     |                                                                                             |
| Chetan Desai              | April 25, 2021                    | Non-Executive Independent Director                     |                                                                                             |
| Chhaya Palrecha           | April 25, 2021                    | Non-Executive Independent Director                     |                                                                                             |
| Sachin Kamath             | April 25, 2021                    | Nominee Director                                       | Resignation due to personal reasons                                                         |
| Mayur Sirdesai            | April 25, 2021                    | Nominee Director                                       | Resignation due to personal reasons                                                         |
| Prem Pradeep              | October 8, 2020                   | Nominee Director                                       | Appointment                                                                                 |
| Narayanan Balasubramanyam | October 8, 2020                   | Nominee Director                                       | Resignation due to realignment of responsibilities within Phi Capital                       |
| Narayanan Balasubramanyam | January 31, 2019                  | Nominee Director                                       | Appointment                                                                                 |
| Sachin Pukhraj Dhoka      | January 31, 2019                  | Executive Director                                     | Resignation pursuant to the Board reconstitution requirements of the Existing Investors SHA |
| Sanjay Bhaskar Pandhare   | January 31, 2019                  | Executive Director                                     |                                                                                             |
| Avinash Anand Kenkare     | January 31, 2019                  | Nominee Director                                       |                                                                                             |
| Firoze Jehangir Irani     | January 31, 2019                  | Nominee Director                                       |                                                                                             |
| Yash Mutha                | January 31, 2019                  | Executive Director                                     | Appointment                                                                                 |

Note: The table above does not include certain changes including regularisation or change in designations.

## Corporate Governance

The provisions of the Companies Act, 2013 along with the SEBI Listing Regulations, with respect to corporate governance, will be applicable to our Company immediately upon the listing of the Equity Shares on the Stock Exchanges. Our Company is in compliance with the requirements of the applicable regulations in respect of corporate governance in accordance with the SEBI Listing Regulations, and the Companies Act, 2013, pertaining to the constitution of the Board and committees thereof.

As on the date of filing this Prospectus, we have eight Directors on our Board, of whom four are Independent Directors including one Independent woman Director.

## Committees of our Board

Our Board may constitute committees to delegate certain powers as permitted under the Companies Act, 2013.

In terms of the SEBI Listing Regulations and the provisions of the Companies Act, 2013, our Company has constituted the following Board-level committees:

### 1. Audit Committee

The Audit committee was last re-constituted by a resolution of our Board dated April 25, 2021. The current constitution of the Audit committee is as follows:

| Name of Director    | Position in the Committee | Designation                        |
|---------------------|---------------------------|------------------------------------|
| Chetan Desai        | Chairman                  | Non-Executive Independent Director |
| Chhaya Palrecha     | Member                    | Non-Executive Independent Director |
| Prakash Iyer        | Member                    | Non-Executive Independent Director |
| Rajiva Ranjan Verma | Member                    | Non-Executive Independent Director |
| Yash Mutha          | Member                    | Whole-time Director                |
| Prem Pradeep        | Member                    | Non-Executive Nominee Director     |

The Company Secretary of our Company shall serve as the secretary of the Audit Committee.

The scope and function of the Audit committee is in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI Listing Regulations and its terms of reference are as follows:

The roles and responsibilities of the Audit Committee include the following:

- (i) The Audit Committee shall have powers, which should include the following:
  - (a) investigate any activity within its terms of reference;
  - (b) seek any information that it properly requires from any employee of the Company or any associate or subsidiary, joint venture Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee; and
  - (c) call any director or other employee to be present at a meeting of the Committee as and when required.
  - (d) secure attendance of outsiders with relevant expertise, if it considers necessary; and
  - (e) perform such powers as may be prescribed under the Companies Act and SEBI Listing Regulations.
- (ii) The role of the Audit Committee shall include the following:
  - (a) Oversight of the Company's financial reporting process, examination of the financial statement and the auditors' report thereon and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  - (b) Recommendation for appointment, re-appointment and replacement, remuneration and terms of appointment of auditors, including the internal auditor, cost auditor and statutory auditor, of the Company and the fixation of audit fee;
  - (c) Approval of payments to statutory auditors for any other services rendered by the statutory auditors of the Company;
  - (d) Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
    - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act;
    - ii. Changes, if any, in accounting policies and practices and reasons for the same;
    - iii. Major accounting entries involving estimates based on the exercise of judgment by the management of the Company;
    - iv. Significant adjustments made in the financial statements arising out of audit findings;
    - v. Compliance with listing and other legal requirements relating to financial statements;
    - vi. Disclosure of any related party transactions; and Qualifications / modified opinion(s) in the draft audit report.
  - (e) Reviewing, with the management, the quarterly, half-yearly and annual financial statements before submission to the Board for approval;
  - (f) Reviewing, with the management, the statement of uses/application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
  - (g) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
  - (h) Formulating a policy on related party transactions, which shall include materiality of related party transactions;
  - (i) Approval or any subsequent modification of transactions of the Company with related parties and omnibus approval for related party transactions proposed to be entered into by the Company subject to such conditions as may be prescribed;

- (j) Review, at least on a quarterly basis, the details of related party transactions entered into by the Company pursuant to each of the omnibus approvals given;
- (k) Scrutiny of inter-corporate loans and investments;
- (l) Valuation of undertakings or assets of the company, wherever it is necessary;
- (m) Evaluation of internal financial controls and risk management systems;
- (n) Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- (o) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (p) Discussion with internal auditors of any significant findings and follow up there on;
- (q) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (r) Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- (s) Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- (t) Recommending to the board of directors the appointment and removal of the external auditor, fixation of audit fees and approval for payment for any other services;
- (u) Monitoring the end use of funds raised through public offers and related matters;
- (v) Reviewing the functioning of the whistle blower mechanism;
- (w) Approval of the appointment of the chief financial officer of the Company (i.e., the whole-time finance director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc., of the candidate;
- (x) Carrying out any other functions as provided under the Companies Act, the SEBI Listing Regulations and other applicable laws;
- (y) To formulate, review and make recommendations to the Board to amend the Audit Committee charter from time to time;
- (z) Overseeing a vigil mechanism established by the Company, providing for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairman of the Audit Committee for directors and employees to report their genuine concerns or grievances; and
- (aa) Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans/ advances/ investments existing as on the date of coming into force of this provision; and
- (bb) Such roles as may be prescribed under the Companies Act and SEBI Listing Regulations.
- (cc) The Audit Committee shall mandatorily review the following information:



- i. Management discussion and analysis of financial condition and results of operations;
- ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management of the Company;
- iii. Management letters/letters of internal control weaknesses issued by the statutory auditors of the Company;
- iv. Internal audit reports relating to internal control weaknesses;
- v. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee;
- vi. Statement of deviations:
  - quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the SEBI Listing Regulations; and
  - annual statement of funds utilised for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the SEBI Listing Regulations; and
  - review the financial statements, in particular, the investments made by any unlisted subsidiary.

(dd) To carry out such other functions as may be specifically referred to the Committee by the Board of Directors and/or other Committees of Directors of the Company.

(ee) To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

The Audit Committee is required to meet at least four times in a year, with not more than 120 days elapsing between two meetings.

## 2. **Nomination and Remuneration Committee (“NR Committee”)**

The NR Committee was last re-constituted by a resolution of our Board dated April 25, 2021. The current constitution of the NR Committee is as follows:

| <b>Name of Director</b> | <b>Position in the Committee</b> | <b>Designation</b>                 |
|-------------------------|----------------------------------|------------------------------------|
| Prakash Iyer            | Chairman                         | Non-Executive Independent Director |
| Chhaya Palrecha         | Member                           | Non-Executive Independent Director |
| Prem Pradeep            | Member                           | Non-Executive Nominee Director     |

The scope and function of the NR Committee is in accordance with Section 178 of the Companies Act, 2013 read with Regulation 19 of the SEBI Listing Regulations and its terms of reference are as follows:

- (a) To be responsible for identifying and nominating, for the approval of the Board and ultimately the shareholders, candidates to fill Board vacancies as and when they arise as well as putting in place plans for succession, in particular with respect to the Chairman of the Board and the Chief Executive Officer;
- (b) To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

The NR Committee, while formulating the above policy, should ensure that:

- (i) the level and composition of remuneration be reasonable and sufficient to attract, retain and motivate directors of the quality required to run our Company successfully;
- (ii) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- (iii) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long term performance objectives appropriate to the working of the Company and its goals.

- (c) To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the Board their appointment and removal;
- (d) To devise a policy on diversity of board of directors;
- (e) To regularly review the Board structure, size, composition and make recommendations to the Board of adjustments that are deemed necessary, in order to ensure an adequate size and a well-balanced composition of the Board and further to make determinations regarding independence of members of the Board;
- (f) To consider succession and emergency planning, taking into account the challenges and opportunities facing the Company and the skills and expertise therefore needed on the Board, reporting to the Board regularly;
- (g) To keep under review the leadership needs of the organisation, both executive and non-executive, with a view to ensuring the continued ability of the Company to compete effectively in the market place;
- (h) To formulate criteria for evaluation of performance of independent directors and the board of directors;
- (i) To decide on whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;
- (j) To analyse, monitor and review various human resource and compensation matters;
- (k) Annual performance evaluation of the Chairman of the Company and all Directors including Managing and other Executive Director with respect to their roles as Directors;
- (l) To ensure that on appointment to the Board, Non-executive Directors receive a formal letter of appointment setting out clearly what is expected of them in terms of time commitment, committee service and involvement outside Board meetings;
- (m) To recommend to the Board whether to reappoint a Director/Independent Director at the end of their term of office;
- (n) To make recommendations to the Board concerning any matters relating to the continuation in office of any Director at any time including the suspension or termination of service of an executive Director as an employee of the Company subject to the provision of the law and their service contract;
- (o) To identify and recommend Directors who are to be put forward for retirement by rotation;
- (p) Before appointment is made by the Board, to evaluate the balance of skills, knowledge and experience on the Board, and in the light of this evaluation prepare a description of the role and capabilities required for a particular appointment;
- (q) To ensure the development of guidelines for selecting candidates for election or re-election to the Board, or to fill vacancies on the Board;
- (r) To consider any other matters as may be requested by the Board;
- (s) To frame suitable policies, procedures and systems to ensure that there is no violation of securities laws, as amended from time to time, by the Company and its employees, as applicable including:
  - i. the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended; and
  - ii. the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices Relating to the Securities Market) Regulations, 2003, as amended; and
  - iii. To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

The duties of the Committee in relation to its remuneration function shall be:

- (t) To consider and determine, based on their performance and such other factors as the Committee shall deem appropriate all elements of the remuneration of the members of the Board and the Key Managerial Personnel, namely,
  - i. base salary (the Committee shall also consider the pension consequences of basic salary increases);
  - ii. bonuses and performance-related payments (including profit-sharing schemes);
  - iii. discretionary payments;
  - iv. pension contributions;
  - v. benefits in kind; and
  - vi. share options and their equivalents
- (u) To approve the remuneration of other members of the senior management of the Company;
- (v) To review and approve compensation strategy from time to time in the context of the then current Indian market in accordance with applicable laws;
- (w) In relation to the above, the Committee shall at all times give due regard to published or other available information relating to pay, bonuses and other benefits of executives in companies which are comparable to the Company;
- (x) To perform such functions as are required to be performed by the compensation committee under the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- (y) To administer the employee stock option scheme/plan approved by the Board and shareholders of the Company in accordance with the terms of such scheme/plan (“**ESOP Scheme**”) including the following:
  - i. Determining the eligibility of employees to participate under the ESOP Scheme;
  - ii. Determining the quantum of option to be granted under the ESOP Scheme per employee and in aggregate;
  - iii. Date of grant;
  - iv. Determining the exercise price of the option under the ESOP Scheme;
  - v. The conditions under which option may vest in employee and may lapse in case of termination of employment for misconduct;
  - vi. The exercise period within which the employee should exercise the option and that option would lapse on failure to exercise the option within the exercise period;
  - vii. The specified time period within which the employee shall exercise the vested option in the event of termination or resignation of an employee;
  - viii. The right of an employee to exercise all the options vested in him at one time or at various points of time within the exercise period;
  - ix. Re-pricing of the options which are not exercised, whether or not they have been vested if stock option rendered unattractive due to fall in the market price of the equity shares;
  - x. The grant, vest and exercise of option in case of employees who are on long leave;
  - xi. Allow exercise of unvested options on such terms and conditions as it may deem fit;
  - xii. The procedure for cashless exercise of options;
  - xiii. Forfeiture/ cancellation of options granted;
  - xiv. Formulating and implementing the procedure for making a fair and reasonable adjustment to the number of options and to the exercise price in case of corporate actions such as rights issues, bonus issues, merger, sale of division and others. In this regard following shall be taken into consideration:
  - xv. The number and the price of stock option shall be adjusted in a manner such that total value of the option to the employee remains the same after the corporate action;
  - xvi. For this purpose, follow global best practices in this area including the procedures followed by the derivative markets in India and abroad may be considered; and
  - xvii. The vesting period and the life of the option shall be left unaltered as far as possible to protect the rights of the employee who is granted such option.
- (z) To construe and interpret the ESOP Scheme and any agreements defining the rights and obligations of the Company and eligible employees under the ESOP Scheme, and prescribing, amending and/or rescinding rules and regulations relating to the administration of the ESOP Scheme;

(aa) To consider any other matters as may be requested by the Board; and

(bb) To make available its terms of reference and review annually those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

The committee is authorised by the Board to:

- (a) investigate any activity within its terms of reference;
- (b) seek any information from any employee of the Company or any associate or subsidiary, joint venture Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee; and
- (c) call any director or other employee to be present at a meeting of the Committee as and when required.

If the Committee considers it necessary so to do it is authorised to obtain appropriate external advice including but not limited to legal and professional advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those persons to attend at meetings of the Committee. The cost of obtaining any advice or services shall be paid by the Company within the limits as authorised by the Board.

The NR Committee shall meet at least once a year.

### **3. Corporate Social Responsibility Committee (“CSR Committee”)**

The CSR Committee was reconstituted by a resolution of our Board dated April 25, 2021. The current constitution of the CSR Committee is as follows:

| <b>Name of Director</b> | <b>Position in the Committee</b> | <b>Designation</b>                         |
|-------------------------|----------------------------------|--------------------------------------------|
| Rajendra Mutha          | Chairman                         | Executive Chairman and Whole-time Director |
| Pallavi Bhatevara       | Member                           | Managing Director                          |
| Rajiva Ranjan Verma     | Member                           | Non-Executive Independent Director         |
| Prem Pradeep            | Member                           | Non-Executive Nominee Director             |

The terms of reference of the CSR Committee framed in accordance with Section 135 of the Companies Act, 2013, are as follows:

- (a) To formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII of the Companies Act, 2013 and the rules made thereunder and make any revisions therein as and when decided by the Board;
- (b) To identify corporate social responsibility policy partners and corporate social responsibility policy programmes;
- (c) To recommend the amount of expenditure to be incurred for the corporate social responsibility activities and the distribution of the same to various corporate social responsibility programmes undertaken by the Company;
- (d) To delegate responsibilities to the corporate social responsibility team and supervise proper execution of all delegated responsibilities;
- (e) To review and monitor the implementation of corporate social responsibility programmes and issuing necessary directions as required for proper implementation and timely completion of corporate social responsibility programmes; and
- (f) To perform such other duties and functions as the Board may require the corporate social responsibility committee to undertake to promote the corporate social responsibility activities of the Company and exercise such other powers as may be conferred upon the CSR Committee in terms of the provisions of Section 135 of the Companies Act.

### **4. Stakeholders Relationship Committee (“SR Committee”)**

The SR Committee was constituted by a resolution of our Board dated April 25, 2021. The current constitution of the SR Committee is as follows:

| <b>Name of Director</b> | <b>Position in the Committee</b> | <b>Designation</b>                 |
|-------------------------|----------------------------------|------------------------------------|
| Prakash Iyer            | Chairman                         | Non-Executive Independent Director |
| Chetan Desai            | Member                           | Non-Executive Independent Director |
| Yash Mutha              | Member                           | Whole-time Director                |

The scope and function of the SR committee is in accordance with Regulation 20 of the SEBI Listing Regulations and its terms of reference are as follows:

- (a) To redress and resolve the grievances of the security holders of the Company including complaints related to transfer / transmission of shares and debentures, non-receipt of annual report, share certificates, non-receipt of declared dividends, issue of new / duplicate certificates, general meetings etc. and assisting with quarterly reporting of such complaints;
- (b) To consider and look into various aspects of interest of shareholders, debenture holders and other security holders;
- (c) To review of measures taken for effective exercise of voting rights by shareholders;
- (d) To investigate complaints relating to allotment of shares, approval of transfer or transmission of shares, debentures or any other securities;
- (e) To give effect to all transfer/transmission of shares and debentures, dematerialisation of shares and re-materialisation of shares, split and issue of duplicate/consolidated share certificates, compliance with all the requirements related to shares, debentures and other securities from time to time;
- (f) To review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- (g) To review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.
- (h) To carry out such other functions as may be specified by the Board from time to time or specified/provided under the Companies Act or SEBI Listing Regulations, or by any other regulatory authority; and
- (i) To make available its terms of reference and review periodically those terms of reference and its own effectiveness and recommend any necessary changes to the Board.

The committee is authorised by the Board to:

- (a) investigate any activity within its terms of reference;
- (b) seek any information from any employee of the Company or any associate or subsidiary, joint venture Company in order to perform its duties and all employees are directed by the Board to co-operate with any request made by the Committee; and
- (c) call any director or other employee to be present at a meeting of the committee as and when required.

If the committee considers it necessary so to do it is authorised to obtain appropriate external advice including but not limited to legal and professional advice to assist it in the performance of its duties and to secure the services of outsiders with relevant experience and expertise and to invite those persons to attend at meetings of the committee. The cost of obtaining any advice or services shall be paid by the Company within the limits as authorised by the Board.

The Stakeholders Relationship Committee shall meet at least once a year.

## 5. Risk Management Committee

The Risk Management Committee was constituted by a resolution of our Board dated April 25, 2021. The current constitution of the Risk Management Committee is as follows:

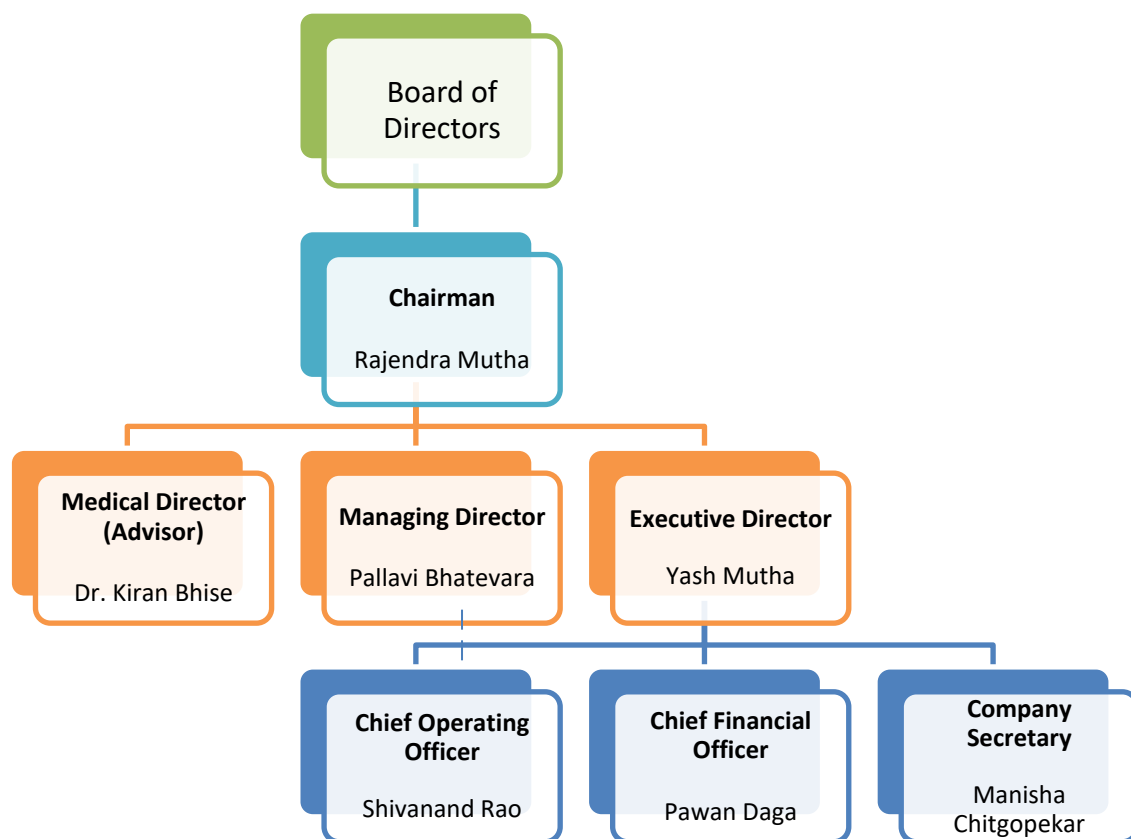
| <b>Name of Director</b> | <b>Position in the Committee</b> | <b>Designation</b>                 |
|-------------------------|----------------------------------|------------------------------------|
| Rajiva Ranjan Verma     | Chairman                         | Non-Executive Independent Director |
| Prakash Iyer            | Member                           | Non-Executive Independent Director |
| Yash Mutha              | Member                           | Whole-time Director                |

The scope and function of the Risk Management Committee is in accordance with Regulation 21 of the SEBI Listing Regulations and its terms of reference are as follows:

- (a) To periodically review the Risk Management Policy at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- (b) Overseeing risk appetite and risk tolerance appropriate to each business area;
- (c) Considering the risk policy and strategy;
- (d) Ensuring that there are adequate enterprise-wide processes and systems for identifying and reporting risks and deficiencies, including emerging risks;
- (e) Overseeing compliance with the stated risk appetite and policies and procedures related to risk-management governance and the risk controls framework;
- (f) Monitoring the alignment of the risk framework to the Company's growth strategy, supporting a culture of risk-taking within sound risk governance;
- (g) Having an overview of the key risk issues identified across the organisation and the wider network;
- (h) To formulate a detailed Risk Management Policy covering risk across functions and plan integration through training and awareness programmes. The Policy shall include:
  - i. A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee;
  - ii. Measures for risk mitigation including systems and processes for internal control of identified risks.
  - iii. Business continuity plan.
- (i) To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- (j) To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- (k) To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- (l) To consider the appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee;
- (m) Seek information from any employee, obtain outside legal or other professional advice and secure attendance of outsiders with relevant expertise, if it considers necessary;
- (n) Coordinate its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the board of directors.

The Risk Management Committee shall meet at least twice a year.

#### **Management organization chart**



### Key Managerial Personnel

In addition to Rajendra Mutha, our Executive Chairman and Whole-time Director, Pallavi Bhatevara, our Managing Director and Yash Mutha, our Whole-time Director whose details are provided in “*Our Management - Brief profiles of our Directors*” on page 179, the details of our other Key Managerial Personnel as on the date of this Prospectus are as set forth below:

**Pawan Daga** is the Chief Financial Officer of our Company and was appointed by our Company on January 18, 2021. He holds a bachelor’s degree in commerce from Amravati University and master’s degree in commerce from the University of Pune and has passed the final examination held by the Institute of Chartered Accountants of India. He has been associated with our Company since November 20, 2020 and is currently responsible for financial control and accounts of the Company. He has over 8 years of experience in the field of finance and accounts. Prior to joining our Company, he was associated with Shree Sant Kripa Appliances Private Limited (Syska) as Deputy Manager Accounts and Pisces eServices Private Limited (Foodpanda) as Finance Manager. In Fiscal 2021, he received ₹0.37 million from our Company.

**Manisha Chitgopekar** is the Company Secretary and Compliance Officer of our Company. She holds a bachelor’s degree in commerce from Dr. Babasaheb Ambedkar Marathwada University and is also an associate member of the Institute of Company Secretaries of India. She has been associated with our Company since April 1, 2019 and is currently responsible for secretarial compliance. She has over six years of experience in the field of secretarial compliance. Prior to joining our Company, she was associated with Wellworth Industries Limited as company secretary, Krishnae Infrastructure Private Limited as company secretary and FS Compressors India Private Limited as company secretary and HR manager. In Fiscal 2021, she received ₹0.28 million from our Company.

**Shivananda Rao** is the Chief Operating Officer of our Company. He holds a bachelor’s degree in science from the Mangalore University. He also holds a post graduate diploma in human resource management and a master’s degree in business administration (human resource management) from the Indira Gandhi National Open University. He has been associated with our Company since November 1, 2019 and is currently responsible for operations and human resource management of our Company. He has over 22 years of experience in the field of human resource management. Prior to joining our Company, he was associated with Manipal Health Enterprise Private Limited as assistant manager, Dr Reddy’s Laboratory as SBO, Manipal Resorts Company Private Limited

as head – human resources, Trust Chemist and Druggist Limited as senior manager in the department of human resources, Apollo Hospitals as manager – human resources and BGS Gleneagles Global Hospital as deputy general manager – human resources. In Fiscal 2021, he received ₹3.22 million from our Company.

All our Key Managerial Personnel are permanent employees of our Company.

#### **Retirement and termination benefits**

Except applicable statutory benefits, none of our Key Managerial Personnel would receive any benefits on their retirement or on termination of their employment with our Company.

#### **Family relationships of Directors with Key Managerial Personnel**

None of our Directors or Key Managerial Personnel are related to each another.

#### **Arrangements and Understanding with Major Shareholders**

None of our Key Managerial Personnel have been selected pursuant to any arrangement or understanding with any major Shareholders, customers or suppliers of our Company, or others.

#### **Shareholding of the Key Managerial Personnel**

None of our Key Managerial Personnel (other than our Directors) hold any Equity Shares as on date of this Prospectus.

#### **Service Contracts with Key Managerial Personnel**

Our Key Managerial Personnel have not entered into any service contracts with our Company.

#### **Contingent and deferred compensation payable to Key Managerial Personnel**

There is no contingent or deferred compensation payable to Key Managerial Personnel, which does not form part of their remuneration.

#### **Bonus or profit-sharing plan of the Key Managerial Personnel**

Except as disclosed under “*Bonus or profit-sharing plan for our Directors*” on page 183, our Company does not have any formal bonus or profit-sharing plan.

#### **Interest of Key Managerial Personnel**

For details of the interest of our Executive Directors in our Company, see “*Our Management – Interest of Directors*” on page 183.

Except Pawan Daga who holds 45,330 ESOPs and Shivananda Rao who holds 11,333 ESOPs granted to them under ESOP Scheme, none of our Key Managerial Personnel (other than our Directors) are interested in our Company other than to the extent of the remuneration or benefits to which they are entitled to as per their terms of appointment and reimbursement of expenses incurred by them during the ordinary course of their service.

#### **Changes in the Key Managerial Personnel in last three years:**

For details of the changes in our Executive Directors, see “*Our Management – Changes to our Board in the last three years*” on page 184. The changes in our Key Managerial Personnel (other than our Directors) in the three years preceding the date of this Prospectus is as mentioned below:

| <b>Name</b>         | <b>Designation</b>      | <b>Date of Change</b> | <b>Reason</b> |
|---------------------|-------------------------|-----------------------|---------------|
| Shivananda Rao      | Chief Operating Officer | March 1, 2021         | Appointment   |
| Pawan Daga          | Chief Financial Officer | January 18, 2021      | Appointment   |
| Manisha Chitgopekar | Company Secretary       | April 1, 2019         | Appointment   |



| <b>Name</b>    | <b>Designation</b>      | <b>Date of Change</b> | <b>Reason</b>                    |
|----------------|-------------------------|-----------------------|----------------------------------|
| Shivananda Rao | Chief Operating Officer | March 1, 2021         | Appointment                      |
| Neha Jangda    | Company Secretary       | March 10, 2019        | Resignation for better prospects |

The attrition of the Key Managerial Personnel of our Company is not high compared to the industry. For more information, please see “*Risk Factors- We may be unable to retain or recruit trained professionals, which may adversely impact the reputation of our brand and materially and adversely affect our results of operations and cash flows*” on page 35.

#### **Payment or Benefit to officers of our Company (non-salary related)**

Apart from salaries, no amount or benefit has been paid or given since incorporation or intended to be paid or given to any officer of the Company, including our directors and Key Managerial Personnel.

#### **Employee Stock Option**

For details of our Company’s employee stock option plan, see “*Capital Structure – Employee Stock Option Scheme*” on page 89.

## OUR PROMOTER AND PROMOTER GROUP

### Our Promoter

The Promoter of our Company is Rajendra Mutha. As on the date of this Prospectus, our Promoter holds 8,029,920 Equity Shares representing 29.53% of the issued, subscribed and paid-up Equity Share capital of our Company. For details, please see the section titled “*Capital Structure – Build-up of the Promoter’s shareholding in our Company*” on page 85.

**Details of our Promoter are as follows:**

### Rajendra Mutha



**Rajendra Mutha**, aged 47 years, is our Promoter and is also the Executive Chairman and Whole-time Director on our Board.

**Date of Birth:** June 1, 1974

**Address:** Flat No. 19, A2, Shantiban Society, Near PN Gadgil Showroom, Chinchwad Gaon, Pune – 411033, Maharashtra.

**Permanent Account Number:** ABAPM0270H

**Aadhar Card Number:** 2516 9683 5660

**Driving License:** MH1219980004514

For the complete profile of Rajendra Mutha, along with details of his qualifications, professional experience, position/posts held in the past, directorships held, special achievements and business and financial activities, see “*Our Management – Board of Directors*” on page 177.

Our Company confirms that the permanent account number and bank account number and passport number of Rajendra Mutha has been submitted to the Stock Exchanges at the time of filing the Draft Red Herring Prospectus.

### Change in control of our Company

There has been no change in control of our Company in the five years immediately preceding the date of this Prospectus.

### Other ventures of our Promoter

Other than as disclosed in this section, “*Our Management – Other Directorships*” on page 177, our Promoter is not involved in any other ventures.

### Interests of Promoter

Our Promoter is interested in our Company to the extent that he has promoted our Company and to the extent of his shareholding in our Company and the dividends payable and any other distributions in respect of his shareholding in our Company. For further details, see “*Capital Structure - Build-up of the Promoter’s shareholding in our Company*” on page 85. Additionally, our Promoter may also be interested in transactions entered into by our Company with other entities (i) in which our Promoter holds shares, or (ii) controlled by our Promoter. For further details, please see “*Restated Financial Statements-Related Party Disclosures*” on page 258.

Further, our Promoter is also interested in our Company as the Executive Chairman and Whole-time Director of the Board and may be deemed to be interested the terms of his appointment as such, including in relation to benefits, remuneration, reimbursement of expenses, etc. For further details, see “*Our Management*” on page 177. Our Promoter is also interested to the extent of providing personal guarantees amounting to ₹1,629.35 million for some of the loans availed by our Company and for certain vendors of our Company. No sum has been paid or agreed to be paid to our Promoter or to any firm or company in which our Promoter is interested, in cash or shares or

otherwise, by any person, either to induce them to become or to qualify them, as directors or promoters or otherwise for services rendered by our Promoter or by such firm or company, in connection with the promotion or formation of our Company. Other than our Subsidiaries and Krsna Diagnostics (Mumbai) Private Limited (a member of our Promoter Group) our Promoter does not have any interest in any venture that is involved in any activities similar to those conducted by our Company.

The Company has availed certain loans from our Promoter. For further details, see “*Restated Financial Statements*” on page 201.

### **Interest in property, land, construction of building and supply of machinery**

Our Promoter does not have any interest (direct or indirect) in any property acquired by our Company in the preceding three years from the date of this Prospectus or proposed to be acquired by our Company or in any transaction with respect to the acquisition of land, construction of building and supply of machinery.

### **Payment or Benefits to Promoter or Promoter Group**

Except as disclosed herein and as stated in “*Restated Financial Statements - Related Party Disclosures*” on page 258, there has been no payment or benefits by our Company to our Promoter or any of the members of the Promoter Group during the two years preceding the date of this Prospectus nor is there any intention to pay or give any benefit to our Promoter or Promoter Group as on the date of this Prospectus.

The premises on which our Registered and Corporate Office is located, has been obtained on a leave and license basis from Sunita Mutha, the spouse of our Promoter and a member of our Promoter Group, in terms of the leave and license dated March 15, 2021 (“**Agreement**”). In terms of the said Agreement, our Company has made rent payments aggregating to ₹79.50 million for the Fiscal 2021, Fiscal 2020 and Fiscal 2019.

For further details, please see “*Restated Financial Statements-Related Party Disclosures*” on page 258. Additionally, our Company intends to continue using the Registered and Corporate Office premises in terms of the Agreement and to such extent, our Company will continue to pay rent to Sunita Mutha in terms of the Agreement.

### **Companies or firms with which our Promoter has disassociated in the last three years**

Other than Ruby Diagnocare LLP, a limited liability partnership firm which is presently in the process of being struck off, our Promoter has not disassociated himself from any company or firm in the three years preceding the date of this Prospectus.

### **Material Guarantees**

Our Promoter has not given any material guarantee to any third party, in respect of the Equity Shares, as of the date of this Prospectus.

### **Promoter Group**

In addition to our Promoter, the individuals and entities that form a part of the Promoter Group of our Company in terms of Regulation 2(1)(pp) of the SEBI ICDR Regulations are set out below:

### **Natural persons who are part of the Promoter Group**

The natural persons who are part of the Promoter Group, other than our Promoter, are as follows:

| <b>Sr. No.</b> | <b>Name of member of the Promoter Group</b> | <b>Relationship with the Promoter</b> |
|----------------|---------------------------------------------|---------------------------------------|
| 1.             | Sunita Mutha                                | Spouse                                |
| 2.             | Sushila Khivraj Mutha                       | Mother                                |
| 3.             | Khivraj Ambarchand Mutha                    | Father                                |
| 4.             | Rhythm Rajendra Mutha                       | Daughter                              |
| 5.             | Nandini Rajendra Mutha                      | Daughter                              |
| 6.             | Bharatchandra Hiralalji Shingavi            | Spouse’s father                       |
| 7.             | Padma Bharatchandra Shingavi                | Spouse’s mother                       |

**Entity forming part of the Promoter Group**

The entity forming part of our Promoter Group is as follows:

| <b>Sr. No.</b> | <b>Entity</b>                              | <b>Relation</b>                                                                      |
|----------------|--------------------------------------------|--------------------------------------------------------------------------------------|
| 1.             | Krsna Diagnostics (Mumbai) Private Limited | Body corporate in which the Promoter holds more than 20% of the equity share capital |

The above list of members of the Promoter Group does not include Jitendra Khivraj Mutha and Dharmendra Khivraj Mutha (brothers of our Promoter) as well as Chetan Bharatchandra Shingavi and Virendra Bharatchandra Shingavi (brothers-in-law of our Promoter) and body corporates/entities and HUFs in which the aforementioned individuals hold 20% or more of the equity share capital. Such natural persons and entities are exempted from being classified as members of the Promoter Group pursuant to the letter received from SEBI bearing reference no. CFD/DIL2/P/OW/2021/15933/1 dated July 20, 2021.

## GROUP COMPANIES

In terms of the SEBI ICDR Regulations, the term “*group companies*”, includes (i) such companies (other than promoter(s) and subsidiary(ies)) of an issuer company, with which there were related party transactions during the period for which financial information is disclosed, as covered under applicable accounting standards, and (ii) any other companies considered material by the board of directors of the relevant issuer company.

Accordingly, all such companies with which our Company had related party transactions as per the Restated Financial Statements, as covered under the relevant accounting standard (i.e., Ind AS 24) have been considered for purposes of identification of our Group Companies in terms of the SEBI ICDR Regulations.

Additionally, pursuant to the Materiality Policy adopted by our Board on May 13, 2021, a company has been considered material and has been considered for identification as a Group Company in this Prospectus if: (i) such company is a member of the Promoter Group; and (ii) has entered into one or more transactions with the Company during the last completed full financial year and the most recent period (if applicable) of the Restated Financial Statements, which, individually or cumulatively in value, exceeds 10% of the total revenue of the Company as per the Restated Financial Statements of the last completed full financial year and the relevant stub period, as applicable.

Based on the above criteria laid out by the SEBI ICDR Regulations and our Materiality Policy, our Company does not have any Group Company as on the date of this Prospectus.

## **DIVIDEND POLICY**

At a meeting of the Board dated May 13, 2021, our Company has adopted a formal dividend policy which will govern the declaration and payment of dividends, if any, by our Board and as approved by our Shareholders, at their discretion, subject to the provisions of the Articles of Association and the Companies Act. We may retain all our future earnings, if any, for use in the operations and expansion of our business. As a result, we may not declare dividend in the foreseeable future. The dividend, if any, will depend on a number of factors, including but not limited to our Company's profits, capital requirements, overall financial condition, contractual restrictions and other factors considered relevant by our Board. Our Company may also, from time to time, pay interim dividends.

For details in relation to risks involved in this regard, see *“Risk Factors – Our ability to pay dividends in the future will depend on our earnings, financial condition, working capital requirements, capital expenditures and restrictive covenants of our financing arrangements.”* on page 52.

Our Company has not paid any dividend during the Fiscals 2021, 2020 and 2019. Further, our Company has not declared any dividend since April 1, 2021 until the date of filing of this Prospectus.

**SECTION VII – FINANCIAL INFORMATION**

**RESTATED FINANCIAL STATEMENTS**

*[The remainder of this page has intentionally been left blank]*

**Report of Independent Auditor on the Restated Statement of Assets and Liabilities as at March 31, 2021, March 31, 2020 and March 31, 2019 and Restated Statements of Profit and Loss, Restated Statement of Changes in Equity and Restated Statement of Cash Flows for years ended March 31, 2021, March 31, 2020 and March 31, 2019 along with the Summary Statement of Significant Accounting Policies and other explanatory information of Krsnaa Diagnostics Limited (collectively, the 'Restated Financial Information')**

**The Board of Directors**  
**Krsnaa Diagnostics Limited**  
S.No.243, A-Hissa No.6/6 CTS No.4519,  
Near Mayur Trade Centre,  
Chinchwad, Pune 411 019  
Maharashtra, India

Dear Sirs / Madams,

1. We have examined the Restated Financial Information of Krsnaa Diagnostics Limited ('the Company') as at March 31, 2021, March 31, 2020 and March 31, 2019, annexed to this report for the purpose of inclusion in the Red Herring Prospectus ('the RHP') and Prospectus, to be prepared by the Company in connection with its proposed Initial Public Offer of equity shares of face value of Rs. 5 each ('the Offer'). The Restated Financial Information, which has been approved by the Board of Directors of the Company at their meeting held on July 23, 2021, has been prepared by the Company in accordance with the requirements of:
  - a) Sub-section (1) of Section 26 of Part I of Chapter III of the Companies Act, 2013 ('the Act');
  - b) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended ('the SEBI ICDR Regulations 2018'); and
  - c) The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India ('the ICAI'), as amended from time to time ('the Guidance Note').

**Board of Directors Responsibility for the Restated Financial Information**

2. The Company's Board of Directors are responsible for the preparation of the Restated Financial Information for the purpose of inclusion in the RHP and the Prospectus to be filed with the Registrar of Companies, Pune, Maharashtra ('the RoC') in connection with the Offer. The Restated Financial Information have been prepared by the management of the Company in accordance with the basis of preparation stated in Note 2.1 to Annexure 5 of the Restated Financial Information.

The Board of Directors of the Company are responsible for designing, implementing and maintaining adequate internal control relevant to the preparation and presentation of the Restated Financial Information. The Board of Directors are also responsible for identifying



and ensuring that the Company complies with the Act, the SEBI ICDR Regulations 2018 and the Guidance Note.

### **Auditors Responsibility**

3. We have examined the Restated Financial Information taking into consideration:
- a) The terms of reference and our engagement agreed with you vide our engagement letter dated March 22, 2021, requesting us to carry out work on such Restated Financial Information, proposed to be included in the RHP and Prospectus of the Company in connection with the Offer;
  - b) The Guidance note also requires that we comply with the ethical requirements as stated in the Code of Ethics issued by the ICAI;
  - c) Concepts of test check and materiality to obtain reasonable assurance based on verification of evidence supporting the Restated Financial Information; and
  - d) The requirements of Section 26 of the Act and the SEBI ICDR Regulations 2018. Our work was performed solely to assist you in meeting your responsibilities in relation to compliance with the Act, the SEBI ICDR Regulations 2018 and the Guidance Note in connection with the Offer.

### **Restated Financial Information as per audited financial statements**

4. The Restated Financial Information have been compiled by the management from
- a. The audited IND AS financial statements of the Company for the year ended March 31, 2021 which have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended and have been approved by the Board of Directors at their meeting held on July 13, 2021.
  - b. Special purpose IND AS financial statements for the year ended March 31, 2020 which have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016, as amended and have been approved by the Board of Directors at their meeting held on May 13, 2021.
  - c. The restated financial information also contains the proforma Ind AS financial information as at and for the year ended March 31, 2019 which have been approved by Board of Directors at their meeting held on May 13, 2021. The proforma Ind AS financial information have been prepared by making Ind AS adjustments to the audited Indian generally accepted accounting principles (the "Indian GAAP") financial statements as at and for the year ended March 31, 2019 which have been approved by

the Board at their meetings held on June 17, 2019 as described in Note 2.1 to Annexure 5 to the Restated Financial Information.

5. For the purpose of our examination, we have relied on:
  - a) Auditors' Reports issued by us dated July 13, 2021 on IND AS financial statements of the Company as at and for the year ended March 31, 2021, as referred in Para 4 above.
  - b) Auditors' Reports issued by us dated May 13, 2021 on the special purpose IND AS financial statements of the Company as at and for the year ended March 31, 2020, as referred in Para 4 above.
  - c) Auditor's Assurance Report on compilation of pro forma IND AS financial information issued by us dated May 13, 2021 on the proforma Ind AS financial information of the Company as at and for the year ended March 31, 2019.
5. Based on the above and according to the information and explanations given to us, we report that:
  - i) Restated Financial Information have been prepared after incorporating adjustments for the changes in accounting policies, material errors and regrouping/reclassifications retrospectively in the financial years ended March 31, 2021, March 31, 2020 and March 31, 2019 to reflect the same accounting treatment as per the accounting policies and grouping/classifications followed as at and for the year ended March 31, 2021;
  - ii) As of and for the financial year ended March 31, 2019 have been prepared after incorporating proforma IND AS adjustments to the Indian GAAP financial statements, as described in Note No. 2.1 to Annexure 5 to the Restated Financial Information.
  - iii) Restated Financial Information have been prepared in accordance with the Act, the SEBI ICDR Regulations 2018 and the Guidance Note.
6. The Restated Financial Information do not reflect the effects of events that occurred subsequent to the respective dates of the reports on the audited financial statements mentioned in paragraph 4 above.
7. According to the information and explanations given to us, in our opinion, the Restated Financial Information, read with Summary of Significant Accounting Policies and other explanatory information disclosed in Annexure 5, accompanying this report, are prepared after making adjustments and regroupings as considered appropriate and disclosed in Note No. 2.1 to Annexure 5, and have been prepared in accordance with the Act, SEBI ICDR Regulations 2018, to the extent applicable, and the Guidance Note.

8. This report should not in any way be construed as a reissuance or re-dating of any of the previous auditor's reports issued by us, nor should this report be construed as a new opinion on any of the financial statements referred to herein.
9. We have no responsibility to update our report for events and circumstances occurring after the date of this report.
10. Our report is intended solely for use of the Board of Directors and for inclusion in the RHP and Prospectus to be filed with the RoC in connection with the Offer of the Company. Our report should not be used, referred to or distributed for any other purpose without prior consent in writing. Accordingly, we do not accept any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

For **MSKA & Associates**  
Chartered Accountants  
ICAI Firm Registration No. 105047W

**Nitin Manohar Jumani**  
Partner  
Membership No. 111700

UDIN: 21111700AAAADM3283

Place: Pune  
Date: July 23, 2021

**Annexure I : Restated statement of assets and liabilities**  
(Amount in Rupees million except per share data and unless otherwise stated)

|                                                                                          | Annexure 6<br>(Note No.) | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------------------------------------------------------------|--------------------------|------------------------|------------------------|------------------------|
| <b>ASSETS</b>                                                                            |                          |                        |                        |                        |
| <b>Non-current assets</b>                                                                |                          |                        |                        |                        |
| Property, plant and equipment                                                            | 6                        | 3,072.80               | 2,735.82               | 2,223.89               |
| Capital work-in-progress                                                                 | 8                        | 37.18                  | 91.30                  | 416.58                 |
| Intangible assets                                                                        | 7                        | 12.28                  | 15.14                  | 7.00                   |
| Intangible asset under development                                                       | 9                        | -                      | -                      | 1.32                   |
| <b>Financial assets</b>                                                                  |                          |                        |                        |                        |
| Investments                                                                              | 10                       | 2.90                   | 2.90                   | 2.90                   |
| Loans                                                                                    | 11                       | 135.44                 | 104.28                 | 55.63                  |
| Other financial assets                                                                   | 12                       | 24.08                  | 60.23                  | 146.46                 |
| Deferred tax asset (net)                                                                 | 39                       | -                      | 921.72                 | 435.84                 |
| Other non-current assets                                                                 | 13                       | 279.24                 | 232.12                 | 114.36                 |
| <b>Total non-current assets</b>                                                          |                          | <b>3,563.92</b>        | <b>4,163.51</b>        | <b>3,403.98</b>        |
| <b>Current assets</b>                                                                    |                          |                        |                        |                        |
| Inventories                                                                              | 14                       | 72.10                  | 50.67                  | 42.12                  |
| <b>Financial assets</b>                                                                  |                          |                        |                        |                        |
| Trade receivables                                                                        | 15                       | 724.74                 | 614.32                 | 562.23                 |
| Cash and cash equivalents                                                                | 16                       | 246.75                 | 83.59                  | 85.96                  |
| Bank balances other than cash and cash equivalent                                        | 17                       | 1,282.37               | 1,189.24               | 1,030.24               |
| Other financial assets                                                                   | 18                       | 90.08                  | 183.59                 | 137.74                 |
| Other current assets                                                                     | 19                       | 65.34                  | 14.90                  | 27.58                  |
| <b>Total current assets</b>                                                              |                          | <b>2,481.38</b>        | <b>2,136.31</b>        | <b>1,885.87</b>        |
| <b>Total assets</b>                                                                      |                          | <b>6,045.30</b>        | <b>6,299.82</b>        | <b>5,289.85</b>        |
| <b>EQUITY AND LIABILITIES</b>                                                            |                          |                        |                        |                        |
| <b>Equity</b>                                                                            |                          |                        |                        |                        |
| Equity share capital                                                                     | 20                       | 64.95                  | 51.63                  | 51.63                  |
| Instruments entirely equity in nature                                                    | 21                       | 2,423.90               | 150.24                 | 150.24                 |
| Other equity                                                                             | 22                       | (170.20)               | (2,171.64)             | (1,051.08)             |
| <b>Total equity</b>                                                                      |                          | <b>2,318.65</b>        | <b>(1,969.77)</b>      | <b>(849.21)</b>        |
| <b>Liabilities</b>                                                                       |                          |                        |                        |                        |
| <b>Non-current liabilities</b>                                                           |                          |                        |                        |                        |
| <b>Financial liabilities</b>                                                             |                          |                        |                        |                        |
| Borrowings                                                                               | 23                       | 1,679.54               | 1,227.13               | 920.23                 |
| Liability on compulsory convertible preference shares                                    | 24                       | -                      | 4,951.75               | 3,181.44               |
| Other financial liabilities                                                              | 25                       | 63.89                  | 233.52                 | 251.39                 |
| Employee benefit obligations                                                             | 26                       | 5.19                   | 3.23                   | 1.62                   |
| Other non-current liabilities                                                            | 27                       | 33.03                  | 45.97                  | 51.16                  |
| Deferred Tax Liabilities                                                                 | 39                       | 106.95                 | -                      | -                      |
| <b>Total non-current liabilities</b>                                                     |                          | <b>1,888.60</b>        | <b>6,461.60</b>        | <b>4,405.84</b>        |
| <b>Current liabilities</b>                                                               |                          |                        |                        |                        |
| <b>Financial liabilities</b>                                                             |                          |                        |                        |                        |
| Borrowings                                                                               | 28                       | 347.44                 | 922.80                 | 539.57                 |
| Trade payables                                                                           |                          |                        |                        |                        |
| i) total outstanding dues of micro enterprises and small enterprises                     | 29                       | 5.37                   | 3.44                   | 0.84                   |
| ii) total outstanding dues of creditors other than micro enterprise and small enterprise | 29                       | 780.19                 | 377.49                 | 416.47                 |
| Other financial liabilities                                                              | 30                       | 665.54                 | 479.35                 | 746.26                 |
| Employee benefit obligations                                                             | 26                       | 9.28                   | 7.20                   | 5.47                   |
| Other current liabilities                                                                | 31                       | 30.23                  | 17.71                  | 24.61                  |
| <b>Total current liabilities</b>                                                         |                          | <b>1,838.05</b>        | <b>1,807.99</b>        | <b>1,733.22</b>        |
| <b>Total liabilities</b>                                                                 |                          | <b>3,726.65</b>        | <b>8,269.59</b>        | <b>6,139.06</b>        |
| <b>Total equity and liabilities</b>                                                      |                          | <b>6,045.30</b>        | <b>6,299.82</b>        | <b>5,289.85</b>        |

See accompanying notes to the restated financial information

The accompanying notes are an integral part of the restated financial information

As per our report of even date

For MSKA & Associates

Chartered Accountants

Firm Registration No.:105047W

For and on behalf of the Board of Directors

Krsnaa Diagnostics Limited

CIN:U74900PN2010PLC138068

Nitin Manohar Juman

Partner

Membership No: 111700

Place: Pune

Date: July 23, 2021

Rajendra Mutha

Chairman

DIN: 01066737

Place: Pune

Date: July 23, 2021

Pallavi Bhatevara

Managing Director

DIN: 03600332

Place: Pune

Date: July 23, 2021

Manisha Chitgopekar

Company Secretary

M.No:A27816

Place: Pune

Date: July 23, 2021

Yash Mutha

Executive Director

DIN: 07285523

Place: Pune

Date: July 23, 2021

Pawan Daga

Chief Financial Officer

Place: Pune

Date: July 23, 2021

**Annexure 2: Restated statement of profit and loss**

(Amount in Rupees million except per share data and unless otherwise stated)

|                                                                                         | Annexure 6<br>(Note No.) | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|-----------------------------------------------------------------------------------------|--------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Income</b>                                                                           |                          |                             |                             |                             |
| Revenue from operations                                                                 | 32                       | 3,964.56                    | 2,584.27                    | 2,092.35                    |
| Gain on fair value movement of Compulsory Convertible Preference Share (Refer Note 48)  |                          | 2,527.84                    | -                           | -                           |
| Other income                                                                            | 33                       | 122.36                      | 129.52                      | 50.80                       |
| <b>Total income</b>                                                                     |                          | <b>6,614.76</b>             | <b>2,713.79</b>             | <b>2,143.15</b>             |
| <b>Expenses</b>                                                                         |                          |                             |                             |                             |
| Cost of material consumed                                                               | 34                       | 837.47                      | 277.23                      | 173.36                      |
| Employee benefits expense                                                               | 35                       | 295.86                      | 231.34                      | 183.04                      |
| Finance costs                                                                           | 36                       | 259.40                      | 246.64                      | 195.69                      |
| Depreciation and amortization expense                                                   | 37                       | 374.39                      | 324.11                      | 256.40                      |
| Fees to hospitals and others                                                            |                          | 1,082.02                    | 755.32                      | 623.24                      |
| Loss on fair value movement of compulsory convertible preference shares (Refer Note 48) |                          | -                           | 1,770.31                    | 955.19                      |
| Other expenses                                                                          | 38                       | 811.10                      | 692.16                      | 533.49                      |
| <b>Total expenses</b>                                                                   |                          | <b>3,660.24</b>             | <b>4,297.11</b>             | <b>2,920.41</b>             |
| <b>Profit /(Loss) before tax</b>                                                        |                          | <b>2,954.52</b>             | <b>(1,583.32)</b>           | <b>(777.26)</b>             |
| <b>Tax expense</b>                                                                      |                          |                             |                             |                             |
| Income Tax charge                                                                       | 39                       | 76.47                       | 21.87                       | 39.22                       |
| Deferred tax charge/(credit)                                                            |                          | 1,028.76                    | (485.68)                    | (235.91)                    |
| <b>Total income tax expense</b>                                                         |                          | <b>1,105.23</b>             | <b>(463.81)</b>             | <b>(196.69)</b>             |
| <b>Profit/(loss) for the year</b>                                                       |                          | <b>1,849.29</b>             | <b>(1,119.51)</b>           | <b>(580.57)</b>             |
| <b>Other comprehensive income</b>                                                       |                          |                             |                             |                             |
| <i>Items that will not be reclassified to profit or loss</i>                            |                          |                             |                             |                             |
| Remeasurement of net defined benefit liability                                          |                          | (0.38)                      | (0.68)                      | 0.94                        |
| Income tax effect                                                                       |                          | 0.10                        | 0.20                        | (0.27)                      |
|                                                                                         |                          | (0.28)                      | (0.48)                      | 0.67                        |
| <b>Other comprehensive income for the year, net of tax</b>                              |                          | <b>(0.28)</b>               | <b>(0.48)</b>               | <b>0.67</b>                 |
| <b>Total comprehensive income for the year</b>                                          |                          | <b>1,849.01</b>             | <b>(1,119.99)</b>           | <b>(579.90)</b>             |
| <b>Earnings / (Loss) per share</b>                                                      |                          |                             |                             |                             |
| <b>Before share split</b>                                                               |                          |                             |                             |                             |
| Basic earnings /(loss) per share (INR)                                                  | 40                       | 320.72                      | (216.94)                    | (120.28)                    |
| Diluted earnings /(loss) per share (INR)                                                | 40                       | 24.51                       | (216.94)                    | (120.28)                    |
| <b>After share split</b>                                                                |                          |                             |                             |                             |
| Basic earnings /(loss) per share (INR)                                                  | 40                       | 160.36                      | (108.47)                    | (60.14)                     |
| Diluted earnings /(loss) per share (INR)                                                | 40                       | 12.25                       | (108.47)                    | (60.14)                     |

See accompanying notes to the restated financial information

The accompanying notes are an integral part of the restated financial information

As per our report of even date

**For MSKA & Associates**

Chartered Accountants

Firm Registration No.:105047W

For and on behalf of the Board of Directors of

**Krsnaa Diagnostics Limited**

CIN:U74900PN2010PLC138068

**Nitin Manohar Jumani**

Partner

Membership No: 111700

Place: Pune

Date: July 23, 2021

**Rajendra Mutha**

Chairman

DIN: 01066737

Place: Pune

Date: July 23, 2021

**Pallavi Bhatevara**

Managing Director

DIN: 03600332

Place: Pune

Date: July 23, 2021

**Manisha Chitgopekar**

Company Secretary

M.No:A27816

Place: Pune

Date: July 23, 2021

**Yash Mutha**

Executive Director

DIN: 07285523

Place: Pune

Date: July 23, 2021

**Pawan Daga**

Chief Financial Officer

Place: Pune

Date: July 23, 2021

**Annexure 3: Restated statement of cash flow**  
(Amount in Rupees million except per share data and unless otherwise stated)

|                                                                                  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|----------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Cash flow from operating activities</b>                                       |                             |                             |                             |
| Profit/(Loss) for the period                                                     | 2,954.52                    | (1,583.32)                  | (777.26)                    |
| Adjustments for:                                                                 |                             |                             |                             |
| Depreciation and amortization expenses                                           | 374.39                      | 323.32                      | 255.61                      |
| Finance cost                                                                     | 259.40                      | 238.88                      | 188.38                      |
| Interest income                                                                  | (119.38)                    | (100.62)                    | (22.13)                     |
| Loss on Sale/Disposal of Assets                                                  | 5.06                        | -                           | -                           |
| Dividend Income                                                                  | -                           | (0.12)                      | (0.08)                      |
| Provision for doubtful trade receivable balances                                 | -                           | 24.84                       | 19.16                       |
| (Gain)/Loss on fair value movement of Compulsory Convertible Preference Share    | (2,527.84)                  | 1,770.31                    | 955.19                      |
| Employee stock option scheme compensation                                        | 8.20                        | -                           | -                           |
| Remeasurement of the Employee Benefit Liability                                  | (0.38)                      | -                           | -                           |
| <b>Operating profit before working capital changes</b>                           | <b>953.97</b>               | <b>673.29</b>               | <b>618.87</b>               |
| <b>Changes in working capital</b>                                                |                             |                             |                             |
| (Decrease)/increase in trade payables                                            | 404.62                      | (36.38)                     | 256.53                      |
| Decrease/(increase) in inventories                                               | (21.43)                     | (8.54)                      | (22.62)                     |
| Decrease/(increase) in trade receivables                                         | (110.42)                    | (76.93)                     | (294.98)                    |
| (Decrease)/increase in other current liabilities                                 | 12.51                       | (6.90)                      | (4.37)                      |
| (Decrease)/ increase in other non current liabilities                            | (12.94)                     | (5.19)                      | 28.97                       |
| (Decrease)/ increase in other financial liabilities                              | (143.85)                    | 21.27                       | 83.75                       |
| (Decrease)/ increase in provisions                                               | 4.05                        | 2.65                        | 2.00                        |
| (Decrease)/ increase in other current financial liabilities                      | -                           | (9.40)                      | 45.92                       |
| Decrease/ (increase) in other current financial assets                           | 118.90                      | (18.90)                     | (110.77)                    |
| Decrease/ (increase) in non current financial assets                             | (31.16)                     | (48.64)                     | 66.07                       |
| Decrease/ (increase) in other current assets                                     | (50.44)                     | 12.68                       | (1.34)                      |
| Decrease/ (increase) in other non current assets                                 | (21.50)                     | (18.90)                     | (15.47)                     |
| <b>Cash generated from/(used) in operations</b>                                  | <b>1,102.31</b>             | <b>480.11</b>               | <b>652.56</b>               |
| Income tax paid                                                                  | (76.73)                     | (102.02)                    | (69.90)                     |
| <b>Net cash flows generated from operating activities (A)</b>                    | <b>1,025.58</b>             | <b>378.09</b>               | <b>582.66</b>               |
| <b>Cash flow from Investing activities</b>                                       |                             |                             |                             |
| Payment for property, plant and equipment and intangible assets                  | (668.40)                    | (767.49)                    | (997.77)                    |
| Sale for property, plant and equipment and intangible assets                     | 20.00                       | -                           | -                           |
| Investment in bank deposits (having original maturity of more than three months) | (56.97)                     | (72.78)                     | (1,009.48)                  |
| Dividend income                                                                  | -                           | 0.12                        | 0.08                        |
| Interest received                                                                | 93.98                       | 73.67                       | 14.65                       |
| <b>Net cash flow (used) in investing activities (B)</b>                          | <b>(611.39)</b>             | <b>(766.48)</b>             | <b>(1,992.52)</b>           |
| <b>Cash flow from Financing activities</b>                                       |                             |                             |                             |
| Proceeds from issuance of compulsory convertible preference share                | -                           | -                           | 1,000.00                    |
| Proceeds from issue of equity share capital                                      | 7.31                        | -                           | -                           |
| Proceeds from borrowings (net of repayment)                                      | 555.27                      | 302.49                      | 441.50                      |
| Share issue expenses                                                             | -                           | (0.57)                      | (40.36)                     |
| Interest paid                                                                    | (241.83)                    | (237.15)                    | (156.34)                    |
| Interest paid on lease liabilities                                               | (12.35)                     | (7.00)                      | (2.09)                      |
| <b>Net cash flow generated from financing activities (C)</b>                     | <b>308.40</b>               | <b>57.77</b>                | <b>1,242.71</b>             |
| <b>Net increase in cash and cash equivalents (A+B+C)</b>                         | <b>722.59</b>               | <b>(330.62)</b>             | <b>(167.15)</b>             |
| Cash and cash equivalents at the beginning of the period                         | (475.84)                    | (145.22)                    | 21.93                       |
| <b>Cash and cash equivalents at the end of the period</b>                        | <b>246.75</b>               | <b>(475.84)</b>             | <b>(145.22)</b>             |
| <b>Cash and cash equivalents comprise (Refer note 16)</b>                        |                             |                             |                             |
| Balances with banks                                                              |                             |                             |                             |
| On current accounts                                                              | 237.98                      | 82.18                       | 73.38                       |
| Cash on hand                                                                     | 5.65                        | 1.41                        | 12.58                       |
| Bank Overdraft Account (Debit Balance)                                           | 3.12                        | -                           | -                           |
| Less: Bank and book overdraft                                                    | -                           | (559.43)                    | (231.18)                    |
| <b>Total cash and bank balances at end of the period</b>                         | <b>246.75</b>               | <b>(475.84)</b>             | <b>(145.22)</b>             |

See accompanying notes to the restated financial information

The accompanying notes are an integral part of the restated financial information

As per our report of even date

For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No.:105047W

For and on behalf of the Board of Directors of  
**Krsnaa Diagnostics Limited**  
CIN:U74900PN2010PLC138068

**Nitin Manohar Juman**  
Partner  
Membership No: 111700

**Rajendra Mutha**  
Chairman  
DIN: 01066737

**Pallavi Bhatevara**  
Managing Director  
DIN: 03600332

**Manisha Chitgopekar**  
Company Secretary  
M.No:A27816

Place: Pune  
Date: July 23, 2021

Place: Pune  
Date: July 23, 2021

Place: Pune  
Date: July 23, 2021

**Yash Mutha**  
Executive Director  
DIN: 07285523

**Pawan Daga**  
Chief Financial Officer

Place: Pune  
Date: July 23, 2021

Place: Pune  
Date: July 23, 2021

**Annexure 4: Restated statement of changes in equity**

(Arr: (Amount in Rupees million except per share data and unless otherwise stated))

| (A) Equity share capital                                                       | Equity Share Capital |        |
|--------------------------------------------------------------------------------|----------------------|--------|
|                                                                                | No. of shares        | Amount |
| Equity shares of [Face value of Rs. 10] each issued, subscribed and fully paid |                      |        |
| Balance as at 01 April 2018                                                    | 51,62,100            | 51.62  |
| Changes in share capital during the year                                       | 1,000                | 0.01   |
| Balance as at 31 March 2019                                                    | 51,63,100            | 51.63  |
| Changes in share capital during the period                                     | -                    | -      |
| Balance as at 31 March 2020                                                    | 51,63,100            | 51.63  |
| Changes in share capital during the period                                     | 13,31,864            | 13.32  |
| Balance as at 31 March 2021                                                    | 64,94,964            | 64.95  |

**(B) Other equity**

|                                                                   | Reserve and surplus               |                    |                   | Items of OCI | Total      |
|-------------------------------------------------------------------|-----------------------------------|--------------------|-------------------|--------------|------------|
|                                                                   | Share options outstanding account | Securities premium | Retained earnings | Others       |            |
| Balance as at 1 April 2018                                        | -                                 | 129.89             | (561.48)          | 0.77         | (430.82)   |
| Profit for the year                                               | -                                 | -                  | (580.57)          | -            | (580.57)   |
| Other comprehensive income                                        | -                                 | -                  | -                 | 0.67         | 0.67       |
| Total other comprehensive income for the year                     | -                                 | -                  | (580.57)          | 0.67         | (579.90)   |
| <i>Transactions with owners in their capacity as owners</i>       |                                   |                    |                   |              |            |
| Securities premium utilised to write off the share issue expenses | -                                 | (40.36)            | -                 | -            | (40.36)    |
| Balance as at 31 March 2019                                       | -                                 | 89.53              | (1,142.05)        | 1.44         | (1,051.08) |

|                                                                   | Reserve and surplus               |                    |                   | Items of OCI | Total      |
|-------------------------------------------------------------------|-----------------------------------|--------------------|-------------------|--------------|------------|
|                                                                   | Share options outstanding account | Securities premium | Retained earnings | Others       |            |
| Balance as at 1 April 2019                                        | -                                 | 89.53              | (1,142.05)        | 1.44         | (1,051.08) |
| Profit for the year                                               | -                                 | -                  | (1,119.51)        | -            | (1,119.51) |
| Other comprehensive income                                        | -                                 | -                  | -                 | (0.48)       | (0.48)     |
| Total other comprehensive income for the year                     | -                                 | -                  | (1,119.51)        | (0.48)       | (1,119.99) |
| <i>Transactions with owners in their capacity as owners</i>       |                                   |                    |                   |              |            |
| Securities premium utilised to write off the share issue expenses | -                                 | (0.57)             | -                 | -            | (0.57)     |
| Balance as at 31 March 2020                                       | -                                 | 88.96              | (2,261.56)        | 0.96         | (2,171.64) |

|                                                             | Reserve and surplus               |                    |                   | Items of OCI | Total      |
|-------------------------------------------------------------|-----------------------------------|--------------------|-------------------|--------------|------------|
|                                                             | Share options outstanding account | Securities premium | Retained earnings | Others       |            |
| Balance as at 1 April 2020                                  | -                                 | 88.96              | (2,261.56)        | 0.96         | (2,171.64) |
| Profit for the period                                       | -                                 | -                  | 1,849.29          | -            | 1,849.29   |
| Conversion of Series B CCCPPS to equity at premium          | -                                 | 144.23             | -                 | -            | 144.23     |
| Other comprehensive income                                  | -                                 | -                  | -                 | (0.28)       | (0.28)     |
| Total other comprehensive income for the period             | -                                 | 144.23             | 1,849.29          | (0.28)       | 1,993.24   |
| <i>Transactions with owners in their capacity as owners</i> |                                   |                    |                   |              |            |
| Employee stock option expense                               | 8.20                              | -                  | -                 | -            | 8.20       |
| Balance as at 31 March 2021                                 | 8.20                              | 233.19             | (412.27)          | 0.68         | (170.20)   |

See accompanying notes to the restated financial information

The accompanying notes are an integral part of the restated financial information

As per our report of even date  
For **MSKA & Associates**  
Chartered Accountants  
Firm Registration No.: 105047W

For and on behalf of the Board of Directors of  
**Krsnaa Diagnostics Limited**  
CIN: U74900PN2010PLC138068

**Nitin Manohar Jumani**  
Partner  
Membership No: 111700

**Rajendra Mutha** Chairman  
DIN: 01066737  
**Pallavi Bhatevara** Managing Director  
DIN: 03600332  
**Manisha Chitgopekar** Company Secretary  
M.No: A27816

Place: Pune  
Date: July 23, 2021

Place: Pune  
Date: July 23, 2021  
Place: Pune  
Date: July 23, 2021

**Yash Mutha** Executive Director  
DIN: 07285523  
**Pawan Daga** Chief Financial Officer

Place: Pune  
Date: July 23, 2021  
Place: Pune  
Date: July 23, 2021

**Annexure 5 : Summary of Significant accounting policies and other explanatory information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

**1 General Information**

Krsnaa Diagnostics Limited (formerly known as Krsnaa Diagnostics Private Limited) is a company domiciled in India and was incorporated on December 20, 2010 under the provisions of the Companies Act, 1956 applicable in India. Its registered and principal office of business is located at Pune. The Company is primarily engaged in the business of providing Diagnostic Services Centres all over India. The company is providing Radiology and Pathology services for X Ray, CT Scan, MRI, Mammography, Tele- Reporting Services, and all type of Blood and Urine Investigation.

The Company was converted to a public limited Company with effect from May 6, 2021

**2 Significant accounting policies**

Significant accounting policies adopted by the company are as under:

**2.1 Basis of Preparation of Restated Financial Statements**

The restated Ind AS financial information comprise of the restated Ind AS statement of assets and liabilities as at March 31, 2021 and March 31, 2020, the restated Ind AS statement of profit and loss (including Other Comprehensive Income), the restated Ind AS statement of cash flows and the restated Ind AS statement of changes in equity for year ended March 31, 2021 and March 31, 2020 and the statement of notes to the restated Ind AS financial information (hereinafter collectively referred to as “restated Ind AS financial information”).

The restated financial information for the years ended March 31, 2019 has been prepared on Proforma basis (i.e. “Proforma Ind AS financial information”) in accordance with requirements of SEBI Circular SEBI/HO/CFD/DIL/CIR/P/2016/47 dated March 31, 2016 (“SEBI Circular”) and Guidance note on reports in company prospectuses issued by ICAI. For the purpose of Proforma Ind AS financial information for the year ended March 31, 2019 the Company has followed the same accounting policy and accounting policy choices (both mandatory exceptions and optional exemptions available as per Ind AS 101) as initially adopted on transition date i.e. April 01, 2019. Accordingly, suitable restatement adjustments (both remeasurements and reclassifications) in the accounting heads are made to the Proforma Ind AS financial information as of and for the years ended March 31, 2019 following accounting policies and accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. 1 April 2019).

The restated financial information have been compiled by the Company from the Audited IND AS Financial Statements for the year ended March 31, 2021, Audited Special Purpose IND AS Financial Statements of the Company for the year ended March 31, 2020 and for the years ended March 31, 2019 financial statement prepared under the previous generally accepted accounting principles followed in India (‘Previous GAAP or Indian GAAP’) on which proforma IND AS adjustments following accounting policies choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. 1 April 2019)

In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of restated financial information under Accounting Standards notified under Previous GAAP to Ind AS of restated balance sheet as at March 31, 2020, March 31, 2019 and of the restated Statement of profit and loss and other comprehensive income for the year ended March 31, 2020 and March 31, 2019. Refer note 51(B) in Annexure 6 for the reconciliation.

The restated Financial Information has been specifically prepared by the management for inclusion in the document to be filed by the Company with the Securities and Exchange Board of India (“SEBI”) and National Stock Exchange of India Limited and BSE Limited, where the Equity Shares are proposed to be listed (the “Stock Exchanges”) in connection with the proposed Initial Public Offer (‘IPO’) of equity shares of the Company (referred to as the “Issue”), in accordance with the requirements of:

- Section 26 of Part I of Chapter III of the Companies Act, 2013, as amended (the “Act”);
- The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (“ICDR Regulations”), as amended from time to time, in pursuance of provisions of Securities and Exchange Board of India Act, 1992; and
- The Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the Institute of Chartered Accountants of India (“ICAI”), as amended from time to time (the “Guidance Note”).

The financial statements were approved by the Company’s Board of Directors and authorised for issue on July 23, 2021.



**Annexure 5 : Summary of Significant accounting policies and other explanatory information**

(Amount in Rupees million except per share data and unless otherwise stated)

**(a) Basis of measurement**

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

- i) Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- ii) Share based payments

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

**(b) Use of estimates**

The preparation of financial statements requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

**2.2 Property, plant and equipment**

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

**Depreciation methods, estimated useful lives**

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

| Property, plant and equipment                                | Life Used by Company | Life as per Schedule II |
|--------------------------------------------------------------|----------------------|-------------------------|
| Plant & Machinery                                            | 13 years             | 15 years                |
| Furniture and Fixtures                                       | 10 years             | 10 years                |
| Office Equipment                                             | 5 years              | 5 years                 |
| Vehicle                                                      | 8 years              | 8 years                 |
| Computers (End user devices such as, desktops, laptops etc.) | 3 years              | 3 years                 |

Leasehold improvements are amortised over the estimated useful economic life i.e. the duration of lease (ranging from 5 to 10 years)

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

**Annexure 5 : Summary of Significant accounting policies and other explanatory information**  
(Amount in Rupees million except per share data and unless otherwise stated)

**2.3 Other Intangible Assets**

Intangible assets are stated at acquisition cost, net of accumulated amortization.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

| Intangible assets |         |
|-------------------|---------|
| Computer Software | 6 years |

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

**2.4 Foreign Currency Transactions**

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

**2.5 Fair value measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

**Annexure 5 : Summary of Significant accounting policies and other explanatory information**  
(Amount in Rupees million except per share data and unless otherwise stated)

**2.6 Revenue Recognition**

Revenue is primarily generated from Radiology, Pathology services and Tele- Reporting Services.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised at a point in time when the Company satisfies performance obligations by transferring the promised services to its customers. Generally, each test represents a separate performance obligation for which revenue is recognised when the test report is generated i.e. when the performance obligation is satisfied.

The Company has assessed that it is primarily responsible for fulfilling the performance obligation and has no agency relationships. Accordingly the revenue has been recognised at the gross amount and fees to hospitals and others has been recognised as an expense.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

A contract liability is the obligation to transfer services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

**Other Income**

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividends are recognized in statement of profit and loss on the date on which the Company's right to receive payment is established.

**2.7 Taxes**

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

**(a) Current income tax**

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. Current tax assets and liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

**(b) Deferred tax**

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and Loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

**Annexure 5 : Summary of Significant accounting policies and other explanatory information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

Minimum alternate tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which the company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the Statement of Profit and Loss and shown as "MAT Credit Entitlement." The Company reviews the "MAT credit entitlement" asset at each reporting date and writes down the asset to the extent the company does not have convincing evidence that it will pay normal tax during the specified period.

**2.8 Leases**

**The Company as a lessee**

The Company's lease asset classes primarily consist of leases for Machinery. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

**2.9 Inventories**

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

**2.10 Impairment of non-financial assets**

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

**2.11 Provisions and contingent liabilities**

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

**Annexure 5 : Summary of Significant accounting policies and other explanatory information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

**2.12 Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks less bank and book overdraft.

**2.13 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

**(a) Financial assets**

**(i) Initial recognition and measurement**

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

**(ii) Subsequent measurement**

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

**Annexure 5 : Summary of Significant accounting policies and other explanatory information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

**Equity instruments:** All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

**(iii) Impairment of financial assets**

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.

**(iv) Derecognition of financial assets**

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

**(b) Financial liabilities**

**(i) Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

**Annexure 5 : Summary of Significant accounting policies and other explanatory information**

(Amount in Rupees million except per share data and unless otherwise stated)

(ii) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

*Financial liabilities at fair value through profit or loss*

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

*Loans and borrowings*

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) **Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract - with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(d) **Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

**2.14 Employee Benefits**

(a) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

(b) **Other long-term employee benefit obligations**

(i) **Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

**Annexure 5 : Summary of Significant accounting policies and other explanatory information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

**(ii) Defined benefit plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the 'Gratuity Plan') covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

**(c) Share-based payments**

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

**2.15 Contributed equity**

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

**2.16 Earnings Per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereto for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year is adjusted for the effects of all dilutive potential equity shares.

**2.17 Rounding off amounts**

All amounts disclosed in financial statements and notes have been rounded off to the nearest million as per requirement of Schedule III of the Act except for per share data and unless otherwise stated.



**Annexure 5 : Summary of Significant accounting policies and other explanatory information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

**3 Significant accounting judgments, estimates and assumptions**

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

**3.1 Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

**(a) Share-based payments**

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 42.

**(b) Valuation for liabilities of compulsory convertible preference shares**

Estimating fair value of liabilities of compulsory convertible preference shares requires determination of the most appropriate valuation model, which is dependent on terms and conditions of the shareholder agreement. This estimate also requires determination of the most appropriate inputs to the valuation model including cash flow forecasts, discount rate and credit risk. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 47.

**(c) Taxes**

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**(d) Defined benefit plans (gratuity benefits and leave encashment)**

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 41

**(e) Intangible asset under development**

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

**(f) Impairment of non-financial assets**

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

**(g) Determination of useful lives of Property, plant and Equipments and Intangible asset**

Estimation involved in determining the economic useful lives of Property, plant and Equipments and Intangible asset which is based on technical evaluation by the management.

**Annexure 5 : Summary of Significant accounting policies and other explanatory information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

**4 Standards (including amendments) issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021

**5 First-time adoption of Ind-AS**

The financial statements for the year ended March 31, 2021 are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for the year ended March 31, 2021 as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 01, 2019, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at April 01, 2019 and the financial statements as at and for the year ended March 31, 2020.

**5.1 Exemptions availed on first time adoption of Ind AS**

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

**(a) Deemed Cost**

Since there is no change in the functional currency, the Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets. Accordingly the management has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying value.

**5.2 Mandatory Exemption on first-time adoption of Ind AS**

**(a) Estimates**

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2019 are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- (i) Impairment of financial assets based on expected credit loss model.
- (ii) Fair valuation of compound instrument.
- (iii) Effective interest rate used in calculation of security deposit.

**(b) Derecognition of financial assets and financial liabilities**

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

**(c) Classification and measurement of financial assets**

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Annexure 6: Notes to restated financial information

(Amount in Rupees million except per share data and unless otherwise stated)

6 Property, plant and equipment

|                                        | Gross block           |                           |                            |                        | Accumulated Depreciation |                |                            |                        | Net block              |
|----------------------------------------|-----------------------|---------------------------|----------------------------|------------------------|--------------------------|----------------|----------------------------|------------------------|------------------------|
|                                        | As at<br>1 April 2018 | Additions/<br>Adjustments | Deductions/<br>Adjustments | As at<br>31 March 2019 | As at<br>1 April 2018    | For the Period | Deductions/<br>Adjustments | As at<br>31 March 2019 | As at<br>31 March 2019 |
| <b>Owned assets</b>                    |                       |                           |                            |                        |                          |                |                            |                        |                        |
| Plant and Machinery                    | 1,403.71              | 656.29                    | -                          | 2,060.00               | 100.67                   | 159.45         | -                          | 260.12                 | 1,799.88               |
| Furniture and Fixtures                 | 6.93                  | 1.75                      | -                          | 8.68                   | 0.91                     | 1.01           | -                          | 1.92                   | 6.76                   |
| Office Equipment                       | 11.45                 | 13.14                     | -                          | 24.59                  | 3.75                     | 4.97           | -                          | 8.72                   | 15.87                  |
| Leasehold Improvement                  | 209.79                | 242.17                    | -                          | 451.96                 | 34.16                    | 61.48          | -                          | 95.64                  | 356.32                 |
| Data Processing Equipment              | 44.48                 | 10.88                     | -                          | 55.36                  | 14.06                    | 17.37          | -                          | 31.43                  | 23.93                  |
| <b>Leased assets</b>                   |                       |                           |                            |                        |                          |                |                            |                        |                        |
| Right of Use Asset - Plant & Machinery | 2.37                  | -                         | -                          | 2.37                   | 0.78                     | 0.79           | -                          | 1.57                   | 0.80                   |
| * Data Processing Equipment            | -                     | 26.98                     | -                          | 26.98                  | -                        | 6.65           | -                          | 6.65                   | 20.33                  |
| <b>Total</b>                           | <b>1,678.73</b>       | <b>951.21</b>             | <b>-</b>                   | <b>2,629.94</b>        | <b>154.33</b>            | <b>251.72</b>  | <b>-</b>                   | <b>406.05</b>          | <b>2,223.89</b>        |

\* Data Processing Equipments classified under Leased assets are taken on Finance Lease

|                                        | Gross block                            |                           |                            |                        | Accumulated Depreciation |               |                            |                        | Net block              |
|----------------------------------------|----------------------------------------|---------------------------|----------------------------|------------------------|--------------------------|---------------|----------------------------|------------------------|------------------------|
|                                        | As at<br>1 April 2019<br>(Deemed Cost) | Additions/<br>Adjustments | Deductions/<br>Adjustments | As at<br>31 March 2020 | As at<br>1 April 2019    | For the year  | Deductions/<br>Adjustments | As at<br>31 March 2020 | As at<br>31 March 2020 |
| <b>Owned assets</b>                    |                                        |                           |                            |                        |                          |               |                            |                        |                        |
| Plant and Machinery                    | 1,799.88                               | 557.14                    | -                          | 2,357.02               | -                        | 214.91        | -                          | 214.91                 | 2,142.11               |
| Furniture and Fixtures                 | 6.76                                   | -                         | -                          | 6.76                   | -                        | 1.09          | -                          | 1.09                   | 5.67                   |
| Office Equipment                       | 15.87                                  | 10.69                     | -                          | 26.56                  | -                        | 5.79          | -                          | 5.79                   | 20.77                  |
| Vehicles                               | -                                      | 5.22                      | -                          | 5.22                   | -                        | 0.52          | -                          | 0.52                   | 4.70                   |
| Leasehold Improvement                  | 356.32                                 | 167.92                    | -                          | 524.24                 | -                        | 64.28         | -                          | 64.28                  | 459.96                 |
| Data Processing Equipment              | 23.93                                  | 21.41                     | -                          | 45.34                  | -                        | 19.54         | -                          | 19.54                  | 25.80                  |
| <b>Leased assets</b>                   |                                        |                           |                            |                        |                          |               |                            |                        |                        |
| Right of Use Asset - Plant & Machinery | 0.80                                   | -                         | -                          | 0.80                   | -                        | 0.79          | -                          | 0.79                   | 0.01                   |
| * Data Processing Equipment            | 20.33                                  | -                         | -                          | 20.33                  | -                        | 8.99          | -                          | 8.99                   | 11.34                  |
| * Plant and Machinery                  | -                                      | 67.77                     | -                          | 67.77                  | -                        | 2.31          | -                          | 2.31                   | 65.46                  |
| <b>Total</b>                           | <b>2,223.89</b>                        | <b>830.15</b>             | <b>-</b>                   | <b>3,054.04</b>        | <b>-</b>                 | <b>318.22</b> | <b>-</b>                   | <b>318.22</b>          | <b>2,735.82</b>        |

\* Data Processing Equipments and Plant and Machinery classified under Leased assets are taken on Finance Lease

Annexure 6: Notes to restated financial information

(Amount in Rupees million except per share data and unless otherwise stated)

|                                        | Gross block           |                           |                            |                        | Accumulated Depreciation |                |                            |                        | Net block              |
|----------------------------------------|-----------------------|---------------------------|----------------------------|------------------------|--------------------------|----------------|----------------------------|------------------------|------------------------|
|                                        | As at<br>1 April 2020 | Additions/<br>Adjustments | Deductions/<br>Adjustments | As at<br>31 March 2021 | As at<br>1 April 2020    | For the Period | Deductions/<br>Adjustments | As at<br>31 March 2021 | As at<br>31 March 2021 |
| <b>Owned assets</b>                    |                       |                           |                            |                        |                          |                |                            |                        |                        |
| Plant and Machinery                    | 2,357.02              | 474.90                    | 30.61                      | 2,801.31               | 214.91                   | 247.86         | 6.24                       | 456.53                 | 2,344.78               |
| Furniture and Fixtures                 | 6.76                  | -                         | -                          | 6.76                   | 1.09                     | 1.09           | -                          | 2.18                   | 4.58                   |
| Office Equipment                       | 26.56                 | 8.84                      | 0.12                       | 35.28                  | 5.79                     | 7.05           | 0.06                       | 12.78                  | 22.50                  |
| Vehicles                               | 5.22                  | 21.53                     | -                          | 26.75                  | 0.52                     | 3.12           | -                          | 3.64                   | 23.11                  |
| Leasehold Improvement                  | 524.24                | 69.69                     | 12.78                      | 581.15                 | 64.28                    | 67.88          | 12.15                      | 120.01                 | 461.14                 |
| Data Processing Equipment              | 45.34                 | 23.15                     | 0.01                       | 68.48                  | 19.54                    | 14.40          | 0.01                       | 33.93                  | 34.55                  |
| <b>Leased assets</b>                   |                       |                           |                            |                        |                          |                |                            |                        |                        |
| Right of Use Asset - Plant & Machinery | 0.80                  | -                         | -                          | 0.80                   | 0.79                     | 0.01           | -                          | 0.80                   | -                      |
| * Data Processing Equipment            | 20.33                 | 6.74                      | -                          | 27.07                  | 8.99                     | 10.81          | -                          | 19.80                  | 7.27                   |
| * Plant and Machinery                  | 67.77                 | 118.02                    | -                          | 185.79                 | 2.31                     | 8.61           | -                          | 10.92                  | 174.87                 |
| <b>Total</b>                           | <b>3,054.04</b>       | <b>722.87</b>             | <b>43.52</b>               | <b>3,733.39</b>        | <b>318.22</b>            | <b>360.83</b>  | <b>18.46</b>               | <b>660.59</b>          | <b>3,072.80</b>        |

\* Data Processing Equipments and Plant and Machinery classified under Leased assets are taken on Finance Lease

On transition to Ind AS, the company has elected to continue with the net carrying value of all of its property, plant and equipment (PPE) recognised as at April 1, 2019 measured as per the previous GAAP and use that net carrying value as the deemed cost of the PPE. While preparing Proforma Ind AS restated financial information for the year ended March 31, 2019, the company has opted the same accounting policy choice as adopted on transition date and accordingly the net carrying value of its PPE as at March 31, 2018 has been used as deemed cost of PPE as at April 1, 2018

Annexure 6: Notes to restated financial information

(Amount in Rupees million except per share data and unless otherwise stated)

7 Intangible assets

|                   | Gross block                            |                           |                            |                        | Accumulated Amortisation |                |                            |                        | Net block              |
|-------------------|----------------------------------------|---------------------------|----------------------------|------------------------|--------------------------|----------------|----------------------------|------------------------|------------------------|
|                   | As at<br>1 April 2018                  | Additions/<br>Adjustments | Deductions/<br>Adjustments | As at<br>31 March 2019 | As at<br>1 April 2018    | For the year   | Deductions/<br>Adjustments | As at<br>31 March 2019 | As at<br>31 March 2019 |
| Computer Software | 6.87                                   | 7.18                      | -                          | 14.05                  | 2.37                     | 4.68           | -                          | 7.05                   | 7.00                   |
| <b>Total</b>      | <b>6.87</b>                            | <b>7.18</b>               | <b>-</b>                   | <b>14.05</b>           | <b>2.37</b>              | <b>4.68</b>    | <b>-</b>                   | <b>7.05</b>            | <b>7.00</b>            |
|                   | Gross block                            |                           |                            |                        | Accumulated Amortisation |                |                            |                        | Net block              |
|                   | As at<br>1 April 2019<br>(Deemed Cost) | Additions/<br>Adjustments | Deductions/<br>Adjustments | As at<br>31 March 2020 | As at<br>1 April 2019    | For the year   | Deductions/<br>Adjustments | As at<br>31 March 2020 | As at<br>31 March 2020 |
| Computer Software | 7.00                                   | 14.03                     | -                          | 21.03                  | -                        | 5.89           | -                          | 5.89                   | 15.14                  |
| <b>Total</b>      | <b>7.00</b>                            | <b>14.03</b>              | <b>-</b>                   | <b>21.03</b>           | <b>-</b>                 | <b>5.89</b>    | <b>-</b>                   | <b>5.89</b>            | <b>15.14</b>           |
|                   | Gross block                            |                           |                            |                        | Accumulated Amortisation |                |                            |                        | Net block              |
|                   | As at<br>1 April 2020                  | Additions/<br>Adjustments | Deductions/<br>Adjustments | As at<br>31 March 2021 | As at<br>1 April 2020    | For the Period | Deductions/<br>Adjustments | As at<br>31 March 2021 | As at<br>31 March 2021 |
| Computer Software | 21.03                                  | 10.70                     | -                          | 31.73                  | 5.89                     | 13.56          | -                          | 19.45                  | 12.28                  |
| <b>Total</b>      | <b>21.03</b>                           | <b>10.70</b>              | <b>-</b>                   | <b>31.73</b>           | <b>5.89</b>              | <b>13.56</b>   | <b>-</b>                   | <b>19.45</b>           | <b>12.28</b>           |

On transition to Ind AS, the company has elected to continue with the net carrying value of all of its Intangible assets recognised as at April 1, 2019 measured as per the previous GAAP and use that net carrying value as the deemed cost of the Intangibles. While preparing Proforma Ind AS restated financial information for the year ended March 31, 2019, the company has opted the same accounting policy choice as adopted on transition date and accordingly the net carrying value of its Intangible assets as at March 31, 2018 has been used as deemed cost of Intangible assets as at April 1, 2018.

Annexure 6: Notes to restated financial information

(Amount in Rupees million except per share data and unless otherwise stated)

| 8 Capital Work in Progress                   | Amount        |
|----------------------------------------------|---------------|
| As at 01 April 2018                          | 349.63        |
| Add: Additions during the year               | 649.59        |
| Less: Capitalised/deletion during the year   | (582.64)      |
| <b>As at 31 March 2019</b>                   | <b>416.58</b> |
| Add: Additions during the period             | 203.65        |
| Less: Capitalised/deletion during the period | (528.93)      |
| <b>As at 31 March 2020</b>                   | <b>91.30</b>  |
| Add: Additions during the period             | 104.59        |
| Less: Capitalised/deletion during the period | (158.71)      |
| <b>As at 31 March 2021</b>                   | <b>37.18</b>  |

| 9 Intangible assets under development | Amount      |
|---------------------------------------|-------------|
| As at 01 April 2018                   | -           |
| Add: Additions during the year        | 1.32        |
| Less: Capitalised during the year     | -           |
| <b>As at 31 March 2019</b>            | <b>1.32</b> |
| Add: Additions during the period      | -           |
| Less: Capitalised during the period   | (1.32)      |
| <b>As at 31 March 2020</b>            | <b>-</b>    |
| Add: Additions during the period      | -           |
| Less: Capitalised during the period   | -           |
| <b>As at 31 March 2021</b>            | <b>-</b>    |

**Annexure 6: Notes to restated financial information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

**10 Financial Assets- Investments**

|                                                                                          | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| Investment at fair value through profit & loss (FVTPL)                                   |                        |                        |                        |
| Investment in Equity shares (unquoted)                                                   |                        |                        |                        |
| 29,000 Equity shares of Rs. 100 each fully paid-up in Janata Sahakari Bank Limited, Pune | 2.90                   | 2.90                   | 2.90                   |
| <b>Total</b>                                                                             | <b>2.90</b>            | <b>2.90</b>            | <b>2.90</b>            |
| Current                                                                                  | -                      | -                      | -                      |
| Non- Current                                                                             | 2.90                   | 2.90                   | 2.90                   |
|                                                                                          | <b>2.90</b>            | <b>2.90</b>            | <b>2.90</b>            |
| <b>Aggregate book value of:</b>                                                          |                        |                        |                        |
| Quoted investments                                                                       | -                      | -                      | -                      |
| Unquoted investments                                                                     | 2.90                   | 2.90                   | 2.90                   |
| <b>Aggregate amount of impairment in value of Investments</b>                            | <b>-</b>               | <b>-</b>               | <b>-</b>               |

**Annexure 6: Notes to restated financial information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

|                                                                                         | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| <b>11 Non- current financial assets - Loans</b>                                         |                        |                        |                        |
| Unsecured loan at amortised cost                                                        |                        |                        |                        |
| Credit Impaired                                                                         |                        |                        |                        |
| Loans to related party                                                                  | 31.01                  | 31.01                  | 31.01                  |
| Less: Provision for doubtful advances                                                   | (31.01)                | (31.01)                | (31.01)                |
| Unsecured security deposit at amortised cost                                            |                        |                        |                        |
| Considered Good                                                                         |                        |                        |                        |
| Security deposits                                                                       | 135.44                 | 104.28                 | 55.63                  |
|                                                                                         | <b>135.44</b>          | <b>104.28</b>          | <b>55.63</b>           |
| <b>12 Other financial assets</b>                                                        |                        |                        |                        |
| In Fixed deposit accounts with maturity for more than 12 months from balance sheet date | 24.08                  | 60.23                  | 146.46                 |
|                                                                                         | <b>24.08</b>           | <b>60.23</b>           | <b>146.46</b>          |



**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

|                                                                           | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|---------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| <b>13 Other non-current assets</b>                                        |                        |                        |                        |
| Unsecured, considered good                                                |                        |                        |                        |
| Capital advance                                                           | 67.52                  | 42.17                  | 27.80                  |
| Prepaid Rent                                                              | 56.89                  | 45.47                  | 24.83                  |
| Prepaid Expenses                                                          | 19.46                  | 9.37                   | 6.78                   |
| Advance tax and tax deducted at source [Net of provision for income tax ] | 135.37                 | 135.11                 | 54.95                  |
| <b>Total other non-current other assets</b>                               | <b>279.24</b>          | <b>232.12</b>          | <b>114.36</b>          |
| * Value of contracts in capital account remaining to be executed          | 741.01                 | 579.72                 | 372.53                 |
| <b>14 Inventories</b>                                                     |                        |                        |                        |
| At lower of cost and net realisable value                                 |                        |                        |                        |
| Inventory in Hand - Consumables                                           | 72.10                  | 50.67                  | 42.12                  |
|                                                                           | <b>72.10</b>           | <b>50.67</b>           | <b>42.12</b>           |
| <b>15 Trade receivable</b>                                                |                        |                        |                        |
| Unsecured                                                                 |                        |                        |                        |
| -Considered good                                                          | 724.74                 | 614.32                 | 562.23                 |
| -Considered doubtful                                                      | 50.00                  | 50.00                  | 25.16                  |
| Less-Allowance for bad and doubtful debts                                 | (50.00)                | (50.00)                | (25.16)                |
|                                                                           | <b>724.74</b>          | <b>614.32</b>          | <b>562.23</b>          |
| Further classified as:                                                    |                        |                        |                        |
| Receivable from related parties                                           | -                      | -                      | -                      |
| Receivable from others                                                    | 724.74                 | 614.32                 | 562.23                 |
|                                                                           | <b>724.74</b>          | <b>614.32</b>          | <b>562.23</b>          |

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

|                                        | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|----------------------------------------|------------------------|------------------------|------------------------|
| <b>16 Cash and cash equivalents</b>    |                        |                        |                        |
| Balances with banks:                   |                        |                        |                        |
| On current accounts                    | 237.98                 | 82.18                  | 73.38                  |
| Bank Overdraft Account (Debit Balance) | 3.12                   | -                      | -                      |
| Cash on hand                           | 5.65                   | 1.41                   | 12.58                  |
|                                        | <b>246.75</b>          | <b>83.59</b>           | <b>85.96</b>           |

For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:

|                                                                                                       | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| <b>Cash and cash equivalents</b>                                                                      |                        |                        |                        |
| Balances with banks:                                                                                  |                        |                        |                        |
| On current accounts                                                                                   | 237.98                 | 82.18                  | 73.38                  |
| Bank Overdraft Account (Debit Balance)                                                                | 3.12                   | -                      | -                      |
| Cash on hand                                                                                          | 5.65                   | 1.41                   | 12.58                  |
| Less: Bank and book overdraft                                                                         | -                      | (559.43)               | (231.18)               |
|                                                                                                       | <b>246.75</b>          | <b>(475.84)</b>        | <b>(145.22)</b>        |
| <b>17 Bank balances other than Cash and cash equivalent</b>                                           |                        |                        |                        |
| In Fixed deposit with maturity for more than 3 months but less than 12 months from balance sheet date | 61.17                  | 46.16                  | 660.24                 |
| Deposits with original maturity for more than 12 months but less than 12 months from reporting date   | 1,221.20               | 1,143.08               | 370.00                 |
|                                                                                                       | <b>1,282.37</b>        | <b>1,189.24</b>        | <b>1,030.24</b>        |

**Annexure 6: Notes to restated financial information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

|                                    | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------|------------------------|------------------------|------------------------|
| <b>18 Other financial assets</b>   |                        |                        |                        |
| Interest accrued on fixed deposits | 71.06                  | 45.66                  | 18.72                  |
| Unbilled revenue                   | -                      | 101.50                 | 2.53                   |
| Other receivables                  | 3.01                   | 2.60                   | 2.26                   |
| Security deposits                  | 16.01                  | 33.83                  | 114.23                 |
|                                    | <b>90.08</b>           | <b>183.59</b>          | <b>137.74</b>          |
|                                    |                        |                        |                        |
|                                    | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
| <b>19 Other current assets</b>     |                        |                        |                        |
| Prepaid Expenses                   | 52.25                  | 2.57                   | 1.72                   |
| Prepaid Rent                       | 12.07                  | 10.10                  | 16.27                  |
| Advance to Suppliers               | 0.02                   | 1.31                   | 7.02                   |
| Advance to Employees               | 0.92                   | 0.84                   | 2.49                   |
| Other Advances                     | 0.08                   | 0.08                   | 0.08                   |
| <b>Total</b>                       | <b>65.34</b>           | <b>14.90</b>           | <b>27.58</b>           |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**20 Share capital**

**(A) Equity shares**

|                                                                                                 | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| <b>Authorized</b>                                                                               |                        |                        |                        |
| 2,12,24,000 (March 31, 2020: 52,00,000   March 31, 2019: 52,00,000) Equity Shares of Rs 10 each | 212.24                 | 52.00                  | 52.00                  |
|                                                                                                 | <b>212.24</b>          | <b>52.00</b>           | <b>52.00</b>           |
| <b>Issued, subscribed and paid up</b>                                                           |                        |                        |                        |
| 64,94,964 (March 31, 2020: 51,63,100   March 31, 2019: 51,63,100) Equity Shares of Rs 10 each   | 64.95                  | 51.63                  | 51.63                  |
|                                                                                                 | <b>64.95</b>           | <b>51.63</b>           | <b>51.63</b>           |

**Total**

**(i) Reconciliation of equity shares outstanding at the beginning and at the end of the year**

|                                         | Number of shares | Amount       |
|-----------------------------------------|------------------|--------------|
| <b>Outstanding as on April 01, 2018</b> | <b>51,62,100</b> | <b>51.62</b> |
| Add: Issued during the year             | 1,000            | 0.01         |
| <b>Outstanding as on March 31, 2019</b> | <b>51,63,100</b> | <b>51.63</b> |
| Add: Issued during the period           | -                | -            |
| <b>Outstanding as on March 31, 2020</b> | <b>51,63,100</b> | <b>51.63</b> |
| Add: Issued during the period           | 13,31,864        | 13.32        |
| <b>Outstanding as on March 31, 2021</b> | <b>64,94,964</b> | <b>64.95</b> |

**(ii) Rights, preferences and restrictions attached to shares**

Equity shares :-The company has equity shares having par value of Rs. 10 per share. Each shareholder is entitled to one vote per share held. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

During the year ended 31 March 2021, the company has held rights issue for the existing equity shareholders. Accordingly, 7,30,904 shares having par value of Rs. 10 each were allotted to the existing shareholders at Rs. 10 each. The rights shares shall carry such voting rights as are exercisable by person's holding other equity shares in the company and shall be treated pari-passu with the equity shares on all voting matters.

During the year ended 31 March 2021, Series B-CCCPPS have been converted to equity shares of Rs. 10 each as per the terms in the offer letter. Accordingly, 6,00,960 equity shares having par value of Rs. 10 have been issued to the holders of Series B - CCCPPS at Rs. 250 each.

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

| Name of the shareholder | As at<br>31 March 2021 |                           | As at<br>31 March 2020 |                           | As at<br>31 March 2019 |                           |
|-------------------------|------------------------|---------------------------|------------------------|---------------------------|------------------------|---------------------------|
|                         | Number of shares       | % of holding in the class | Number of shares       | % of holding in the class | Number of shares       | % of holding in the class |
| <b>Equity shares</b>    |                        |                           |                        |                           |                        |                           |
| Rajendra Mutha          | 40,14,960              | 61.82%                    | 33,33,360              | 64.56%                    | 33,33,360              | 64.56%                    |

(iv) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five years immediately preceding the current year end (i.e. March 31, 2021).

(v) No class of shares have been bought back by the Company during the period of five years immediately preceding the current year end.

**21 Instrument entirely equity in nature**

| Compulsorily Convertible Preference Shares            | Series A | Series B | Series C | Total    |
|-------------------------------------------------------|----------|----------|----------|----------|
| Balance as on April 01, 2018                          | -        | 150.24   | -        | 150.24   |
| Changes in Compulsorily Convertible Preference Shares | -        | -        | -        | -        |
| Balance as on March 31, 2019                          | -        | 150.24   | -        | 150.24   |
| Changes in Compulsorily Convertible Preference Shares | -        | -        | -        | -        |
| Balance as on March 31, 2020                          | -        | 150.24   | -        | 150.24   |
| Changes in Compulsorily Convertible Preference Shares | 1,386.56 | (150.24) | 1,037.34 | 2,273.66 |
| Balance as on March 31, 2021                          | 1,386.56 | -        | 1,037.34 | 2,423.90 |

**Disclosures on Compulsory Convertible Preference Shares**

|                                                                                                                                                                          | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| (i) <b>Authorized Capital</b>                                                                                                                                            |                        |                        |                        |
| 40,61,914 Series A Compulsory Convertible Preference Shares ('Series A -CCPS') of Rs.123 each                                                                            | 499.62                 | 499.62                 | 499.62                 |
| Nil (March 31, 2020:6,00,960   March 31, 2019: 6,00,960 ) Series B Compulsory Convertible Cumulative Participating Preference Shares ('Series B -CCCPPS') of Rs.250 each | -                      | 150.24                 | 150.24                 |
| 3,038,886 Series C Compulsory Convertible Preference Shares of Rs.250 each ('Series C- CCPS') of Rs. 250 each                                                            | 759.72                 | 759.72                 | 759.72                 |
| <b>Total</b>                                                                                                                                                             | <b>1,259.34</b>        | <b>1,409.58</b>        | <b>1,409.58</b>        |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

(ii) Issued, subscribed and paid up

|                                                                                                                                                                         |                 |                 |                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-----------------|-----------------|
|                                                                                                                                                                         | 499.62          | 499.62          | 499.62          |
| 40,61,914 Series A Compulsory Convertible Preference Shares ('Series A -CCPS') of Rs.123 each*                                                                          |                 |                 |                 |
| Nil (March 31, 2020:6,00,960   March 31, 2019: 6,00,960 ) Series B Compulsory Convertible Cumulative Participating Preference Shares ('Series B -CCPPS') of Rs.250 each | -               | 150.24          | 150.24          |
| 3,038,886 Series C Compulsory Convertible Preference Shares of Rs.250 each ('Series C- CCPS') of Rs. 250 each*                                                          | 759.72          | 759.72          | 759.72          |
| <b>Total</b>                                                                                                                                                            | <b>1,259.34</b> | <b>1,409.58</b> | <b>1,409.58</b> |

\* Accounted as financial liabilities upto July 2020 (Also refer note nos. 24 & 48)

(iii) **Reconciliation of preference shares outstanding at the beginning and at the end of the year**

|                                         | Series A-CCPS    |               | Series B- CCCPPS |               | Series C- CCPS   |               |
|-----------------------------------------|------------------|---------------|------------------|---------------|------------------|---------------|
|                                         | Number of shares | Amount        | Number of shares | Amount        | Number of shares | Amount        |
| <b>Outstanding as on April 01, 2018</b> | <b>40,61,914</b> | <b>499.62</b> | <b>6,00,960</b>  | <b>150.24</b> | -                | -             |
| Add: Issued during the year             | -                | -             | -                | -             | 30,38,886        | 759.72        |
| <b>Outstanding as on March 31, 2019</b> | <b>40,61,914</b> | <b>499.62</b> | <b>6,00,960</b>  | <b>150.24</b> | <b>30,38,886</b> | <b>759.72</b> |
| Add: Issued during the year             | -                | -             | -                | -             | -                | -             |
| <b>Outstanding as on March 31, 2020</b> | <b>40,61,914</b> | <b>499.62</b> | <b>6,00,960</b>  | <b>150.24</b> | <b>30,38,886</b> | <b>759.72</b> |
| Add: Issued during the year             | -                | -             | -                | -             | -                | -             |
| Less: Converted during the year         | -                | -             | 6,00,960         | 150.24        | -                | -             |
| <b>Outstanding as on March 31, 2021</b> | <b>40,61,914</b> | <b>499.62</b> | <b>-</b>         | <b>-</b>      | <b>30,38,886</b> | <b>759.72</b> |

(iv) **Rights, preferences and restrictions attached to shares**

Series A-CCPS :- The company has allotted 40,61,914 Series A - CCPS of face value of Rs. 123 each in the year 2015. The Series A-CCPS are compulsory convertible into equity shares upon occurrence of any of the following events.

- At the latest time permitted under applicable law, when considering the listing of equity shares of the Company pursuant to a Qualified IPO;
- Expiry of 19 (nineteen) years and 11 (eleven) months from the Series A completion date ("Investment Period"); or
- At any time prior to the expiry of the Investment Period at the option of the respective Existing Investor.

Each Series A CCPS shall be converted into one equity share as per the terms mentioned in amended and restated Shareholders Agreement dated December 22, 2018 subject to certain anti-dilution provisions. The equity shares to be allotted on conversion of the Series A- CCPS shall rank pari passu in all respects with the then existing equity shares of the Company.

Each shareholder is entitled to one vote per share held. The Series A CCPS shall carry such voting rights as are exercisable by person's holding equity shares in the company and shall be treated pari-passu with the equity shares on all voting matters.

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

Series B-CCCPPS :- The company has allotted 6,00,960 Series B-CCCPPS of Face Value Rs. 250 each on March 07, 2017 through Right issue offer. These shares shall be converted into equity shares in the conversion ratio which is dependent on future events including subsequent fund raising by the Company, period at which the subsequent funds are raised post issue of Series B-CCCPPS and valuation at which these new funds are raised.

Until conversion of Series B-CCCPPS, each Series B-CCCPPS shall carry voting rights equivalent to 1 vote per CCCPPS-B. The equity shares to be allotted on conversion of the Series B- CCCPPS shall rank pari passu in all respects with the then existing equity shares of the Company. Fixed dividend is payable annually @0.0001% of the value of Series B-CCCPPS.

During the year ended 31 March 2021, Series B-CCCPPS have been converted to equity shares of Rs. 10 each as per the terms in the offer letter. Accordingly, 6,00,960 equity shares having par value of Rs. 10 have been issued to the holders of Series B - CCCPPS at Rs. 250 each.

Series C-CCPS :- The Company has allotted 30,38,886 of Series C-CCPS of face value of Rs. 250/- at an offer price of Rs. 328.96 each (including Security Premium of Rs. 78.96 each). Series C-CCPS are compulsory convertible into equity shares upon occurrence of any of the following events.

- At the latest time permitted under applicable law, when considering the listing of equity shares of the Company pursuant to a Qualified IPO;
- Expiry of 19 (nineteen) years and 11 (eleven) months from the Series A completion date ("Investment Period"); or
- Ant time prior to the expiry of the Investment Period at the option of the respective Existing Investor.

Each Series C- CCPS shall be converted into one equity share as per the terms mentioned in Shareholders Agreement dated December 22, 2018 subject to certain anti-dilution provisions The equity shares to be allotted on conversion of the Series C- CCCPPS shall rank pari passu in all respects with the then existing equity shares of the Company.

Until conversion of Series C-CCPS, each Series C-CCPS shall carry voting rights equivalent to 1 vote per Series C- CCPS. The Company shall be liable to pay a fixed dividend equivalent to an annual per share dividend equal to 0.0001% of the value of the Series C-CCPS . The holders of the Series C-CCPS shall be entitled to pro-rata participate in any dividend declaration on the Equity Shares on an as converted Basis.

**(v) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company**

|                           | As at<br>31 March 2021 |                           | As at<br>31 March 2020 |                           | As at<br>31 March 2019 |                           |
|---------------------------|------------------------|---------------------------|------------------------|---------------------------|------------------------|---------------------------|
|                           | Number of shares       | % of holding in the class | Number of shares       | % of holding in the class | Number of shares       | % of holding in the class |
| <b>Series A-CCPS</b>      |                        |                           |                        |                           |                        |                           |
| Somerset Indus Healthcare | 20,26,142              | 49.88%                    | 20,26,142              | 49.88%                    | 20,26,142              | 49.88%                    |
| Kitara PIIN 1104          | 20,26,142              | 49.88%                    | 20,26,142              | 49.88%                    | 20,26,142              | 49.88%                    |
| <b>Series B-CCCPPS</b>    |                        |                           |                        |                           |                        |                           |
| Rajendra Mutha            | -                      | -                         | 1,63,957               | 27.28%                    | 1,63,957               | 27.28%                    |
| Somerset Indus Healthcare | -                      | -                         | 2,00,000               | 33.28%                    | 2,00,000               | 33.28%                    |
| Kitara PIIN 1104          | -                      | -                         | 2,00,000               | 33.28%                    | 2,00,000               | 33.28%                    |
| <b>Series C-CCPS</b>      |                        |                           |                        |                           |                        |                           |
| Phi Capital Growth Fund I | 30,38,886              | 100.00%                   | 30,38,886              | 100.00%                   | 30,38,886              | 100.00%                   |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**22 Other equity**

**(A) Employee Stock options outstanding account (ESOOA)\***

Balance at the beginning of the year

Add: Employee stock option expense

**Closing balance**

| As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------|------------------------|------------------------|
| -                      | -                      | -                      |
| 8.20                   | -                      | -                      |
| <b>8.20</b>            | <b>-</b>               | <b>-</b>               |

\*ESOOA recognizes the fair value of options as at the grant date spread over the vesting period. (Refer note 35)

The employee stock options reserve is used to recognise the value of equity-settled share-based payments provided to employees, including key management personnel, as part of their remuneration. Refer to Note 42 for details of these plans.

**(B) Securities premium**

Opening balance

Add : Securities premium credited on share issue

Less: Transfer to liability on compulsory convertible preference shares

Less: Securities premium utilised to write off the share issue expenses

**Closing balance**

| As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------|------------------------|------------------------|
| 88.96                  | 89.53                  | 129.89                 |
| 144.23                 | -                      | 240.27                 |
| -                      | -                      | (240.27)               |
| -                      | (0.57)                 | (40.36)                |
| <b>233.19</b>          | <b>88.96</b>           | <b>89.53</b>           |

**(C) Surplus/(deficit) in the Statement of Profit and Loss**

Opening balance

Opening Impact of application of IND AS

Add: Profit for the year

**Closing balance**

| As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------|------------------------|------------------------|
| (2,261.56)             | (1,142.05)             | (561.48)               |
| -                      | -                      | -                      |
| 1,849.29               | (1,119.51)             | (580.57)               |
| <b>(412.27)</b>        | <b>(2,261.56)</b>      | <b>(1,142.05)</b>      |



**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

|                                                                                                                                                                                    | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| <b>(D) Others reserves</b>                                                                                                                                                         |                        |                        |                        |
| -As at beginning of year                                                                                                                                                           | 0.96                   | 1.44                   | 0.77                   |
| -Re-measurement gains/ (losses) on defined benefit plans (net of tax)                                                                                                              | (0.28)                 | (0.48)                 | 0.67                   |
| <b>Closing balance</b>                                                                                                                                                             | <b>0.68</b>            | <b>0.96</b>            | <b>1.44</b>            |
| ^Includes cumulative impact of amounts (net of tax effect) recognized through other comprehensive income and has not been transferred to Equity or Profit and loss, as applicable. |                        |                        |                        |
| <b>Total other equity</b>                                                                                                                                                          | <b>(170.20)</b>        | <b>(2,171.64)</b>      | <b>(1,051.08)</b>      |
|                                                                                                                                                                                    | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
| <b>23 Non-current borrowings</b>                                                                                                                                                   |                        |                        |                        |
| <u>Secured</u>                                                                                                                                                                     |                        |                        |                        |
| (a) Term loan                                                                                                                                                                      |                        |                        |                        |
| From Bank                                                                                                                                                                          | 1,504.55               | 983.84                 | 596.81                 |
| From NBFC                                                                                                                                                                          | 298.02                 | 331.93                 | 536.16                 |
| (b) Long term maturities of finance lease obligation                                                                                                                               | 167.78                 | 73.92                  | 19.53                  |
|                                                                                                                                                                                    | <b>1,970.35</b>        | <b>1,389.69</b>        | <b>1,152.50</b>        |
| Less: Amount disclosed under the head "Other financial liabilities" (Refer note 30)                                                                                                | 290.81                 | 162.56                 | 232.27                 |
| <b>Total non current maturities of long term borrowings</b>                                                                                                                        | <b>1,679.54</b>        | <b>1,227.13</b>        | <b>920.23</b>          |

**Terms of repayment**

**Term Loan from Banks:**

- (a) During the 2017-18, the company had taken five term loans for financing of Genset from Kotak Bank Ltd of INR 4.40 million repayable in 36 instalments at a fixed interest rate of 12.5% per annum. The loan was secured against Genset financed by Kotak Bank Ltd. Out of the five loans three loans have been fully repaid during the year ended March 2021.
- (b) During the year 2017-18, the Company had taken term loan for equipment financing from Yes Bank Ltd of INR 50.74 million at an interest rate of 10.74% per annum repayable in 84 installments. The loan was secured against pathology machineries financed by Yes Bank Ltd. This loan was taken over by IndusInd Bank in year 2019-20.

**Annexure 6: Notes to restated financial information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

- (c) During the year 2018-19, the Company had taken two term loans from IndusInd Bank totalling INR 1000 million at a floating interest rate of 1 year MCLR plus 0.85 % margin per annum. The loans were taken for the purpose of taking over the existing term loans of various facilities (Yes Bank Ltd- INR 42.2 million, India Infoline Ltd INR 56.1 million , Hero Fincorp INR 81.7 million outstanding balances of all loans taken over during the year 2019-20) and also for the purchases of the capital assets at few centers. The loans shall be repaid in 9 years. The loans are secured by the First and Exclusive charge on the assets funded by the facility out of these term loans , exclusive Charge over the immovable properties which were offered to the existing lenders, first and exclusive charge over the current assets and pledge over 30% of the shareholdings of the borrower.
- (d) During the year 2018-19, the Company had taken two loans for equipment financing from HDFC Bank Ltd. totalling INR 95.51 million for the purchase of the MRI and CT Scan Machine (INR 31.51 million and 64 million respectively) at a floating interest rate of HDFC Bank 1 year MCLR plus 2.3% margin per annum repayable in 60 and 80 instalments respectively. The loans are secured against machineries financed by HDFC Bank Ltd.
- (e) During the year 2019-20, the company had taken term loan for the purchase of two Multiutility Vehicles from Kotak Bank Ltd of INR 4.21 million to be repaid in 36 instalments. The loan is secured against Vehicles financed by Kotak Bank Ltd.
- (f) During the year 2019-20, the Company had taken two loans for the purchase of CT Scan Machine& MRI Machine from HDFC Bank Ltd. totalling INR 100.06 million. The loan will be repaid in 84 instalments respectively at a floating interest rate of HDFC Bank 1 year MCLR plus 2.3% margin per annum. The loans are secured against machineries financed by HDFC Bank Ltd..
- (g) During the year 2020-21, the company has taken a vehicle loan from ICICI Bank of INR 21.06 million for financing of 8 COVID mobile vehicles. The loan will be repaid in 36 equal instalments at a fixed interest rate of 11% per annum starting from the month of June 2020. The loans are secured by the way of hypothecation of the asset in favour of the bank.
- (h) During the year 2020-21, the company has taken a loan of INR 69 million for the purchase of healthcare equipment from Yes Bank Limited at a fixed interest rate of 10.50% per annum to be repaid in 60 equal instalments starting from the month of June 2020. The loans are secured through the hypothecation of the asset financed by the Bank.
- (i) During the year 2020-21, the company has taken a loan of INR 4.86 million from Kotak Mahindra Bank for the purchase of the DG Genset at a fixed interest rate of 13.28% per annum to be repaid in 36 instalments from the month of December 2020. The loan is secured by way of the hypothecation of the asset in favour of the bank.
- (j) During the year 2020-21, the company has taken a loan of INR 250 million from Indusind Bank for procuring equipment and incurring capex at a floating interest rate of 1 year MCLR + 0.75% per annum to be repaid in 8 years from the month of December 2020.
- (k) During the year 2020-21, the company has taken a loan of INR 42 million from Axis Bank for purchase of MRI machine at a floating interest rate of Repo Rate + 4.50% per annum to be repaid in 7 years from the month of January 2021. The loan is secured by way of the hypothecation of the asset in favour of the bank.
- (l) During the year 2020-21, the company has taken a loan of INR 220 million from Indusind Bank for working capital term loan at a floating interest rate of MCLR + 1% per annum to be repaid in 5 years from the month of March 2021.

**Loan from NBFC:**

- (a) During the year 2014-15, the Company had taken two term loans from Clix Capital (formerly known as GE Capital Services India) for the purpose of purchasing various medical equipment of INR 55.18 million at a floating interest rate of SBI Base Rate plus 2.6% margin per annum. The loans are repayable in 72 monthly instalments including a 6 months moratorium period. The loan is secured by machinery financed by GE Capital Services and by personal guarantees of the director Mr. Rajendra Mutha and his spouse Mrs Sunita Mutha. These loans were fully repaid during the year ended March 31, 2021.
- (b) During the year 2017-18, the company had taken a loan from Clix Financial India for the purchase of CT Scanner and MRI Machines of INR 167.85 million at a floating interest rate of RBI Reference Rate plus 2.15% margin per annum to be repaid in 84 monthly instalments. The loan is secured by way of the hypothecation of the equipment in favour of the lender.
- (c) During the year 2017-18, the Company had taken a term loan for equipment financing from Hero Fin Corp Limited of INR 9.27 Million at a fixed interest rate of 12.50% per annum. The loan is repayable in 67 monthly instalments. The loan is secured against machineries financed by Hero Fincorp Limited. The loan was taken over by IndusInd Bank in the year 2019-20.
- (d) During the year 2017-18, the Company had taken a loan for medical equipment financing from Dewan Housing Finance Ltd. of INR 50.62 million at an interest rate of 11.75% per annum repayable in 60 instalments. The loan is secured against machineries financed by Dewan Housing Finance Ltd. This loan was prepaid in April 2021

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

- (e) During the year 2017-18 the Company had taken loan for purchase of medical equipment, working capital requirement, infrastructure work etc from Midland Microfinance Ltd of INR 150 million at a fixed interest rate of 15.5% per annum repayable in 18 monthly instalments. The loan is secured against the pledge of the equity shares equivalent to the loan amount as on March 31, 2017 and the personal guarantee of of the Directors. The loan was fully repaid in the year 2018-19
- (f) During the year 2017-18, the Company had taken loan for equipment financing from India Infoline Ltd of INR 62.72 million at an interest rate of 12.10% per annum repayable in 82 instalments. The loan is secured against machineries financed by India Infoline Ltd. The loan was taken over by IndusInd Bank in the year 2019-20
- (g) During the year 2018-19, the Company had taken five loans for equipment financing from DLL Financial Services Pvt. Ltd. aggregating to INR 77.3 million at a fixed interest rate of 9.50% per annum repayable in 84 instalments totalling INR 1.33 million per month The loan is secured against machineries financed by DLL Financial Services Pvt. Ltd.
- (h) During the year 2015-16 the Company had taken three loans aggregating to INR 263.3 million from SREI Equipment Finance Limited for machineries purchased in the year 2015-16. During the year 2016-17 the loan was partly adjusted by netting off the fixed deposits post which the loan value outstanding was INR 163.3 million repayable in 60 monthly instalments . The loan was secured against machineries financed by SREI Equipment Finance Limited. The loan was fully repaid in the year 2018-19
- (i) During the year 2018-19, the Company had taken two loans for equipments financing from Reliance Commercial Finance Ltd. of INR. 67.83 million and INR 32.05 million at a floating interest of 1 year RCFL PLR Rate minus 6% margin per annum and RCFL PLR Rate minus 5.5% margin per annum respectively repayable in 84 instalments. The loans are secured against machineries financed by Reliance Commercial Finance Ltd.

**Long term maturities of finance lease obligation:**

- (a) During the year 2018-19, the company has taken data processing units and printers worth INR. 27 million on lease for a period of three years from Hewlett Packard Financials Services India Pvt Ltd.
- (b) During the year 2019-20, the company has taken MRI Machine for D Y Patil Kolhapur centre, worth INR 67.80 million on lease for a period of Seven years from Philips India Ltd.
- (c) During the year 2020-21, the company has taken a MRI Scanner Machine for Sutar Hospital worth INR 44.70 million on lease for a period of Seven years from Philips India Ltd.
- (d) During the year 2020-21, the company has taken a CT Scanner Machine for KDMC centre, worth INR 14.44 million on lease for a period of Seven years from Philips India Ltd.
- (e) During the year 2020-21, the company has taken data processing units and printers worth INR 11.30 million on lease for a period of three years from Hewlett Packard Financials Services India Pvt Ltd.
- (f) During the year 2020-21, the company has taken a MRI Scanner Machine for S B Road center worth INR 44.70 million on lease for a period of Seven years from Philips India Ltd.

|                                                                    | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|--------------------------------------------------------------------|------------------------|------------------------|------------------------|
| <b>24 Liability on compulsory convertible preference shares</b>    |                        |                        |                        |
| (Refer Note No. 21(iv))                                            |                        |                        |                        |
| Liability on compulsory convertible preference shares - Series A   | -                      | 2,749.56               | 1,933.98               |
| Liability on compulsory convertible preference shares - Series C   | -                      | 2,202.19               | 1,247.46               |
| <b>Total liability on compulsory convertible preference shares</b> | <b>-</b>               | <b>4,951.75</b>        | <b>3,181.44</b>        |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**25 Other financial liabilities**

Deposit from hospitals  
Payable for capital purchases  
Lease Liability

**Total other financial liabilities**

| As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------|------------------------|------------------------|
| 63.89                  | 75.16                  | 70.11                  |
| -                      | 158.36                 | 180.98                 |
| -                      | -                      | 0.30                   |
| <b>63.89</b>           | <b>233.52</b>          | <b>251.39</b>          |

**26 Employee benefit obligations**

Provision for employee benefits (Refer note 41)  
Provision for leave encashment (unfunded)

**Total Provisions**

| Long Term              |                        |                        |
|------------------------|------------------------|------------------------|
| As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
| 5.19                   | 3.23                   | 1.62                   |
| <b>5.19</b>            | <b>3.23</b>            | <b>1.62</b>            |

Provision for employee benefits (Refer note 41)  
Provision for gratuity (funded)  
Provision for leave encashment (unfunded)

**Total Provisions**

| Short Term             |                        |                        |
|------------------------|------------------------|------------------------|
| As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
| 7.76                   | 6.16                   | 4.94                   |
| 1.52                   | 1.04                   | 0.53                   |
| <b>9.28</b>            | <b>7.20</b>            | <b>5.47</b>            |

**27 Other non-current liabilities**

Deferred Revenue

**Total other long term liabilities**

| As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------|------------------------|------------------------|
| 33.03                  | 45.97                  | 51.16                  |
| <b>33.03</b>           | <b>45.97</b>           | <b>51.16</b>           |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

|                                              | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|----------------------------------------------|------------------------|------------------------|------------------------|
| <b>28 Short -term borrowings</b>             |                        |                        |                        |
| <b>Secured, from bank</b>                    |                        |                        |                        |
| Cash credit loan from banks                  | 327.71                 | 350.76                 | 299.82                 |
| Bank Overdraft                               | -                      | 550.03                 | 231.18                 |
| <b>Unsecured, Loans from related parties</b> | 19.73                  | 22.01                  | 8.57                   |
| <b>Total short-term borrowings</b>           | <b>347.44</b>          | <b>922.80</b>          | <b>539.57</b>          |

**Secured, from bank**

- (a) The Company has availed the Cash credit facility of Janata Sahakari Bank Limited of INR 300 million lakhs is at interest rate of 11%. During the year 2017-18, an additional overdraft facility of INR 19 million from Janata Sahakari Bank Limited has been availed, which is secured against Fixed deposits of INR 20 million kept with the bank. The above facility was closed in FY 2018-19
- (b) During the year 2018-19, the company availed a Cash credit facility of Indusind Bank of INR 300 million at a floating interest of 1 year MCLR plus 0.85% margin. The facility is secured by the loans are secured by the First and Exclusive charge on the assets funded by the facility out of these term loans, exclusive Charge over the immovable properties which were offered to the existing lenders, first and exclusive charge over the current assets and pledge over 30% of the shareholdings of the borrower.
- (c) During the year 2019-20, the company has utilised FD-OD facility of INR 550 million from Janta Sahakari Bank Limited against Fixed Deposits facility of INR 600 million availed with them at an interest rate of 8.2 % per annum.
- (d) During the year 2019-20, the company has availed the Cash credit facility of Janata Sahakari Bank Ltd of INR 50 million at the interest rate of 11% per annum. The facility is secured against inventory and Book Debts.

**Unsecured, Loans from related parties:**

- (a) Short term borrowings from directors includes loan taken from Mr. Rajendra Mutha, which carries no interest. It is an interest free loan, repayable on demand and hence considered as a short term borrowing.
- (b) Short term borrowings includes loan from Sanjay Pandhare INR 10 million payable as on March 31, 2018 which was fully repaid during the year 2018-19
- (c) The Company has taken a loan from Mrs Pallavi Bhatewara at an interest rate of 12% per annum repayable on demand. The amount payable as on year 2017-18 and 2018-19 was INR 8.54 million. During the year 2019-20 an additional loan for INR 10 million was taken and further INR 17.5 million was taken during the year ended March 31, 2021. There was a repayment of INR 17.5 million during the year.

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

|                                                                                         | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| <b>29 Trade payables</b>                                                                |                        |                        |                        |
| Total outstanding dues of micro enterprises and small enterprises                       | 5.37                   | 3.44                   | 0.84                   |
| Total outstanding dues of creditors other than micro enterprises and small enterprises* | 780.19                 | 377.49                 | 416.47                 |
| <b>Total trade payables</b>                                                             | <b>785.56</b>          | <b>380.93</b>          | <b>417.31</b>          |

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

| Particulars                                                                                                                                                                                                                                                                       | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| (a) Amount remaining unpaid to any supplier at the end of each accounting year:                                                                                                                                                                                                   |                        |                        |                        |
| Principal                                                                                                                                                                                                                                                                         | 5.37                   | 3.44                   | 0.84                   |
| Interest                                                                                                                                                                                                                                                                          | 0.43                   | 0.29                   | 0.34                   |
| <b>Total</b>                                                                                                                                                                                                                                                                      | <b>5.80</b>            | <b>3.73</b>            | <b>1.17</b>            |
| (b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year.                                                                             | -                      | -                      | -                      |
| (c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act.                                                           | -                      | -                      | -                      |
| (d) The amount of interest accrued and remaining unpaid at the end of each accounting year.                                                                                                                                                                                       | 1.05                   | 0.62                   | 0.34                   |
| (e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act. | 0.62                   | 0.34                   | -                      |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**30 Other financial liabilities**

**Other financial liabilities at amortised cost**

Current maturity of long term loans

Interest accrued

Security deposits received

Book Overdraft

Foreclosure Charges Payable

Payable for capital purchases

Lease Liability

Employee Benefits Expenses Payable

Employee reimbursement payable

Payable to related parties

**Total other financial liabilities**

**Total financial liability**

| As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------|------------------------|------------------------|
| 290.81                 | 162.56                 | 232.27                 |
| 11.27                  | 6.05                   | 5.26                   |
| 0.07                   | 1.06                   | 2.00                   |
| -                      | 9.40                   | -                      |
| -                      | -                      | 0.85                   |
| 300.16                 | 263.75                 | 476.69                 |
| -                      | 0.08                   | 0.64                   |
| 59.92                  | 33.65                  | 25.71                  |
| 2.58                   | 1.20                   | 1.37                   |
| 0.73                   | 1.60                   | 1.47                   |
| <b>665.54</b>          | <b>479.35</b>          | <b>746.26</b>          |
| <b>1,798.54</b>        | <b>1,783.08</b>        | <b>1,703.14</b>        |

**31 Other current liabilities**

Statutory due payable

Advance from customer

Deferred Revenue

**Total other current liabilities**

| As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------|------------------------|------------------------|
| 17.16                  | 8.65                   | 9.24                   |
| 5.98                   | -                      | -                      |
| 7.09                   | 9.06                   | 15.37                  |
| <b>30.23</b>           | <b>17.71</b>           | <b>24.61</b>           |

**Krsnaa Diagnostics Limited**  
**(Formerly known as Krsnaa Diagnostics Private Limited)**

**Annexure 6: Notes to restated financial information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

|                                                                 | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|-----------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>32 Revenue from operations</b>                               |                             |                             |                             |
| Sale of services                                                | 3,964.56                    | 2,584.27                    | 2,092.35                    |
| <b>Total revenue from operations</b>                            | <b>3,964.56</b>             | <b>2,584.27</b>             | <b>2,092.35</b>             |
|                                                                 |                             |                             |                             |
|                                                                 | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
| <b>33 Other income</b>                                          |                             |                             |                             |
| <b>Interest income</b>                                          |                             |                             |                             |
| on fixed deposits                                               | 99.09                       | 99.95                       | 22.10                       |
| on other deposits                                               | 0.44                        | 0.67                        | 0.03                        |
| on income tax refund                                            | 2.87                        | -                           | -                           |
| on other financial assets at amortised cost                     | 19.85                       | 17.49                       | 18.18                       |
| Dividend income                                                 | -                           | 0.12                        | 0.08                        |
| Amortisation of deferred revenue in respect of security deposit | -                           | 9.16                        | 9.49                        |
| Miscellaneous income                                            | 0.11                        | 2.13                        | 0.92                        |
| <b>Total other income</b>                                       | <b>122.36</b>               | <b>129.52</b>               | <b>50.80</b>                |
|                                                                 |                             |                             |                             |
|                                                                 | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
| <b>34 Cost of material consumed</b>                             |                             |                             |                             |
| Inventory at the beginning of the year                          | 50.67                       | 42.12                       | 19.50                       |
| Add: Purchases                                                  | 858.90                      | 285.78                      | 195.98                      |
| Less: Inventory at the end of the year                          | (72.10)                     | (50.67)                     | (42.12)                     |
| <b>Cost of material consumed</b>                                | <b>837.47</b>               | <b>277.23</b>               | <b>173.36</b>               |



**Krsnaa Diagnostics Limited**  
**(Formerly known as Krsnaa Diagnostics Private Limited)**

**Annexure 6: Notes to restated financial information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

|                                                           | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|-----------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>35 Employee benefits expense</b>                       |                             |                             |                             |
| Salaries, wages, bonus and other allowances               | 248.88                      | 199.78                      | 157.90                      |
| Contribution to provident and other funds                 | 16.66                       | 12.38                       | 11.23                       |
| Gratuity expenses                                         | 4.51                        | 2.72                        | 2.55                        |
| Employee stock option scheme compensation (Refer note 42) | 8.20                        | -                           | -                           |
| Staff welfare expenses                                    | 17.61                       | 16.46                       | 11.36                       |
| <b>Total employee benefits expense</b>                    | <b>295.86</b>               | <b>231.34</b>               | <b>183.04</b>               |
| <b>36 Finance costs</b>                                   |                             |                             |                             |
| Interest on borrowing                                     |                             |                             |                             |
| On bank and NBFC                                          | 232.84                      | 214.02                      | 147.57                      |
| On loans from related parties                             | 4.08                        | 3.09                        | 2.53                        |
| On finance lease                                          | 12.35                       | 7.00                        | 2.09                        |
| On Other financial liabilities at amortised cost          | -                           | 7.76                        | 7.31                        |
| Bank Charges                                              | 3.92                        | 9.10                        | 24.93                       |
| Other borrowing costs                                     | 6.21                        | 5.67                        | 11.26                       |
| <b>Total finance costs</b>                                | <b>259.40</b>               | <b>246.64</b>               | <b>195.69</b>               |
| <b>37 Depreciation and amortization expense</b>           |                             |                             |                             |
| Depreciation (Refer note 6)                               | 360.83                      | 318.22                      | 251.72                      |
| Amortization (Refer note 7)                               | 13.56                       | 5.89                        | 4.68                        |
| <b>Total depreciation and amortization expense</b>        | <b>374.39</b>               | <b>324.11</b>               | <b>256.40</b>               |

**Krsnaa Diagnostics Limited**  
**(Formerly known as Krsnaa Diagnostics Private Limited)**

**Annexure 6: Notes to restated financial information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

|                                                          | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|----------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>38 Other expenses</b>                                 |                             |                             |                             |
| Power & Fuel                                             | 47.92                       | 58.90                       | 45.18                       |
| Rent                                                     | 76.06                       | 61.17                       | 63.09                       |
| Repairs and maintenance - Machinery                      | 111.74                      | 105.35                      | 62.77                       |
| Insurance                                                | 7.70                        | 4.81                        | 2.96                        |
| Rates and taxes                                          | 5.49                        | 4.08                        | 4.35                        |
| Logistics expenses                                       | 28.16                       | 32.49                       | 23.96                       |
| Travelling and lodging expenses                          | 44.28                       | 33.43                       | 25.19                       |
| Auditors' remuneration (Refer note below)                | 0.88                        | 0.80                        | 0.80                        |
| Security and facility management expenses                | 39.23                       | 25.86                       | 45.58                       |
| Business promotion expenses                              | 10.33                       | 12.46                       | 7.89                        |
| Printing & Stationery                                    | 18.81                       | 24.95                       | 21.00                       |
| Communication expenses                                   | 16.86                       | 15.99                       | 13.89                       |
| Corporate social responsibility expenses (Refer Note 52) | 6.71                        | -                           | -                           |
| Office expenses                                          | 15.15                       | 11.80                       | 7.89                        |
| Legal and professional charges                           | 82.52                       | 44.18                       | 34.69                       |
| Provision for doubtful debt                              | -                           | 24.84                       | 19.16                       |
| Reporting Charges                                        | 269.22                      | 214.93                      | 150.96                      |
| Loss on sale/disposal of fixed assets                    | 5.06                        | -                           | -                           |
| Service Charges                                          | 15.04                       | 11.26                       | -                           |
| Miscellaneous expenses                                   | 9.94                        | 4.86                        | 4.13                        |
| <b>Total other expenses</b>                              | <b>811.10</b>               | <b>692.16</b>               | <b>533.49</b>               |

**Krsnaa Diagnostics Limited**  
**(Formerly known as Krsnaa Diagnostics Private Limited)**

**Annexure 6: Notes to restated financial information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

|                                                     | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|-----------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>As auditor:</b>                                  |                             |                             |                             |
| Gross amount payable to auditors                    | 6.05                        | 0.80                        | 0.80                        |
| Less: Payable for IPO related expenses              | 5.17                        | -                           | -                           |
| <b>Payable for Audit &amp; related services as:</b> | <b>0.88</b>                 | <b>0.80</b>                 | <b>0.80</b>                 |
| Statutory audit                                     | 0.80                        | 0.80                        | 0.80                        |
| Other services                                      | 0.08                        | -                           | -                           |
| <b>Total</b>                                        | <b>0.88</b>                 | <b>0.80</b>                 | <b>0.80</b>                 |

**Krsnaa Diagnostics Limited**  
**(Formerly known as Krsnaa Diagnostics Private Limited)**

**Annexure 6: Notes to restated financial information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

**39 Income Tax**

(A) Deferred tax relates to the following:

|                                                                                                     | 31 March 2021   | 31 March 2020   | 31 March 2019 |
|-----------------------------------------------------------------------------------------------------|-----------------|-----------------|---------------|
| <b>Deferred tax assets</b>                                                                          |                 |                 |               |
| On Expenses provided but allowable in Income Tax on payment basis - Provision for employee benefits | 3.64            | 3.04            | 3.00          |
| On convertible preference shares                                                                    | -               | 993.87          | 478.36        |
| On Deduction available u/s 80JJAA                                                                   | 4.47            | -               | -             |
| On Provision for doubtful debts and advances                                                        | 12.58           | 14.56           | 7.33          |
| MAT Credit Asset                                                                                    | -               | 21.66           | 22.26         |
| <b>Total Deferred tax assets</b>                                                                    | <b>20.69</b>    | <b>1,033.13</b> | <b>510.95</b> |
| <b>Deferred tax liabilities</b>                                                                     |                 |                 |               |
| On Difference between book depreciation and tax depreciation                                        | 127.64          | 111.41          | 75.11         |
| <b>Total Deferred tax liabilities</b>                                                               | <b>127.64</b>   | <b>111.41</b>   | <b>75.11</b>  |
| Deferred tax (liability) / asset, net                                                               | <b>(106.95)</b> | <b>921.72</b>   | <b>435.84</b> |

(B) Reconciliation of deferred tax assets/ (liabilities) (net):

|                                                                         | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-------------------------------------------------------------------------|------------------------|------------------------|------------------------|
| Opening balance as of 1 April                                           | 921.72                 | 435.84                 | 200.21                 |
| Tax liability recognized in Statement of Profit and Loss                | (16.23)                | (36.30)                | (31.72)                |
| Tax liability recognized in OCI                                         | -                      | -                      | -                      |
| On re-measurements gain/(losses) of post-employment benefit obligations | 0.10                   | 0.20                   | (0.27)                 |
| Utilisation of MAT Credit                                               | -                      | -                      | -                      |
| Tax asset recognized/(reversed) in Statement of Profit and Loss         | (1,012.54)             | 521.98                 | 267.62                 |
| Closing balance as at 31st March                                        | <b>(106.95)</b>        | <b>921.72</b>          | <b>435.84</b>          |

**Krsnaa Diagnostics Limited**  
**(Formerly known as Krsnaa Diagnostics Private Limited)**

**Annexure 6: Notes to restated financial information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

**(C) Movement in deferred tax assets/ liabilities recognized in Statement of Profit and Loss**

|                                                                                                         | <b>As at<br/>31 March 2021</b>      | <b>As at<br/>31 March 2020</b>      | <b>As at<br/>31 March 2019</b>      |
|---------------------------------------------------------------------------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|
| Deferred tax charge on account of difference between book depreciation and tax depreciation             | 16.23                               | 36.30                               | 31.72                               |
| Deferred tax charge/(credit) on expenses allowed on payment basis                                       |                                     |                                     |                                     |
| - Provision for employee benefits                                                                       | (0.51)                              | 0.16                                | (2.01)                              |
| - On Provision for doubtful debts and advances                                                          | 1.98                                | (7.23)                              | (7.33)                              |
| Deferred tax credit on unabsorbed depreciation and carry forward business losses /charge on utilisation | -                                   | -                                   | 42.12                               |
| MAT credit entitlement                                                                                  | -                                   | 0.59                                | (22.26)                             |
| Minimum Alternate Tax (MAT) lapsed due to lower tax rate availed                                        | 21.66                               | -                                   | -                                   |
| Deferred tax asset on deduction u/s 80JJAA                                                              | (4.47)                              |                                     |                                     |
| Deferred tax charge/(credit) on movement in fair value of compulsory convertible preference shares      | 993.87                              | (515.50)                            | (278.15)                            |
|                                                                                                         | <b>1,028.76</b>                     | <b>(485.68)</b>                     | <b>(235.91)</b>                     |
| <b>(D) Income tax expense</b>                                                                           | <b>Year ended<br/>31 March 2021</b> | <b>Year ended<br/>31 March 2020</b> | <b>Year ended<br/>31 March 2019</b> |
| - Income tax expense                                                                                    | 76.47                               | 21.87                               | 39.22                               |
| - Deferred tax charge / (income)                                                                        | 1,028.76                            | (485.68)                            | (235.91)                            |
| <b>Income tax expense reported in the statement of profit or loss</b>                                   | <b>1,105.23</b>                     | <b>(463.81)</b>                     | <b>(196.69)</b>                     |
| <b>(E) Income tax expense charged to OCI</b>                                                            | <b>Year ended<br/>31 March 2021</b> | <b>Year ended<br/>31 March 2020</b> | <b>Year ended<br/>31 March 2019</b> |
| Net loss/(gain) on remeasurements of defined benefit plans                                              | (0.10)                              | (0.20)                              | 0.27                                |
| <b>Income tax charged to OCI</b>                                                                        | <b>(0.10)</b>                       | <b>(0.20)</b>                       | <b>0.27</b>                         |

**Krsnaa Diagnostics Limited**  
**(Formerly known as Krsnaa Diagnostics Private Limited)**

**Annexure 6: Notes to restated financial information**

*(Amount in Rupees million except per share data and unless otherwise stated)*

|                                                                           | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|---------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| (F) <b>Reconciliation of tax charge</b>                                   |                             |                             |                             |
| Profit before tax                                                         | 2,954.52                    | (1,583.32)                  | (777.26)                    |
| Income tax expense at tax rates applicable                                | 743.59                      | (461.06)                    | (226.34)                    |
| Tax effects of:                                                           |                             |                             |                             |
| - Item not deductible for tax                                             | 3.15                        | 1.30                        | 0.78                        |
| - Others                                                                  | (1.41)                      | (3.79)                      | 33.79                       |
| - Tax/MAT adjustment of earlier year                                      | -                           | (0.26)                      | (4.92)                      |
| Change in Tax Rate                                                        | 87.17                       | -                           | -                           |
| Reversal of deferred tax asset on CCPS                                    | 257.77                      | -                           | -                           |
| Minimum Alternate Tax (MAT)                                               |                             | 8.57                        | 17.34                       |
| MAT Credit Entitlement                                                    | -                           | (8.57)                      | (17.34)                     |
| Minimum Alternate Tax (MAT) lapsed due to lower tax rate availed<br>80JJA | 21.66<br>(6.70)             | -                           | -                           |
| Income tax expense                                                        | <b>1,105.23</b>             | <b>(463.81)</b>             | <b>(196.69)</b>             |

The Company has availed the option of lower tax rate as per Section 115BAA from the year ended March 31, 2021 & onwards.

Accordingly, the Company has written off the MAT Credit Entitlement amounting to Rs. 21.66 million as the MAT Credit Entitlement is not available to be carried forward and set off on opting for lower tax rate as per Section 115BAA.

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**40 Earnings/ Loss per share**

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

|                                                                                  | Year ended<br>31 March 2021 | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|----------------------------------------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| Profit/(Loss) attributable to equity holders                                     | 1,849.29                    | (1,119.51)                  | (580.57)                    |
| Less: preference dividend after-tax                                              | -                           | -                           | -                           |
| Less: Share issue expenses debited to securities premium account                 | -                           | (0.57)                      | (40.36)                     |
| Profit/(Loss) attributable to equity holders net of above adjustment             | 1,849.29                    | (1,120.08)                  | (620.93)                    |
| Add: Change in fair value of compulsory convertible preference share             | (1,533.96)                  | -                           | -                           |
| Profit/(Loss) attributable to equity holders adjusted for the effect of dilution | 315.33                      | (1,120.08)                  | (620.93)                    |
| Weighted average number of equity shares for basic EPS                           | 57,66,062                   | 51,63,100                   | 51,62,264                   |
| Effect of dilution:                                                              |                             |                             |                             |
| Share options                                                                    | -                           | -                           | -                           |
| Convertible preference shares                                                    | 71,00,800                   | -                           | -                           |
| Weighted average number of equity shares adjusted for the effect of dilution     | 1,28,66,862                 | 51,63,100                   | 51,62,264                   |
| Basic profit/(loss) per share (INR)                                              | 320.72                      | (216.94)                    | (120.28)                    |
| Diluted profit/(loss) per share (INR)                                            | 24.51                       | (216.94)                    | (120.28)                    |

**Computation of EPS after share split**

**Weighted average number of equity shares for basic EPS after share split**

|                                                                                 |                    |                    |                    |
|---------------------------------------------------------------------------------|--------------------|--------------------|--------------------|
| Weighted average number of equity shares outstanding during the year            | 57,66,062          | 51,63,100          | 51,62,264          |
| Add: Impact of share split                                                      | 57,66,062          | 51,63,100          | 51,62,264          |
| <b>Weighted average number of equity shares for basic EPS after share split</b> | <b>1,15,32,124</b> | <b>1,03,26,200</b> | <b>1,03,24,528</b> |

**Weighted average number of equity shares adjusted for the effect of dilution after share split**

|                                                                                                       |                    |                    |                    |
|-------------------------------------------------------------------------------------------------------|--------------------|--------------------|--------------------|
| Weighted average number of equity shares outstanding during the year                                  | 57,66,062          | 51,63,100          | 51,62,264          |
| Effect of dilution:                                                                                   |                    |                    |                    |
| Share options                                                                                         | -                  | -                  | -                  |
| Convertible preference shares                                                                         | 71,00,800          | -                  | -                  |
| Add: Impact of share split                                                                            | 1,28,66,862        | 51,63,100          | 51,62,264          |
| <b>Weighted average number of equity shares adjusted for the effect of dilution after share split</b> | <b>2,57,33,724</b> | <b>1,03,26,200</b> | <b>1,03,24,528</b> |
| Basic profit/(loss) per share after share split (INR)                                                 | 160.36             | (108.47)           | (60.14)            |
| Diluted profit/(loss) per share after share split (INR)                                               | 12.25              | (108.47)           | (60.14)            |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

Pursuant to Shareholder's resolution passed at the Extrordinary General Meeting held on April 25, 2021 the equity share capital (Authorised, Issued and Paid-up) of the Company was subdivided from Rs. 10.00 (Rupees ten) each to equity shares of Rs. 5.00 (Rupees five) each. Accordingly, the calculation above reflect the effect of share split retrospectively for all periods presented.

**Description of change in ordinary share transaction or potential ordinary share transaction post the reporting date**

**(a) Conversion of Series B fully paid-up compulsorily convertible cumulative participating preference shares ("Series B -CCCPPS")**

In the board meeting on March 23, 2021 the board has approved the conversion of the Series B -CCCPPS into the equity shares of the Company in accordance with the Rights issue dated January 25th, 2017. Number of equity shares issued against conversion of Series B-CCCPPS: 600,960.

**(b) Issue of equity shares on a right basis**

The Board of Directors has also approved the issuance of equity shares on a rights basis ("Rights Issue") and accordingly 730,904 equity shares of Rs. 10 each were issued at Par, which were allotted on March 31, 2021.

**(c) Split of equity shares**

The Company, pursuant to shareholders' resolution dated April 25, 2021, sub-divided its equity share capital by sub-dividing the face value of the Equity Shares from ₹ 10 to ₹ 5 per Equity Share. Accordingly, the issued and paid-up capital of our Company was sub-divided from 6,494,964 Equity Shares of ₹ 10 each to 12,989,928 Equity Shares of ₹ 5 each (including the equity shares issued upon conversion of Series B-CCCPPS and Rights Issue).

The Company is having following potential equity shares :

- (a) Shares allotted to employees in pursuance of the Employee Stock Option Plan (ESOP).
- (b) Compulsory convertible preference shares

Since conversion of compulsory convertible preference shares would decrease loss per share, these are anti-dilutive in nature and thus the effects of anti-dilutive potential equity shares are ignored in calculating diluted earning per share. However, the same are considered in calculating EPS for the year ended March 31, 2021 as the effect is not anti-dilutive. Further, ESOP's are considered to be anti-dilutive as the exercise price is out of money.



**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**41 Employee benefits**

**(A) Defined Contribution Plans**

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss -

Employers' Contribution to Provident Fund (Refer note 35)  
Employers' Contribution to Employee State Insurance (Refer note 35)  
Employers' Contribution to Labour Welfare Fund (Refer note 35)

| Year ended<br>31 March 2021 | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|-----------------------------|-----------------------------|-----------------------------|
| 13.42                       | 9.74                        | 8.20                        |
| 3.20                        | 2.62                        | 3.01                        |
| 0.04                        | 0.02                        | 0.02                        |
| <b>16.66</b>                | <b>12.38</b>                | <b>11.23</b>                |

**(B) Defined benefit plans**

Gratuity payable to employees

7.76                      6.16                      4.94

**i) Actuarial assumptions**

Discount rate (per annum)  
Rate of increase in Salary  
Expected average remaining working lives of employees (years)  
Attrition rate  
Expected rate of return on plan assets

| As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------|------------------------|------------------------|
| 6.10%                  | 6.20%                  | 7.10%                  |
| 6.00%                  | 6.00%                  | 6.00%                  |
| 4.93                   | 4.90                   | 4.91                   |
| 20%                    | 20%                    | 20%                    |
| 6.20%                  | 7.10%                  | 7.50%                  |

**ii) Changes in the present value of defined benefit obligation**

Present value of obligation at the beginning of the year  
Interest cost  
Past service cost  
Current service cost  
Curtailements  
Settlements  
Benefits paid  
Actuarial (gain)/ loss on obligations  
**Present value of obligation at the end of the year/period\***  
\*Included in provision for employee benefits (Refer note 26)

| Employee's gratuity    |                        |                        |
|------------------------|------------------------|------------------------|
| As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
| 10.64                  | 7.03                   | 5.33                   |
| 0.61                   | 0.50                   | 0.40                   |
| -                      | -                      | -                      |
| 4.24                   | 2.45                   | 2.27                   |
| -                      | -                      | -                      |
| -                      | -                      | -                      |
| (1.56)                 | (0.06)                 | -                      |
| 0.43                   | 0.72                   | (0.97)                 |
| <b>14.36</b>           | <b>10.64</b>           | <b>7.03</b>            |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

iii) **Expense recognized in the Statement of Profit and Loss**

|                                                                    |
|--------------------------------------------------------------------|
| Current service cost                                               |
| Past service cost                                                  |
| Interest cost                                                      |
| Expected return on plan assets                                     |
| Actuarial (gain) / loss on obligations                             |
| Settlements                                                        |
| Curtailments                                                       |
| <b>Total expenses recognized in the Statement Profit and Loss*</b> |

| Employee's gratuity         |                             |                             |
|-----------------------------|-----------------------------|-----------------------------|
| Year ended<br>31 March 2021 | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
| 4.24                        | 2.45                        | 2.27                        |
| -                           | -                           | -                           |
| 0.27                        | 0.27                        | 0.27                        |
| -                           | -                           | -                           |
| -                           | -                           | -                           |
| -                           | -                           | -                           |
| -                           | -                           | -                           |
| <b>4.51</b>                 | <b>2.72</b>                 | <b>2.54</b>                 |

iv) **Amounts Recognised In Statement Of Other Comprehensive Income (OCI):**

|                                                                         |
|-------------------------------------------------------------------------|
| Opening amount recognised in OCI outside profit and loss account        |
| Remeasurement for the year - obligation (Gain) / Loss                   |
| Remeasurement for the year - plan asset (Gain) / Loss                   |
| Total Remeasurements Cost / (Credit ) for the year recognised in OCI    |
| <b>Closing amount recognised in OCI outside profit and loss account</b> |

| Year ended<br>31 March 2021 | Year ended<br>31 March 2020 | Year ended<br>31 March 2019 |
|-----------------------------|-----------------------------|-----------------------------|
| (1.33)                      | (2.02)                      | (1.08)                      |
| 0.43                        | 0.72                        | (0.97)                      |
| (0.05)                      | (0.03)                      | 0.03                        |
| 0.38                        | 0.68                        | (0.94)                      |
| <b>(0.95)</b>               | <b>(1.33)</b>               | <b>(2.02)</b>               |

\*Included in Employee benefits expense (Refer Note 35). Actuarial (gain)/loss of INR (March 31, 2021 : INR 0.38 million | March 31, 2020 : INR 0.68 million | March 31, 2019: INR (0.94 million)) is included in other comprehensive income.

v) **Changes in the Fair Value of Plan Assets**

|                                                                                       |
|---------------------------------------------------------------------------------------|
| Present value of obligation at the and of the year                                    |
| Acquisition adjustments                                                               |
| Transfer In / (Out)                                                                   |
| Interest Income                                                                       |
| Contributions                                                                         |
| Mortality Charges and Taxes                                                           |
| Benefits paid                                                                         |
| Amount paid on settlement                                                             |
| Return on plan assets, excluding amount recognized in Interest Income - Gain / (Loss) |
| <b>Fair value of plan assets at the end of the year</b>                               |

| As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|------------------------|------------------------|------------------------|
| 4.48                   | 2.09                   | 1.00                   |
| -                      | -                      | -                      |
| -                      | -                      | -                      |
| 0.34                   | 0.24                   | 0.13                   |
| 1.99                   | 2.30                   | 1.35                   |
| (0.26)                 | (0.18)                 | (0.36)                 |
| -                      | -                      | -                      |
| -                      | -                      | -                      |
| 0.05                   | 0.03                   | (0.03)                 |
| <b>6.60</b>            | <b>4.48</b>            | <b>2.09</b>            |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

vi) **Assets and liabilities recognized in the Balance Sheet:**

Present value of unfunded obligation as at the end of the year  
Fair value of the plan assets at the end of period  
Surplus / (Deficit)  
Current liability  
Non-current liability

**Unfunded net asset / (liability) recognized in Balance Sheet\***

\*Included in provision for employee benefits (Refer note 26)

vii) **Reconciliation Of Net Asset / (Liability) Recognised:**

Net asset / (liability) recognised at the beginning  
of the period  
Company contributions  
Benefits directly paid by Company  
Amount recognised outside  
Expense recognised at the end of year  
Mortality Charges and Taxes  
**Net asset / (liability) recognised at the end of the year**

viii) **Expected contribution to the fund in the next year**

Gratuity

| As at         | As at         | As at         |
|---------------|---------------|---------------|
| 31 March 2021 | 31 March 2020 | 31 March 2019 |
| (14.36)       | (10.64)       | (7.03)        |
| 6.60          | 4.48          | 2.09          |
| (7.76)        | (6.16)        | (4.94)        |
| 7.76          | 6.16          | 4.94          |
| -             | -             | -             |
| <b>(7.76)</b> | <b>(6.16)</b> | <b>(4.94)</b> |

| As at         | As at         | As at         |
|---------------|---------------|---------------|
| 31 March 2021 | 31 March 2020 | 31 March 2019 |
| (6.16)        | (4.94)        | (4.33)        |
| 1.99          | 2.30          | 1.35          |
| 1.56          | 0.06          | -             |
| (0.38)        | (0.68)        | 0.94          |
| (4.51)        | (2.72)        | (2.54)        |
| (0.26)        | (0.18)        | (0.36)        |
| <b>(7.76)</b> | <b>(6.16)</b> | <b>(4.94)</b> |

| As at         | As at         | As at         |
|---------------|---------------|---------------|
| 31 March 2021 | 31 March 2020 | 31 March 2019 |
| 7.80          | 6.20          | 2.30          |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

ix) A quantitative sensitivity analysis for significant assumption is as shown below:

|                                      | Employee's gratuity |               |               |
|--------------------------------------|---------------------|---------------|---------------|
|                                      | As at               | As at         | As at         |
|                                      | 31 March 2021       | 31 March 2020 | 31 March 2019 |
| Impact on defined benefit obligation |                     |               |               |
| Discount rate                        |                     |               |               |
| 1.00% increase                       | (13.68)             | (10.15)       | (6.70)        |
| 1.00% decrease                       | 15.08               | 11.13         | 7.36          |
| Rate of increase in salary           |                     |               |               |
| 1.00% increase                       | 14.93               | 11.03         | 7.30          |
| 1.00% decrease                       | (13.80)             | (10.24)       | (6.76)        |
| Impact of change in withdrawal rate  |                     |               |               |
| 1.00% increase                       | (14.28)             | (10.66)       | (7.00)        |
| 1.00% decrease                       | 14.41               | 10.58         | 7.03          |

x) Maturity profile of defined benefit obligation

| Year                 | Employee's gratuity |               |               |
|----------------------|---------------------|---------------|---------------|
|                      | As at               | As at         | As at         |
|                      | 31 March 2021       | 31 March 2020 | 31 March 2019 |
| Apr 2018- Mar 2019   | -                   | -             | -             |
| Apr 2019- Mar 2020   | -                   | -             | 0.86          |
| Apr 2020- Mar 2021   | -                   | 1.83          | 1.08          |
| Apr 2021- Mar 2022   | 1.82                | 1.50          | 1.32          |
| Apr 2022- Mar 2023   | 2.17                | 1.93          | 1.65          |
| Apr 2023- Mar 2024   | 2.55                | 2.13          | 1.87          |
| Apr 2024- Mar 2025   | 2.79                | 2.35          | -             |
| Apr 2025- Mar 2026   | 3.26                | -             | -             |
| Apr 2025 to Mar 2029 | -                   | -             | 9.26          |
| Apr 2026 to Mar 2030 | -                   | 13.04         | -             |
| Apr 2027 to Mar 2031 | 28.75               | -             | -             |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**42 Employee Stock Option Scheme 2020 (ESOP)**

The board vide its resolution dated July 01, 2020 approved ESOP 2020 for granting Employee Stock Options in form of equity shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company, monitored and supervised by the Board of Directors. The employees can purchase equity shares by exercising the options as vested at the price specified in the grant.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the period

| Particulars                                    | As at March 31, 2021 |            |
|------------------------------------------------|----------------------|------------|
|                                                | Number               | WAEP (INR) |
| Options outstanding at beginning of year       | -                    | -          |
| <b>Add:</b>                                    |                      |            |
| Options granted during the year :              |                      |            |
| Tranche 1                                      | 7,76,279             | 450        |
| Tranche 2                                      | 2,47,054             | 700        |
| <b>Less:</b>                                   |                      |            |
| Options exercised during the year              | -                    | -          |
| Options forfeited during the year*             | -                    | -          |
| <b>Options outstanding at the end of year:</b> |                      |            |
| Tranche 1                                      | 7,76,279             | 450        |
| Tranche 2                                      | 2,47,054             | 700        |
| Option exercisable at the end of year          | -                    | -          |

In accordance with the above mentioned ESOP Scheme, Rs 8.20 million has been charged to the Statement of Profit and Loss in relation to the options granted during the year ended 31 March 2021 as Employee Stock Option Scheme Compensation. (Refer note 35)

The options outstanding at the period ending on 31 March 2021 with exercise price of Rs 450 are 7,76,279 & of Rs.700 are 2,47,054 options and a weighted average remaining contractual life of all options are between 1 to 4 years.

The fair value of each option is estimated on the date of grant using the Black Scholes model. The following tables list the inputs to the [Option pricing model] used for the years ended:

| <b>Vesting year- Tranche 1</b>                                      | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> |
|---------------------------------------------------------------------|----------|----------|----------|----------|
| Weighted average fair value of the options at the grant dates (INR) | 15.28    | 22.48    | 31.20    | 41.71    |
| Compounded Risk-Free Interest Rate (%)                              | 3.73%    | 4.21%    | 4.81%    | 5.10%    |
| Number of periods to Exercise in years                              | 1.25     | 2.25     | 3.25     | 4.25     |
| Expected volatility (%)                                             | 27.39%   | 22.06%   | 19.25%   | 17.91%   |
| Weighted average share price (INR)                                  | 341.35   | 341.35   | 341.35   | 341.35   |
| <b>Vesting year- Tranche 2</b>                                      | <b>1</b> | <b>2</b> | <b>3</b> | <b>4</b> |
| Weighted average fair value of the options at the grant dates (INR) | 36.16    | 53.12    | 71.17    | 91.20    |
| Compounded Risk-Free Interest Rate (%)                              | 3.93%    | 4.41%    | 4.91%    | 5.32%    |
| Number of periods to Exercise in years                              | 1.25     | 2.25     | 3.25     | 4.25     |
| Expected volatility (%)                                             | 26.89%   | 22.33%   | 19.80%   | 18.18%   |
| Weighted average share price (INR)                                  | 572.35   | 572.35   | 572.35   | 572.35   |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**43 Leases where company is a lessee**

**i) Amounts recognised in the Balance Sheet**

**Particulars**

**Right to use assets**

Plant and Machinery (Net block)

**Lease Liability**

Current Liability

Non Current Liability

| As at         | As at         | As at         |
|---------------|---------------|---------------|
| 31 March 2021 | 31 March 2020 | 31 March 2019 |
| -             | 0.01          | 0.80          |
| -             | 0.08          | 0.64          |
| -             | 0.00          | 0.30          |

**ii) Maturity analysis of lease liabilities**

**Particulars**

Less than one year

One to five years

More than five years

**Total closing undiscounted lease liabilities**

|   |      |      |
|---|------|------|
| - | 0.31 | 0.92 |
| - | -    | 0.08 |
| - | -    | -    |
| - | 0.31 | 0.99 |

**iii) Amounts recognised in Statement of Profit or Loss**

**Particulars**

Depreciation on Right to use assets

Plant and Machinery

Interest expense on lease liabilities (included in finance cost)

|       |      |      |
|-------|------|------|
| 0.01  | 0.79 | 0.79 |
| 0.00* | 0.05 | 0.14 |

\* Amount is below rounding off threshold

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**iv) Finance leases**

The Company has entered into finance lease and hire purchase contract for data processing units and printers during FY 2018-19. This involves significant upfront lease payment, have terms of renewal or return option. However, there is no escalation clause. Renewal is at the option of lessee. During the FY 2019-20, the company has entered into finance lease and hire purchase contract for 3T MRI machine. Rentals are payable on from 7 days of date of invoicing or installation date whichever is earlier and would then be payable on monthly basis in arrears. Lessee has the option to purchase the asset by paying INR 1000/- along with last instalment. Future minimum lease payments ('MLP') under finance leases together with the present value of the net MLP are as follows.

During the year 2020-21, the company has taken a MRI Scanner Machine for Sutar Hospital worth INR 44.70 million on lease for a period of Seven years from Philips India Ltd., a CT Scanner Machine for KDMC centre, worth INR 14.44 million on lease for a period of Seven years from Philips India Ltd., data processing units and printers worth INR 11.30 million on lease for a period of three years from Hewlett Packard Financials Services India Pvt Ltd., a MRI Scanner Machine for S B Road center worth INR 44.70 million on lease for a period of Seven years from Philips India Ltd.

| Particulars                                                      | As at         | As at         | As at         |
|------------------------------------------------------------------|---------------|---------------|---------------|
|                                                                  | 31 March 2021 | 31 March 2020 | 31 March 2019 |
| a) Minimum lease rentals payable                                 |               |               |               |
| i) not later than one year                                       | 36.31         | 22.31         | 11.28         |
| ii) later than one year but not later than five years            | 151.63        | 58.79         | 13.05         |
| iii) later than five years                                       | 50.79         | 24.47         | -             |
| <b>Total</b>                                                     | <b>238.73</b> | <b>105.57</b> | <b>24.33</b>  |
| b) Present value of minimum lease payments                       |               |               |               |
| i) not later than one year                                       | 17.49         | 13.51         | 8.09          |
| ii) later than one year but not later than five years            | 103.71        | 38.12         | 11.44         |
| iii) later than five years                                       | 46.57         | 22.29         | -             |
| <b>Total</b>                                                     | <b>167.77</b> | <b>73.92</b>  | <b>19.53</b>  |
| c) Reconciliation of minimum lease payments and present value    |               |               |               |
| Minimum lease rentals payable as per (a) above                   | 238.73        | 105.57        | 24.33         |
| Less: Finance charges to be recognized in subsequent periods     | 70.96         | 31.65         | 4.80          |
| Present value of minimum lease payments payable as per (b) above | 167.77        | 73.92         | 19.53         |

**Krsnaa Diagnostics Limited**

**(Formerly known as Krsnaa Diagnostics Private Limited)**

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**44 Related Party Disclosures:**

(A) Names of related parties and description of relationship as identified and certified by the Company:

**Entity under common control**

Krsna International Limited-Yemen

KDPL Diagnostics (Amritsar) Private Limited

KDPL Diagnostics (Bhatinda) Private Limited

KDPL Diagnostics (Jalandhar) Private Limited

KDPL Diagnostics (Ludhiana) Private Limited

KDPL Diagnostics (Patiala) Private Limited

KDPL Diagnostics (SAS Nagar) Private Limited

**Key Management Personnel (KMP)**

Rajendra Mutha-Director

Narayanan Balasubramanyam-Nominee Director (w.e.f.31st January, 2019)

Yash Prithviraj Mutha-Wholetime Director (w.e.f.31st January, 2019)

Pallavi Bhatewara-Managing Director

Suvidh Banthia -Director ( till 22nd June, 2018)

Sachin Dhoka-Director (till 31st January, 2019)

Sanjay Pandhare-Director (till 31st January, 2019)

Sunita Mutha- Relative of KMP

Pawan Balkisan Daga (w.e.f. 18th January, 2021)



**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**(B) Details of transactions with related party in the ordinary course of business for the year ended:**

|                                                 | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 | Year Ended<br>31 March 2019 |
|-------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>(i) Key Management Personnel (KMP)</b>       |                             |                             |                             |
| <b>Compensation of key management personnel</b> |                             |                             |                             |
| Pallavi Bhatewara-Salary                        | 4.88                        | 5.09                        | 3.66                        |
| Rajendra Mutha                                  | 6.28                        | 8.38                        | 8.40                        |
| Yash Mutha                                      | 3.53                        | 1.80                        | 0.30                        |
| Pawan Daga                                      | 0.37                        | -                           | -                           |
| <b>(ii) Expenses Incurred:</b>                  |                             |                             |                             |
| Sunita Mutha - <i>Rent Expenses</i>             | 35.64                       | 22.66                       | 21.20                       |
| Pallavi Bhatewara - <i>Interest Expenses</i>    | 4.08                        | 3.09                        | 2.53                        |
| Sanjay Pandhare - <i>Interest Expenses</i>      | -                           | -                           | 1.51                        |
| <b>(iii) Loans repaid during the period</b>     |                             |                             |                             |
| Rajendra Mutha                                  | 10.00                       | 28.05                       | 147.38                      |
| Sanjay Pandhare                                 | -                           | -                           | 10.00                       |
| Pallavi Bhatewara                               | 17.50                       | -                           | -                           |
| <b>(iv) Loans taken during the period</b>       |                             |                             |                             |
| Rajendra Mutha                                  | 7.72                        | 31.49                       | 135.69                      |
| Pallavi Bhatewara                               | 17.50                       | 10.00                       | -                           |
| <b>(v) Advances given during the period</b>     |                             |                             |                             |
| Pallavi Bhatewara                               | -                           | -                           | 2.02                        |
| <b>(vi) Advances repaid during the period</b>   |                             |                             |                             |
| Pallavi Bhatewara                               | -                           | 2.02                        | -                           |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**(C) Outstanding Balances**

|                                                                | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|----------------------------------------------------------------|------------------------|------------------------|------------------------|
| <b>Entity under common control</b>                             |                        |                        |                        |
| Krsna International Limited-Yemen - <i>Accounts Receivable</i> | 31.01                  | 31.01                  | 31.01                  |
| <b>(ii) Key Management Personnel (KMP)</b>                     |                        |                        |                        |
| <b>(a) Director Loans</b>                                      |                        |                        |                        |
| Pallavi Bhatewara - <i>Advance</i>                             | -                      | -                      | 2.02                   |
| Pallavi Bhatewara - <i>Loans Payable (Unsecured)</i>           | 18.54                  | 18.54                  | 8.54                   |
| Sanjay pandhere- <i>Advance</i>                                | -                      | -                      | 0.03                   |
| Sanjay Pandhare <i>Other Payable</i>                           | -                      | -                      | 0.42                   |
| Rajendra Mutha - Loan Payable (Unsecured)                      | 1.19                   | 3.47                   | 0.03                   |
| <b>(b) Other Payables</b>                                      |                        |                        |                        |
| Sunita Mutha                                                   | 6.29                   | 2.04                   | 0.45                   |

**(D) Terms and conditions of transactions with related parties**

The Company has outstanding balance receivable from Krsna International Limited for Rs.31.01 million from year 2012-13, as the Company had exported certain machineries and few related consumables. Due to political unrest, the operations of Krsna International Limited in Yemen were discontinued and the amount could not be recovered inspite of continuous follow up. Whilst the Company is in the process of arranging and taking necessary permissions/approvals from authorised banks, however as abundant caution, the company during FY 2016-17 has made provision of Rs. 31.01 million towards doubtful advances.

**45 Segment reporting**

The Company's operations predominantly relate to providing Radiology and Pathology services for X Ray, CT Scan, MRI, Mammography, Tele- Reporting Services, and all type of Blood and Urine Investigation. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**46 Fair Value Measurement**

**Financial Instruments by Category:**

| Financial Asset                                              | March 31, 2021 |                 | March 31, 2020 |                 | March 31, 2019 |                 |
|--------------------------------------------------------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|
|                                                              | FVTPL          | Amortised Cost  | FVTPL          | Amortised Cost  | FVTPL          | Amortised Cost  |
| Investment                                                   |                |                 |                |                 |                |                 |
| - Share of Janta Sahakari Bank                               | 2.90           | -               | 2.90           | -               | 2.90           | -               |
| Security Deposit (Current + Non Current)                     | -              | 151.45          | -              | 138.11          | -              | 169.86          |
| Fixed deposit accounts with maturity for more than 12 months | -              | 24.08           | -              | 60.23           | -              | 146.46          |
| Trade receivables                                            | -              | 724.74          | -              | 614.32          | -              | 562.23          |
| Cash and cash equivalents                                    | -              | 246.75          | -              | 83.59           | -              | 85.96           |
| Bank balances other than cash and cash equivalent            | -              | 1,282.37        | -              | 1,189.24        | -              | 1,030.24        |
| Interest accrued on fixed deposits                           | -              | 71.06           | -              | 45.66           | -              | 18.72           |
| Unbilled revenue                                             | -              | -               | -              | 101.50          | -              | 2.53            |
| Other receivables                                            | -              | 3.01            | -              | 2.60            | -              | 2.26            |
| <b>Total Financial Asset</b>                                 | <b>2.90</b>    | <b>2,503.46</b> | <b>2.90</b>    | <b>2,235.25</b> | <b>2.90</b>    | <b>2,018.26</b> |

| Financial Liabilities                                                                       | March 31, 2021 |                 | March 31, 2020  |                 | March 31, 2019  |                 |
|---------------------------------------------------------------------------------------------|----------------|-----------------|-----------------|-----------------|-----------------|-----------------|
|                                                                                             | FVTPL          | Amortised Cost  | FVTPL           | Amortised Cost  | FVTPL           | Amortised Cost  |
| Borrowings (including current maturities of long term borrowings and short term borrowings) | -              | 2,317.79        | -               | 2,312.49        | -               | 1,692.07        |
| Liability on compulsory convertible preference shares                                       | -              | -               | 4,951.75        | -               | 3,181.44        | -               |
| Deposits from Hospitals                                                                     | -              | 63.89           | -               | 75.16           | -               | 70.11           |
| Trade Payable                                                                               | -              | 785.56          | -               | 380.93          | -               | 417.31          |
| Interest accrued                                                                            | -              | 11.27           | -               | 6.05            | -               | 5.26            |
| Security deposit received                                                                   | -              | 0.07            | -               | 1.06            | -               | 2.00            |
| Bank Overdraft                                                                              | -              | -               | -               | 9.40            | -               | 0.00            |
| Payable for capital purchases                                                               | -              | 300.16          | -               | 422.11          | -               | 657.67          |
| Lease Liabilities                                                                           | -              | -               | -               | 0.08            | -               | 0.94            |
| Employee reimbursement payable                                                              | -              | 2.58            | -               | 1.20            | -               | 1.37            |
| Employee Benefits Expenses Payable                                                          | -              | 59.92           | -               | 33.65           | -               | 25.71           |
| Other Payable                                                                               | -              | 0.73            | -               | 1.60            | -               | 1.47            |
| Foreclosure charges Payable                                                                 | -              | -               | -               | -               | -               | 0.85            |
| <b>Total Financial Liabilities</b>                                                          | <b>-</b>       | <b>3,541.97</b> | <b>4,951.75</b> | <b>3,243.73</b> | <b>3,181.44</b> | <b>2,874.76</b> |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**47 Fair value hierarchy**

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

- Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

- a The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

| As at March 31, 2021                                             | Level 1        | Level 2        | Level 3        | Total        |
|------------------------------------------------------------------|----------------|----------------|----------------|--------------|
| <b>Financial Asset</b>                                           |                |                |                |              |
| Investment in Share of Janta Sahakari Bank                       | -              | -              | 2.90           | 2.90         |
| <b>Total Financial Asset</b>                                     | -              | -              | 2.90           | 2.90         |
| <b>Financial Liabilities</b>                                     | -              | -              | -              | -            |
| <b>Total Financial Liabilities</b>                               | -              | -              | -              | -            |
| <b>As at March 31, 2020</b>                                      | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> | <b>Total</b> |
| <b>Financial Asset</b>                                           |                |                |                |              |
| Investment in Share of Janta Sahakari Bank                       | -              | -              | 2.90           | 2.90         |
| <b>Total Financial Asset</b>                                     | -              | -              | 2.90           | 2.90         |
| <b>Financial Liabilities</b>                                     |                |                |                |              |
| Liability of compulsory convertible preference shares - Series A | -              | -              | 2,749.56       | 2,749.56     |
| Liability of compulsory convertible preference shares - Series C | -              | -              | 2,202.19       | 2,202.19     |
| <b>Total Financial Liabilities</b>                               | -              | -              | 4,951.75       | 4,951.75     |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

As at March 31, 2019

**Financial Asset**

Investment in Share of Janta Sahakari Bank

**Total Financial Asset**

**Financial Liabilities**

Liability of compulsory convertible preference shares - Series A

Liability of compulsory convertible preference shares - Series C

**Total Financial Liabilities**

|                                                                  | Level 1  | Level 2  | Level 3         | Total           |
|------------------------------------------------------------------|----------|----------|-----------------|-----------------|
| Investment in Share of Janta Sahakari Bank                       | -        | -        | 2.90            | 2.90            |
| <b>Total Financial Asset</b>                                     | <b>-</b> | <b>-</b> | <b>2.90</b>     | <b>2.90</b>     |
| Liability of compulsory convertible preference shares - Series A | -        | -        | 1,933.98        | 1,933.98        |
| Liability of compulsory convertible preference shares - Series C | -        | -        | 1,247.46        | 1,247.46        |
| <b>Total Financial Liabilities</b>                               | <b>-</b> | <b>-</b> | <b>3,181.44</b> | <b>3,181.44</b> |

**b Valuation technique used to determine fair value**

The valuation technique used to determine the fair value of liability of compusorly convertible preference share of Series A and Series C is discounted cash flow method (DCF Method).

The investment in share of Janta Sahakari Bank is fair valued basis the best estimate and information available and the fair value approximates its carrying value

**c Valuation Process**

In respect of fair value of liability of compusorly convertible preference share of Series A and Series C for the DCF method, the projected free cash flows of the Company/ business are discounted at a discount rate which reflects perceived riskiness of the projected cash flows in order to arrive at their present value. Then, the terminal value of the Company/ business is calculated based on the free cash flow of the last year of the forecast period, which is based on the future long term growth of the revenues. This terminal value is then discounted to get the present terminal value. The present value of free cash flows for the projected period and present value of terminal value is added to arrive at the enterprise value. Thereafter, adjustment for non-operating assets/liabilities, surplus Cash and Cash Equivalents is made to arrive at the fair value of the Company/business. The fair value of liability of compulsory convertible preference share - Series A and Series C is based on expected settlement of equity value considering the anti- dilution clauses to the instrument

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**d Fair Value of financial assets and liabilities measured at amortised cost**

The fair value of other current financial assets, cash and cash equivalents, trade receivables, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits and of non current financial liabilities consisting of borrowings and security deposit received are not significantly different from the carrying amount.

For financial assets and liabilities that are measured at fair value, the carrying amounts are equal to the fair values.

**48 Fair value movement of compulsory convertible preference shares**

These amounts represent the fair value changes in respect of liability of Compulsory Convertible Preference Share - Series A & Series C which have certain anti-dilution clauses. Preference shareholders have granted waiver in respect of these anti-dilution in July 2020 and hence, necessary accounting adjustments due to significant modification of the instruments have been passed in the year ended March 31, 2021.

**49 Financial risk management objectives and policies**

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

**(A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments. The Company have certain debt obligations with floating interest rates. Further, the Company is not exposed to currency risk as the Company does not have any significant foreign currency outstandings/receivables neither is the Company exposed to price or commodity risk.

A reasonably possible change of 100 basis points in interest rates at the reporting date would have increased / decreased equity and profit or loss by amounts shown below. This analyses assumes that all other variables, in particular, foreign currency exchange rates, remain constant. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

| Interest Rate Sensitivity   | March 31, 2021 | March 31, 2020 | March 31, 2019 |
|-----------------------------|----------------|----------------|----------------|
| Increase by 100 basis point | 12.30          | 10.26          | 3.19           |
| Decrease by 100 basis point | (12.30)        | (10.26)        | (3.19)         |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**(B) Credit risk**

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables and security deposit to hospitals), from its financing activities, including deposits with banks and other statutory deposits with regulatory agencies. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Company does not foresee any credit risks on deposits with regulatory authorities. Customer credit risk is managed by the Group's established policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. On account of adoption of Ind AS 109, the Company uses expected credit loss model to assess the impairment loss or gain

The movement in the provision for bad and doubtful debts for the year ended are as follows:

|                                                | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 | Year Ended<br>31 March 2019 |
|------------------------------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Opening balance</b>                         | <b>50.00</b>                | <b>25.16</b>                | <b>6.00</b>                 |
| Changes in loss allowance:                     |                             |                             |                             |
| 1.Loss allowance based on Expected credit loss | -                           | 24.84                       | 19.16                       |
| 2.Write off as bad debts                       | -                           | -                           | -                           |
| <b>Closing Balance</b>                         | <b>50.00</b>                | <b>50.00</b>                | <b>25.16</b>                |

Company has one customer as at March 31, 2021, March 31, 2020 and March 31, 2019 which accounts for 10% or more of the total trade receivables at each reporting date.

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**(C) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due.

The table below summarizes the maturity profile of the Company's financial liabilities:

| As at March 31, 2021                                  | Less than 1 year | 1 to 5 years | More than 5 years | Total    |
|-------------------------------------------------------|------------------|--------------|-------------------|----------|
| Short term borrowings                                 | 347.44           | -            | -                 | 347.44   |
| Long-term borrowings                                  | -                | 1,263.15     | 416.39            | 1,679.54 |
| Trade payables                                        | 785.56           | -            | -                 | 785.56   |
| Liability on compulsory convertible preference shares | -                | -            | -                 | -        |
| Other financial liability                             | 665.54           | 14.76        | 49.13             | 729.43   |
|                                                       | 1,798.54         | 1,277.91     | 465.52            | 3,541.97 |
| As at March 31, 2020                                  |                  |              |                   |          |
| Short term borrowings                                 | 922.80           | -            | -                 | 922.80   |
| Long-term borrowings                                  | -                | 748.49       | 478.64            | 1,227.13 |
| Trade payables                                        | 380.93           | -            | -                 | 380.93   |
| Liability on compulsory convertible preference shares | -                | -            | 4,951.75          | 4,951.75 |
| Other financial liability                             | 479.35           | 181.12       | 52.39             | 712.87   |
|                                                       | 1,783.08         | 929.62       | 5,482.78          | 8,195.48 |
| As at March 31, 2019                                  |                  |              |                   |          |
| Short term borrowings                                 | 539.57           | -            | -                 | 539.57   |
| Long-term borrowings                                  | -                | 514.91       | 405.32            | 920.23   |
| Trade payables                                        | 417.31           | -            | -                 | 417.31   |
| Liability on compulsory convertible preference shares | -                | -            | 3,181.44          | 3,181.44 |
| Other financial liability                             | 746.26           | 189.59       | 61.80             | 997.65   |
|                                                       | 1,703.14         | 704.51       | 3,648.56          | 6,056.20 |



**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**50 Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, instrument entirely equity in nature, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current and current borrowing including current maturities of long term borrowings and liability on compulsory convertible preference share. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

|                                 |                    | Year Ended<br>31 March 2021 | Year Ended<br>31 March 2020 | Year Ended<br>31 March 2019 |
|---------------------------------|--------------------|-----------------------------|-----------------------------|-----------------------------|
| Equity                          |                    | 2,318.65                    | (1,969.77)                  | (849.21)                    |
| Total equity                    | (i)                | 2,318.65                    | (1,969.77)                  | (849.21)                    |
| Borrowings                      |                    | 2,317.79                    | 7,264.24                    | 4,873.50                    |
| Less: cash and cash equivalents |                    | (246.75)                    | (83.59)                     | (85.96)                     |
| Net debt                        | (ii)               | 2,071.04                    | 7,180.65                    | 4,787.55                    |
| Overall financing               | (iii) = (i) + (ii) | 4,389.69                    | 5,210.88                    | 3,938.34                    |
| Gearing ratio                   | (ii)/ (iii)        | 0.47                        | 1.38                        | 1.22                        |

No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2021, March 31, 2020 and March 31, 2019.

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**51 First time adoption of IND AS**

**A First IND AS Financial Information**

The financial statement for the year ended March 31, 2021 is the first set of financial statements prepared in accordance with Ind AS. Accordingly, the transition date to IND AS is April 01, 2019. The financial statement for the year ended March 31, 2020 are prepared in accordance with the requirements of IND AS 101 - First time adoption of Indian Accounting Standards. The Pro-forma financial information for the year ended March 31, 2019 are prepared by making IND AS adjustments to the audited Indian GAAP Financial Statements as at and for the year ended March 31, 2019. The accounting policies considered for making these IND AS adjustments are consistent with that used by the Company on the date of transition to IND AS i.e. April 01, 2019.

The impact of IND AS adjustments to the equity as at March 31, 2020 and March 31, 2019 and on total comprehensive income for the years ended March 31, 2020 and March 31, 2019 has been explained as under.

An explanation of how the transition from Indian GAAP to Ind AS has affected the Company's financial position, financial performance is as follows:

**(i) Exemptions availed on first time adoption of Ind AS**

Set out below are the applicable Ind AS 101 optional exemption and mandatory exemption applied in the transition from Indian GAAP to Ind AS. The Company has applied the following exemptions /exceptions.

**Deemed Cost**

Since there is no change in the functional currency, the Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets . Accordingly the management has elected to measure all of its property, plant and equipment, and intangible assets at their Indian GAAP carrying value.

**(ii) Mandatory Exemption on first-time adoption of Ind AS**

**Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at transition date are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- (i) Impairment of financial assets based on expected credit loss model.
- (ii) Fair valuation of compound instrument.
- (iii) Effective interest rate used in calculation of security deposit.

**De-recognition of financial assets and liabilities**

Ind AS 101 requires a first-time adopter to apply the de-recognition provisions of Ind AS 109 prospectively for transactions occurring on or after the date of transition to Ind AS. However, Ind AS 101 allows a first-time adopter to apply the de-recognition requirements in Ind AS 109 retrospectively from a date of the entity's choosing, provided that the information needed to apply Ind AS 109 to financial assets and financial liabilities derecognised as a result of past transactions was obtained at the time of initially accounting for those transactions. The Company has elected to apply the derecognition provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS. The Company has complied with the same.

**Impairment of financial assets**

Ind AS 101 provides relaxation from applying the impairment related requirements of Ind AS 109 retrospectively. At the date of transition, it requires an entity to use reasonable and supportable information that is available without undue cost or effort to determine the credit risk at the date that financial instruments were initially recognised and compare that to the credit risk at the date of transition to Ind AS or recognise a loss allowance at an amount equal to lifetime expected credit losses at each reporting date until that financial instrument is de-recognised, if at the date of transition to Ind AS, determination of credit risk involves undue cost or effort. The Company has elected to apply Ind AS 109 prospectively from the date of transition to Ind AS.

**B First time adoption reconciliation**

**Equity Reconciliation:**

| Particulars                                                                                                       | Notes | Equity as at March 31,<br>2021 | Equity as at March 31,<br>2020 | Equity as at March 31,<br>2019 |
|-------------------------------------------------------------------------------------------------------------------|-------|--------------------------------|--------------------------------|--------------------------------|
| <b>Equity as per Indian GAAP (A)</b>                                                                              |       |                                | 2,014.15                       | 1,889.98                       |
| <b>Ind AS adjustments</b>                                                                                         |       |                                |                                |                                |
| Impact of EIR of borrowings measured at amortised cost                                                            | A.1   |                                | (22.83)                        | (30.08)                        |
| Impact on account of lease accounting as per Ind AS 116                                                           | A.2   |                                | (0.06)                         | (0.14)                         |
| Financial asset measured at amortised cost                                                                        | A.3   |                                | (9.42)                         | (10.71)                        |
| Financial liabilities measured at amortised cost                                                                  | A.4   |                                | 6.27                           | 4.81                           |
| Change in fair value movement of Compulsory Convertible Preference Shares                                         | A.7   |                                | (3,452.14)                     | (1,681.82)                     |
| Reclassification of Compulsory convertible preference shares to Liability (Including Securitites Premium on CCPs) | A.7   |                                | (999.99)                       | (999.99)                       |
| Deferred tax on above adjustments                                                                                 | A.6   |                                | 993.87                         | 478.36                         |
| <b>Total adjustments</b>                                                                                          |       |                                | <b>(3,484.30)</b>              | <b>(2,239.57)</b>              |
| <b>Equity as per Ind AS (A)</b>                                                                                   |       | <b>2,318.65</b>                | <b>(1,470.15)</b>              | <b>(349.59)</b>                |
| <b>Other material adjustments</b>                                                                                 |       |                                |                                |                                |
| Restatement adjustment                                                                                            |       | -                              | -                              | -                              |
|                                                                                                                   |       | -                              |                                | -                              |
| <b>Equity as per restated Ind AS (A)</b>                                                                          |       | <b>2,318.65</b>                | <b>(1,470.15)</b>              | <b>(349.59)</b>                |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

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**Reconciliation of total comprehensive income:**

| Particulars                                                               | Notes | Year Ended March 31,<br>2021 | Year Ended March 31,<br>2020 | Year Ended March 31,<br>2019 |
|---------------------------------------------------------------------------|-------|------------------------------|------------------------------|------------------------------|
| <b>Total net profit after tax as per Indian GAAP</b>                      |       |                              | 124.74                       | 124.65                       |
| <b>Ind AS adjustments</b>                                                 |       |                              |                              |                              |
| Impact of EIR of borrowings measured at amortised cost                    | A.1   |                              | 7.25                         | (30.08)                      |
| Impact on account of lease accounting as per Ind AS 116                   | A.2   |                              | 0.08                         | (0.14)                       |
| Financial asset measured at amortised cost                                | A.3   |                              | 1.29                         | (10.71)                      |
| Financial liabilities measured at amortised cost                          | A.4   |                              | 1.46                         | 4.82                         |
| Remeasurement of gains/(losses) on defined benefit plans                  | A.5   |                              | 0.68                         | (0.94)                       |
| Change in fair value movement of Compulsory Convertible Preference Shares | A.7   |                              | (1,770.31)                   | (1,681.82)                   |
| Deferred tax on above adjustments                                         | A.6   |                              | 515.32                       | 478.63                       |
| <b>Total adjustments</b>                                                  |       |                              | <b>(1,244.24)</b>            | <b>(1,240.25)</b>            |
| <b>Other Comprehensive Income</b>                                         |       |                              |                              |                              |
| Remeasurement of (gains)/losses on defined benefit plans                  | A.5   |                              | (0.68)                       | 0.94                         |
| Deferred tax on above adjustment                                          | A.6   |                              | 0.20                         | (0.27)                       |
| <b>Total</b>                                                              |       |                              | <b>(0.48)</b>                | <b>0.67</b>                  |
| <b>Total comprehensive income as per Ind AS</b>                           |       | <b>1,849.01</b>              | <b>(1,119.99)</b>            | <b>(1,114.93)</b>            |
| <b>Other material adjustments</b>                                         |       |                              |                              |                              |
| Restatement                                                               |       | -                            | -                            | -                            |
| <b>Total</b>                                                              |       | <b>-</b>                     | <b>-</b>                     | <b>-</b>                     |
| <b>Total comprehensive income under restated Ind AS</b>                   |       | <b>1,849.01</b>              | <b>(1,119.99)</b>            | <b>(1,114.93)</b>            |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**Explanations to reconciliations**

- |     |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| A.1 | Under Indian GAAP, the transaction costs related to borrowings were recognised upfront on disbursal and amortised over a period of loan in the statement of profit and loss. Under Ind AS, such costs are amortised over the contractual term of the borrowing and recognised as interest expense using effective interest rate method in the statement of profit and loss.                                                                                                                                                         |
| A.2 | Under the Indian GAAP, lease rentals related to operating lease were accounted as expense in the statement of profit and loss. Under Ind AS, lease liability and right of use is recorded at present value of future contractual rent payment on initial date of lease. Subsequently, finance cost is accrued on lease liability and lease payments are recorded by way of reduction in lease liability. ROU is depreciated over lease term.                                                                                        |
| A.3 | Under the Indian GAAP, interest free refundable security deposits (given) were accounted at their transaction value. Under Ind AS, all financial assets are required to be recognised at fair value. On the date of initial recognition, the difference between the transaction amount and the fair value has been recognised as prepaid rent. The security deposits have been subsequently amortised under effective interest rate method and the prepaid rent on a straight line basis over the term of contract.                 |
| A.4 | Under the Indian GAAP, interest free refundable security deposits (accepted) were accounted at their transaction value. Under Ind AS, all financial liabilities are required to be recognised at fair value. On the date of initial recognition, the difference between the transaction amount and the fair value has been recognised as deferred revenue. The security deposits have been subsequently amortised under effective interest rate method and the deferred revenue on a straight line basis over the term of contract. |
| A.5 | Under the Indian GAAP, actuarial gains / losses on defined benefit obligations were recognised in the statement of profit and loss. Under Ind AS, remeasurements i.e. actuarial gains and losses, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of the statement of profit and loss.                                                                                                                                             |
| A.6 | Under the Indian GAAP, deferred tax was accounted as per the income statement approach which required creation of deferred tax asset/ liability on timing differences between taxable income and accounting income. Under Ind AS, deferred tax is accounted as per the balance sheet approach which requires creation of deferred tax asset/ liability on temporary differences between the carrying amount of an asset/ liability in the Balance Sheet and its corresponding tax base.                                             |
| A.7 | Under the Indian GAAP, compulsory convertible preference share (CCPS) is considered as equity whereas basis the evaluation of the terms of CCPS under IND AS the CCPS - Series A and Series C is considered entirely as liability and is measured at fair value through profit and loss. After intial recognition, the CCPS - Series A and Series C is subsequently measured at fair value and the movement in fair value of CCPS in Series A and Series C is charged/credited to profit and loss.                                  |

**Annexure 6: Notes to restated financial information**  
(Amount in Rupees million except per share data and unless otherwise stated)

**C Effect of Ind AS adoption on the Balance Sheet**

**a) Reconciliation of Balance Sheet as on March 31, 2021**

|                                                   | Notes | Regrouped IGAAP | Ind AS adjustments | Ind AS          | Restatement adjustment | Restated IND AS |
|---------------------------------------------------|-------|-----------------|--------------------|-----------------|------------------------|-----------------|
| <b>Assets</b>                                     |       |                 |                    |                 |                        |                 |
| <b>Non-current assets</b>                         |       |                 |                    |                 |                        |                 |
| Property, plant and equipment                     |       |                 |                    | 3,072.80        | -                      | 3,072.80        |
| Capital work-in-progress                          |       |                 |                    | 37.18           | -                      | 37.18           |
| Intangible assets                                 |       |                 |                    | 12.28           | -                      | 12.28           |
| Intangible asset under development                |       |                 |                    | -               | -                      | -               |
| <b>Financial assets</b>                           |       |                 |                    |                 |                        |                 |
| Investments                                       |       |                 |                    | 2.90            | -                      | 2.90            |
| Loans                                             |       |                 |                    | 135.44          | -                      | 135.44          |
| Other financial assets                            |       |                 |                    | 24.08           | -                      | 24.08           |
| Other non-current assets                          |       |                 |                    | 279.24          | -                      | 279.24          |
| <b>Total non-current assets</b>                   |       |                 |                    | <b>3,563.92</b> | <b>-</b>               | <b>3,563.91</b> |
| <b>Current assets</b>                             |       |                 |                    |                 |                        |                 |
| Inventories                                       |       |                 |                    | 72.10           | -                      | 72.10           |
| <b>Financial assets</b>                           |       |                 |                    |                 |                        |                 |
| Trade receivables                                 |       |                 |                    | 724.74          | -                      | 724.74          |
| Cash and cash equivalents                         |       |                 |                    | 246.75          | -                      | 246.75          |
| Bank balances other than cash and cash equivalent |       |                 |                    | 1,282.37        | -                      | 1,282.37        |
| Other financial assets                            |       |                 |                    | 90.08           | -                      | 90.08           |
| Other current assets                              |       |                 |                    | 65.34           | -                      | 65.34           |
|                                                   |       |                 |                    | -               | -                      | -               |
| <b>Total current assets</b>                       |       |                 |                    | <b>2,481.38</b> | <b>-</b>               | <b>2,481.38</b> |
|                                                   |       |                 |                    |                 |                        |                 |
| <b>Total assets</b>                               |       |                 |                    | <b>6,045.30</b> | <b>-</b>               | <b>6,045.29</b> |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

|                                                                                         |  |  |  |                 |          |                 |
|-----------------------------------------------------------------------------------------|--|--|--|-----------------|----------|-----------------|
| <b>EQUITY AND LIABILITIES</b>                                                           |  |  |  |                 |          |                 |
| <b>Equity</b>                                                                           |  |  |  |                 |          |                 |
| Equity share capital                                                                    |  |  |  | 64.95           | -        | 64.95           |
| Instruments entirely equity in nature                                                   |  |  |  | 2,423.90        | -        | 2,423.90        |
| Other equity                                                                            |  |  |  | (170.20)        | -        | (170.20)        |
| <b>Total equity</b>                                                                     |  |  |  | <b>2,318.65</b> | <b>-</b> | <b>2,318.65</b> |
| <b>Liabilities</b>                                                                      |  |  |  |                 |          |                 |
| <b>Non-current liabilities</b>                                                          |  |  |  |                 |          |                 |
| Financial liabilities                                                                   |  |  |  |                 |          |                 |
| Borrowings                                                                              |  |  |  | 1,679.54        | -        | 1,679.54        |
| Other financial liabilities                                                             |  |  |  | 63.89           | -        | 63.89           |
| Employee benefit obligations                                                            |  |  |  | 5.19            | -        | 5.19            |
| Other non-current liabilities                                                           |  |  |  | 33.03           | -        | 33.03           |
| Deferred Tax Liabilities                                                                |  |  |  | 106.95          | -        | 106.95          |
| <b>Total non-current liabilities</b>                                                    |  |  |  | <b>1,888.60</b> | <b>-</b> | <b>1,888.61</b> |
| <b>Current liabilities</b>                                                              |  |  |  |                 |          |                 |
| Financial liabilities                                                                   |  |  |  |                 |          |                 |
| Borrowings                                                                              |  |  |  | 347.44          | -        | 347.44          |
| Trade payables                                                                          |  |  |  |                 |          |                 |
| i)total outstanding dues of micro enterprises and small enterprises                     |  |  |  | 5.37            | -        | 5.37            |
| ii)total outstanding dues of creditors other than micro enterprise and small enterprise |  |  |  | 780.19          | -        | 780.19          |
| Other financial liabilities                                                             |  |  |  | 665.54          | -        | 665.54          |
| Other current liabilities                                                               |  |  |  | 30.23           | -        | 30.23           |
| Employee benefit obligations                                                            |  |  |  | 9.28            | -        | 9.28            |
| <b>Total current liabilities</b>                                                        |  |  |  | <b>1,838.05</b> | <b>-</b> | <b>1,838.04</b> |
|                                                                                         |  |  |  |                 |          |                 |
| <b>Total liabilities</b>                                                                |  |  |  | <b>3,726.65</b> | <b>-</b> | <b>3,726.65</b> |
|                                                                                         |  |  |  |                 |          |                 |
| <b>Total liabilities and equity</b>                                                     |  |  |  | <b>6,045.30</b> | <b>-</b> | <b>6,045.30</b> |

**Annexure 6: Notes to restated financial information**  
(Amount in Rupees million except per share data and unless otherwise stated)

**b) Reconciliation of Balance Sheet as on March 31, 2020**

|                                                   | Notes | Regrouped IGAAP | Ind AS adjustments | Ind AS          | Restatement adjustment | Restated IND AS |
|---------------------------------------------------|-------|-----------------|--------------------|-----------------|------------------------|-----------------|
| <b>Assets</b>                                     |       |                 |                    |                 |                        |                 |
| <b>Non-current assets</b>                         |       |                 |                    |                 |                        |                 |
| Property, plant and equipment                     |       | 2,735.83        | (0.01)             | 2,735.82        | -                      | 2,735.82        |
| Capital work-in-progress                          |       | 91.30           | -                  | 91.30           | -                      | 91.30           |
| Intangible assets                                 |       | 15.14           | -                  | 15.14           | -                      | 15.14           |
| Intangible asset under development                |       | -               | -                  | -               | -                      | -               |
| <b>Financial assets</b>                           |       |                 |                    |                 |                        |                 |
| Investments                                       |       | 2.90            | -                  | 2.90            | -                      | 2.90            |
| Loans                                             |       | 171.81          | (67.53)            | 104.28          | -                      | 104.28          |
| Other financial assets                            |       | 60.23           | -                  | 60.23           | -                      | 60.23           |
| Deferred tax asset (net)                          |       | 0.00            | 921.72             | 921.72          | -                      | 921.72          |
| Other non-current assets                          |       | 214.37          | 17.75              | 232.12          | -                      | 232.12          |
| <b>Total non-current assets</b>                   |       | <b>3,291.58</b> | <b>871.93</b>      | <b>4,163.51</b> | <b>-</b>               | <b>4,163.51</b> |
| <b>Current assets</b>                             |       |                 |                    |                 |                        |                 |
| Inventories                                       |       | 50.67           | -                  | 50.67           | -                      | 50.67           |
| <b>Financial assets</b>                           |       |                 |                    |                 |                        |                 |
| Trade receivables                                 |       | 614.32          | -                  | 614.32          | -                      | 614.32          |
| Cash and cash equivalents                         |       | 83.59           | -                  | 83.59           | -                      | 83.59           |
| Bank balances other than cash and cash equivalent |       | 1,189.24        | -                  | 1,189.24        | -                      | 1,189.24        |
| Other financial assets                            |       | 181.06          | 2.53               | 183.59          | -                      | 183.59          |
| Other current assets                              |       | 16.70           | (1.80)             | 14.90           | -                      | 14.90           |
| <b>Total current assets</b>                       |       | <b>2,135.58</b> | <b>0.73</b>        | <b>2,136.31</b> | <b>-</b>               | <b>2,136.31</b> |
| <b>Total assets</b>                               |       | <b>5,427.16</b> | <b>872.66</b>      | <b>6,299.82</b> | <b>-</b>               | <b>6,299.82</b> |



**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

|                                                                                         |  |                 |                   |                   |          |                   |
|-----------------------------------------------------------------------------------------|--|-----------------|-------------------|-------------------|----------|-------------------|
| <b>EQUITY AND LIABILITIES</b>                                                           |  |                 |                   |                   |          |                   |
| <b>Equity</b>                                                                           |  |                 |                   |                   |          |                   |
| Equity share capital                                                                    |  | 51.63           | -                 | 51.63             | -        | 51.63             |
| Instruments entirely equity in nature                                                   |  | -               | 150.24            | 150.24            | -        | 150.24            |
| Other equity                                                                            |  | 1,962.52        | (4,134.16)        | (2,171.64)        | -        | (2,171.64)        |
| <b>Total equity</b>                                                                     |  | <b>2,014.15</b> | <b>(3,983.92)</b> | <b>(1,969.77)</b> | <b>-</b> | <b>(1,969.77)</b> |
| <b>Liabilities</b>                                                                      |  |                 |                   |                   |          |                   |
| <b>Non-current liabilities</b>                                                          |  |                 |                   |                   |          |                   |
| Financial liabilities                                                                   |  |                 |                   |                   |          |                   |
| Borrowings                                                                              |  | 1,245.37        | (18.24)           | 1,227.13          | -        | 1,227.13          |
| Liability on compulsory convertible preference shares                                   |  | -               | 4,951.75          | 4,951.75          | -        | 4,951.75          |
| Other financial liabilities                                                             |  | 305.98          | (72.46)           | 233.52            | -        | 233.52            |
| Employee benefit obligations                                                            |  | 3.23            | -                 | 3.23              | -        | 3.23              |
| Other non-current liabilities                                                           |  | -               | 45.97             | 45.97             | -        | 45.97             |
| Deferred Tax Liabilities                                                                |  | 72.15           | (72.15)           | -                 | -        | -                 |
| <b>Total non-current liabilities</b>                                                    |  | <b>1,626.73</b> | <b>4,834.87</b>   | <b>6,461.60</b>   | <b>-</b> | <b>6,461.60</b>   |
| <b>Current liabilities</b>                                                              |  |                 |                   |                   |          |                   |
| Financial liabilities                                                                   |  |                 |                   |                   |          |                   |
| Borrowings                                                                              |  | 922.80          | -                 | 922.80            | -        | 922.80            |
| Trade payables                                                                          |  |                 |                   |                   |          |                   |
| i)total outstanding dues of micro enterprises and small enterprises                     |  | 3.44            | -                 | 3.44              | -        | 3.44              |
| ii)total outstanding dues of creditors other than micro enterprise and small enterprise |  | 377.49          | -                 | 377.49            | -        | 377.49            |
| Other financial liabilities                                                             |  | 466.70          | 12.65             | 479.35            | -        | 479.35            |
| Other current liabilities                                                               |  | 8.65            | 9.06              | 17.71             | -        | 17.71             |
| Employee benefit obligations                                                            |  | 7.20            | -                 | 7.20              | -        | 7.20              |
| <b>Total current liabilities</b>                                                        |  | <b>1,786.28</b> | <b>21.71</b>      | <b>1,807.99</b>   | <b>-</b> | <b>1,807.99</b>   |
| <b>Total liabilities</b>                                                                |  | <b>3,413.01</b> | <b>4,856.58</b>   | <b>8,269.59</b>   | <b>-</b> | <b>8,269.59</b>   |
| <b>Total liabilities and equity</b>                                                     |  | <b>5,427.16</b> | <b>872.66</b>     | <b>6,299.82</b>   | <b>-</b> | <b>6,299.82</b>   |

**Annexure 6: Notes to restated financial information**  
(Amount in Rupees million except per share data and unless otherwise stated)

**C) Reconciliation of Balance Sheet as on March 31, 2019**

|                                                   | Notes | Regrouped IGAAP | Ind AS adjustments | Proforma Ind AS | Restatement adjustment | Restated IND AS |
|---------------------------------------------------|-------|-----------------|--------------------|-----------------|------------------------|-----------------|
| <b>Assets</b>                                     |       |                 |                    |                 |                        |                 |
| <b>Non-current assets</b>                         |       |                 |                    |                 |                        |                 |
| Property, plant and equipment                     |       | 2,223.11        | 0.78               | 2,223.89        | -                      | 2,223.89        |
| Capital work-in-progress                          |       | 416.58          | -                  | 416.58          | -                      | 416.58          |
| Intangible assets                                 |       | 7.00            | -                  | 7.00            | -                      | 7.00            |
| Intangible asset under development                |       | 1.32            | -                  | 1.32            | -                      | 1.32            |
| <b>Financial assets</b>                           |       |                 |                    |                 |                        |                 |
| Investments                                       |       | 2.90            | -                  | 2.90            | -                      | 2.90            |
| Loans                                             |       | 115.83          | (60.20)            | 55.63           | -                      | 55.63           |
| Other financial assets                            |       | 146.46          | -                  | 146.46          | -                      | 146.46          |
| Deferred tax asset (net)                          |       | -               | 435.84             | 435.84          | -                      | 435.84          |
| Other non-current assets                          |       | 123.81          | (9.45)             | 114.36          | -                      | 114.36          |
| <b>Total non-current assets</b>                   |       | <b>3,037.01</b> | <b>366.97</b>      | <b>3,403.98</b> | <b>-</b>               | <b>3,403.98</b> |
| <b>Current assets</b>                             |       |                 |                    |                 |                        |                 |
| Inventories                                       |       | 42.12           | -                  | 42.12           | -                      | 42.12           |
| <b>Financial assets</b>                           |       |                 |                    |                 |                        |                 |
| Trade receivables                                 |       | 562.23          | -                  | 562.23          | -                      | 562.23          |
| Cash and cash equivalents                         |       | 85.96           | -                  | 85.96           | -                      | 85.96           |
| Bank balances other than cash and cash equivalent |       | 1,030.24        | -                  | 1,030.24        | -                      | 1,030.24        |
| Other financial assets                            |       | 129.35          | 8.39               | 137.74          | -                      | 137.74          |
| Other current assets                              |       | 21.80           | 5.78               | 27.58           | -                      | 27.58           |
| <b>Total current assets</b>                       |       | <b>1,871.70</b> | <b>14.17</b>       | <b>1,885.87</b> | <b>-</b>               | <b>1,885.87</b> |
|                                                   |       |                 |                    |                 |                        |                 |
| <b>Total assets</b>                               |       | <b>4,908.71</b> | <b>381.14</b>      | <b>5,289.85</b> | <b>-</b>               | <b>5,289.85</b> |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

|                                                                                         |  |                 |                   |                 |          |                 |
|-----------------------------------------------------------------------------------------|--|-----------------|-------------------|-----------------|----------|-----------------|
| <b>EQUITY AND LIABILITIES</b>                                                           |  |                 |                   |                 |          |                 |
| <b>Equity</b>                                                                           |  |                 |                   |                 |          |                 |
| Equity share capital                                                                    |  | 51.63           | -                 | 51.63           | -        | 51.63           |
| Instruments entirely equity in nature                                                   |  | -               | 150.24            | 150.24          | -        | 150.24          |
| Other equity                                                                            |  | 1,838.35        | (2,889.43)        | (1,051.08)      | -        | (1,051.08)      |
| <b>Total equity</b>                                                                     |  | <b>1,889.98</b> | <b>(2,739.19)</b> | <b>(849.21)</b> | <b>-</b> | <b>(849.21)</b> |
| <b>Liabilities</b>                                                                      |  |                 |                   |                 |          |                 |
| <b>Non-current liabilities</b>                                                          |  |                 |                   |                 |          |                 |
| Financial liabilities                                                                   |  |                 |                   |                 |          |                 |
| Borrowings                                                                              |  | 937.55          | (17.32)           | 920.23          | -        | 920.23          |
| Liability on compulsory convertible preference shares                                   |  | -               | 3,181.44          | 3,181.44        | -        | 3,181.44        |
| Other financial liabilities                                                             |  | 310.98          | (59.59)           | 251.39          | -        | 251.39          |
| Employee benefit obligations                                                            |  | 1.62            | -                 | 1.62            | -        | 1.62            |
| Other non-current liabilities                                                           |  | -               | 51.16             | 51.16           | -        | 51.16           |
| Deferred Tax Liabilities                                                                |  | 42.52           | (42.52)           | -               | -        | -               |
| <b>Total non-current liabilities</b>                                                    |  | <b>1,292.67</b> | <b>3,113.17</b>   | <b>4,405.84</b> | <b>-</b> | <b>4,405.84</b> |
| <b>Current liabilities</b>                                                              |  |                 |                   |                 |          |                 |
| Financial liabilities                                                                   |  |                 |                   |                 |          |                 |
| Borrowings                                                                              |  | 539.57          | -                 | 539.57          | -        | 539.57          |
| Trade payables                                                                          |  |                 |                   |                 |          |                 |
| i)total outstanding dues of micro enterprises and small enterprises                     |  | 0.84            | -                 | 0.84            | -        | 0.84            |
| ii)total outstanding dues of creditors other than micro enterprise and small enterprise |  | 416.47          | -                 | 416.47          | -        | 416.47          |
| Other financial liabilities                                                             |  | 754.47          | (8.21)            | 746.26          | -        | 746.26          |
| Other current liabilities                                                               |  | 9.24            | 15.37             | 24.61           | -        | 24.61           |
| Employee benefit obligations                                                            |  | 5.47            | -                 | 5.47            | -        | 5.47            |
| <b>Total current liabilities</b>                                                        |  | <b>1,726.06</b> | <b>7.16</b>       | <b>1,733.22</b> | <b>-</b> | <b>1,733.22</b> |
| <b>Total liabilities</b>                                                                |  | <b>3,018.73</b> | <b>3,120.33</b>   | <b>6,139.06</b> | <b>-</b> | <b>6,139.06</b> |
| <b>Total liabilities and equity</b>                                                     |  | <b>4,908.71</b> | <b>381.14</b>     | <b>5,289.85</b> | <b>-</b> | <b>5,289.85</b> |

## Annexure 6: Notes to restated financial information

(Amount in Rupees million except per share data and unless otherwise stated)

## D Effect of Ind AS adoption on the statement of profit and loss

## a) Statement of profit and loss for the year ended March 31, 2021

|                                                                                         | Regrouped IGAAP | Ind AS adjustments | Ind AS          | Restatement adjustment | Restated Ind AS |
|-----------------------------------------------------------------------------------------|-----------------|--------------------|-----------------|------------------------|-----------------|
| <b>Income</b>                                                                           |                 |                    |                 |                        |                 |
| Revenue from operations                                                                 |                 |                    | 3,964.56        | -                      | 3,964.56        |
| Gain on fair value movement of Compulsory Convertible Preference Share (Refer Note 48)  |                 |                    | 2,527.84        | -                      | 2,527.84        |
| Other income                                                                            |                 |                    | 122.36          | -                      | 122.36          |
| <b>Total income</b>                                                                     |                 |                    | <b>6,614.76</b> | <b>-</b>               | <b>6,614.76</b> |
| <b>Expenses</b>                                                                         |                 |                    |                 |                        |                 |
| Cost of material consumed                                                               |                 |                    | 837.47          | -                      | 837.47          |
| Employee benefits expense                                                               |                 |                    | 295.86          | -                      | 295.86          |
| Finance costs                                                                           |                 |                    | 259.40          | -                      | 259.40          |
| Depreciation and amortization expense                                                   |                 |                    | 374.39          | -                      | 374.39          |
| Loss on fair value movement of compulsory convertible preference shares (Refer Note 48) |                 |                    | -               | -                      | -               |
| Fees to hospitals and others                                                            |                 |                    | 1,082.02        | -                      | 1,082.02        |
| Other expenses                                                                          |                 |                    | 811.10          | -                      | 811.10          |
| <b>Total expenses</b>                                                                   |                 |                    | <b>3,660.24</b> | <b>-</b>               | <b>3,660.23</b> |
| <b>Profit /(Loss) before exceptional items and tax</b>                                  |                 |                    | <b>2,954.52</b> | <b>-</b>               | <b>2,954.52</b> |
| Exceptional items                                                                       |                 |                    |                 |                        |                 |
| <b>Profit /(Loss) before tax</b>                                                        |                 |                    | <b>2,954.52</b> | <b>-</b>               | <b>2,954.52</b> |
| <b>Tax expense</b>                                                                      |                 |                    |                 |                        |                 |
| Current Tax                                                                             |                 |                    | 76.47           | -                      | 76.47           |
| Deferred Tax                                                                            |                 |                    | 1,028.76        | -                      | 1,028.76        |
| <b>Total income tax expense</b>                                                         |                 |                    | <b>1,105.23</b> | <b>-</b>               | <b>1,105.23</b> |
| <b>Profit for the period</b>                                                            |                 |                    | <b>1,849.29</b> | <b>-</b>               | <b>1,849.31</b> |
| <b>Other comprehensive income</b>                                                       |                 |                    |                 |                        |                 |
| <i>Items that will not be reclassified to profit or loss</i>                            |                 |                    |                 |                        |                 |
| Remeasurement of net defined benefit liability                                          |                 |                    | (0.38)          | -                      | (0.38)          |
| Income tax effect                                                                       |                 |                    | 0.10            | -                      | 0.10            |
|                                                                                         |                 |                    | (0.28)          | -                      | (0.29)          |
| <b>Other comprehensive income for the year, net of tax</b>                              |                 |                    | <b>(0.28)</b>   | <b>-</b>               | <b>(0.29)</b>   |
| <b>Total comprehensive income for the year</b>                                          |                 |                    | <b>1,849.01</b> | <b>-</b>               | <b>1,849.02</b> |

## Annexure 6: Notes to restated financial information

(Amount in Rupees million except per share data and unless otherwise stated)

## b) Statement of profit and loss for year ended March 31, 2020

|                                                                                         | Regrouped IGAAP | Ind AS adjustments | Ind AS            | Restatement adjustment | Restated Ind AS   |
|-----------------------------------------------------------------------------------------|-----------------|--------------------|-------------------|------------------------|-------------------|
| <b>Income</b>                                                                           |                 |                    |                   |                        |                   |
| Revenue from operations                                                                 | 2,584.27        | -                  | 2,584.27          | -                      | 2,584.27          |
| Gain on fair value movement of Compulsory Convertible Preference Share (Refer Note 48)  | -               | -                  | -                 | -                      | -                 |
| Other income                                                                            | 102.86          | 26.66              | 129.52            | -                      | 129.52            |
| <b>Total income</b>                                                                     | <b>2,687.13</b> | <b>26.66</b>       | <b>2,713.79</b>   | <b>-</b>               | <b>2,713.79</b>   |
| <b>Expenses</b>                                                                         |                 |                    |                   |                        |                   |
| Cost of material consumed                                                               | 277.23          | -                  | 277.23            | -                      | 277.23            |
| Employee benefits expense                                                               | 232.02          | (0.68)             | 231.34            | -                      | 231.34            |
| Finance costs                                                                           | 246.13          | 0.51               | 246.64            | -                      | 246.64            |
| Depreciation and amortization expense                                                   | 323.32          | 0.79               | 324.11            | -                      | 324.11            |
| Fees to hospitals and others                                                            | 755.32          | -                  | 755.32            | -                      | 755.32            |
| Loss on fair value movement of compulsory convertible preference shares (Refer Note 48) | -               | 1,770.31           | 1,770.31          | -                      | 1,770.31          |
| Other expenses                                                                          | 676.87          | 15.29              | 692.16            | -                      | 692.16            |
| <b>Total expenses</b>                                                                   | <b>2,510.89</b> | <b>1,786.22</b>    | <b>4,297.11</b>   | <b>-</b>               | <b>4,297.11</b>   |
| <b>Profit /(Loss) before exceptional items and tax</b>                                  | <b>176.24</b>   | <b>(1,759.56)</b>  | <b>(1,583.32)</b> | <b>-</b>               | <b>(1,583.32)</b> |
| Exceptional items                                                                       |                 |                    |                   |                        |                   |
| <b>Profit /(Loss) before tax</b>                                                        | <b>176.24</b>   | <b>(1,759.56)</b>  | <b>(1,583.32)</b> | <b>-</b>               | <b>(1,583.32)</b> |
| <b>Tax expense</b>                                                                      |                 |                    |                   |                        |                   |
| Current Tax                                                                             | 21.87           | -                  | 21.87             | -                      | 21.87             |
| Deferred Tax                                                                            | 29.64           | (515.32)           | (485.68)          | -                      | (485.68)          |
| <b>Total income tax expense</b>                                                         | <b>51.51</b>    | <b>(515.32)</b>    | <b>(463.81)</b>   | <b>-</b>               | <b>(463.81)</b>   |
| <b>Profit for the period</b>                                                            | <b>124.73</b>   | <b>(1,244.24)</b>  | <b>(1,119.51)</b> | <b>-</b>               | <b>(1,119.51)</b> |
| <b>Other comprehensive income</b>                                                       |                 |                    |                   |                        |                   |
| <i>Items that will not be reclassified to profit or loss</i>                            |                 |                    |                   |                        |                   |
| Remeasurement of net defined benefit liability                                          | -               | (0.68)             | (0.68)            | -                      | (0.68)            |
| Income tax effect                                                                       | -               | 0.20               | 0.20              | -                      | 0.20              |
|                                                                                         | -               | (0.48)             | (0.48)            | -                      | (0.48)            |
| <b>Other comprehensive income for the year, net of tax</b>                              | <b>-</b>        | <b>(0.48)</b>      | <b>(0.48)</b>     | <b>-</b>               | <b>(0.48)</b>     |
| <b>Total comprehensive income for the year</b>                                          | <b>124.73</b>   | <b>(1,244.72)</b>  | <b>(1,119.99)</b> | <b>-</b>               | <b>(1,119.99)</b> |

## Annexure 6: Notes to restated financial information

(Amount in Rupees million except per share data and unless otherwise stated)

## c) Statement of profit and loss for year ended March 31, 2019

|                                                                                         | Regrouped IGAAP | Ind AS adjustments | Proforma Ind AS | Restatement adjustment | Restated Ind AS |
|-----------------------------------------------------------------------------------------|-----------------|--------------------|-----------------|------------------------|-----------------|
| <b>Income</b>                                                                           |                 |                    |                 |                        |                 |
| Revenue from operations                                                                 | 2,092.35        | -                  | 2,092.35        | -                      | 2,092.35        |
| Gain on fair value movement of Compulsory Convertible Preference Share (Refer Note 48)  | -               | -                  | -               | -                      | -               |
| Other income                                                                            | 23.13           | 27.67              | 50.80           | -                      | 50.80           |
| <b>Total income</b>                                                                     | <b>2,115.48</b> | <b>27.67</b>       | <b>2,143.15</b> | <b>-</b>               | <b>2,143.15</b> |
| <b>Expenses</b>                                                                         |                 |                    |                 |                        |                 |
| Cost of material consumed                                                               | 173.36          | -                  | 173.36          | -                      | 173.36          |
| Employee benefits expense                                                               | 182.10          | 0.94               | 183.04          | -                      | 183.04          |
| Finance costs                                                                           | 158.86          | 36.83              | 195.69          | -                      | 195.69          |
| Depreciation and amortization expense                                                   | 255.61          | 0.79               | 256.40          | -                      | 256.40          |
| Fees to hospitals and others                                                            | 623.24          | -                  | 623.24          | -                      | 623.24          |
| Loss on fair value movement of compulsory convertible preference shares (Refer Note 48) | -               | 955.19             | 955.19          | -                      | 955.19          |
| Other expenses                                                                          | 515.92          | 17.57              | 533.49          | -                      | 533.49          |
| <b>Total expenses</b>                                                                   | <b>1,909.09</b> | <b>1,011.32</b>    | <b>2,920.41</b> | <b>-</b>               | <b>2,920.41</b> |
| <b>Profit /(Loss) before exceptional items and tax</b>                                  | <b>206.39</b>   | <b>(983.65)</b>    | <b>(777.26)</b> | <b>-</b>               | <b>(777.26)</b> |
| Exceptional items                                                                       | -               | -                  | -               | -                      | -               |
| <b>Profit /(Loss) before tax</b>                                                        | <b>206.39</b>   | <b>(983.65)</b>    | <b>(777.26)</b> | <b>-</b>               | <b>(777.26)</b> |
| <b>Tax expense</b>                                                                      |                 |                    |                 |                        |                 |
| Current Tax                                                                             | 39.22           | -                  | 39.22           | -                      | 39.22           |
| Deferred Tax                                                                            | 42.52           | (278.43)           | (235.91)        | -                      | (235.91)        |
| <b>Total income tax expense</b>                                                         | <b>81.74</b>    | <b>(278.43)</b>    | <b>(196.69)</b> | <b>-</b>               | <b>(196.69)</b> |
| <b>Profit for the period</b>                                                            | <b>124.65</b>   | <b>(705.22)</b>    | <b>(580.57)</b> | <b>-</b>               | <b>(580.57)</b> |
| <b>Other comprehensive income</b>                                                       |                 |                    |                 |                        |                 |
| <i>Items that will not be reclassified to profit or loss</i>                            |                 |                    |                 |                        |                 |
| Remeasurement of net defined benefit liability                                          | -               | 0.94               | 0.94            | -                      | 0.94            |
| Income tax effect                                                                       | -               | (0.27)             | (0.27)          | -                      | (0.27)          |
|                                                                                         | -               | 0.67               | 0.67            | -                      | 0.67            |
| <b>Other comprehensive income for the year, net of tax</b>                              | <b>-</b>        | <b>0.67</b>        | <b>0.67</b>     | <b>-</b>               | <b>0.67</b>     |
| <b>Total comprehensive income for the year</b>                                          | <b>124.65</b>   | <b>(704.55)</b>    | <b>(579.90)</b> | <b>-</b>               | <b>(579.90)</b> |

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

**52 Corporate Social Responsibility (CSR)**

|                                   | Period Ended<br>31 March 2021 | Year Ended<br>31 March 2020 | Year Ended<br>31 March 2019 |
|-----------------------------------|-------------------------------|-----------------------------|-----------------------------|
| Gross amount required to be spent | 3.48                          | 2.39                        | 0.83                        |
| Amount spend during the year      | 6.71                          | -                           | -                           |

**Amount spent during the period**

**Particulars**

|                                                  | 31 March 2021 |                        |             |
|--------------------------------------------------|---------------|------------------------|-------------|
|                                                  | In cash       | Yet to be paid in cash | Total       |
| i. construction/acquisition of any asset         |               |                        |             |
| -under control of the Company for future use     | -             | -                      | -           |
| -not under control of the Company for future use | -             | -                      | -           |
| ii. On purpose other than (i) above*             | 6.71          | -                      | 6.71        |
|                                                  | <b>6.71</b>   | <b>-</b>               | <b>6.71</b> |
| Less: Amount capitalized as CSR assets           |               |                        | -           |
|                                                  |               |                        | <b>6.71</b> |

\* Ventilator donated to various Muncipal Corporations

**53 Contingent Liabilities**

|                                                                   | As at<br>31 March 2021 | As at<br>31 March 2020 | As at<br>31 March 2019 |
|-------------------------------------------------------------------|------------------------|------------------------|------------------------|
| Other money for which the Company is contingently liable (Note 1) | 36.50                  | 36.50                  | 36.50                  |
| Dividend (Note 2)                                                 | -                      | -                      | -                      |
| <b>Total</b>                                                      | <b>36.50</b>           | <b>36.50</b>           | <b>36.50</b>           |

Note 1 : The company had availed Bank Gurantee facility of Rs. 334 million with Janata Sahakari bank limited against the property of Mr. Narayan Chighlikar and Mrs. Shubhangi Chighlikar, for which the company had paid the sum of Rs. 36.50 million to Mr. Narayan Chighlikar, the proprietor of Yash Construction.

Note 2 :The shareholders have waived all accrued and future libility with respect to dividend on Series A - CCPS

**Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

- 54 The World Health Organization announced a global health emergency because of a new strain of coronavirus (“COVID-19”) and classified its outbreak as a pandemic on March 11, 2020. On March 24, 2020, the Indian government announced a strict 21-day lockdown across the country to contain the spread of the virus. This pandemic and response thereon have impacted most of the industries. Consequent to the nationwide lock down on March 24, 2020, the Company’s operations were scaled down in compliance with applicable regulatory orders. Subsequently, during the year, the Company’s operations have been scaled up in a phased manner taking into account directives from various Government authorities. The impact on future operations would, to a large extent, depend on how the pandemic further develops and it’s resultant impact on the operations of the Company. The Company continues to monitor the situation and take appropriate action, as considered necessary in due compliance with the applicable regulations.

The management has made an assessment of the impact of COVID-19 on the Company's operations, financial performance and position as at and for the year ended March 31, 2021 and has concluded that no there is no impact which is required to be recognised in the financial statements. Accordingly, no adjustments have been made to the financial statements.

- 55 The Code on Social Security 2020 (‘the Code’) relating to employee benefits, during the employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Company will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.
- 56 The company has subscribed to 99.99% of the equity share capital of six special purpose vehicles (SPV's) namely KDPL Diagnostics (Amritsar) Private Limited, KDPL Diagnostics (Bhatinda) Private Limited, KDPL Diagnostics (Jalandhar) Private Limited, KDPL Diagnostics (Patiala) Private Limited and KDPL Diagnostics (SAS Nagar) Private Limited incorporated on March 24, 2021 and KDPL Diagnostics (Ludhiana) Private Limited incorporated on March 22, 2021.

The Company has remitted the amount towards subscription of share capital in these SPV's on April 12, 2021.



**Krsnaa Diagnostics Limited****(Formerly known as Krsnaa Diagnostics Private Limited)****Annexure 6: Notes to restated financial information**

(Amount in Rupees million except per share data and unless otherwise stated)

- 57** Lokmanya Hospital Medical Stores (LHMS) has entered into an agreement with Rogi Kalyan Samiti (RKS) of Himachal Pradesh (HP) under PPP arrangement (Public Private Partnership) for establishment of diagnostic centres at twelve locations at HP for rendering radiology services which majorly includes services for MRI and CT scan. The Company has entered into agreement with LHMS whereby the services at RKS hospitals at HP are provided by the Company on behalf of LHMS. As per agreement entered between the two, the revenue recognised by rendering services at twelve centres at HP is to be shared between the Company and LHMS in 99:1, but the same is not shared during the year as LHMS has waived off the revenue due to them.
- 58** Previous year figures have been regrouped/ reclassified wherever considered necessary to conform to the figures presented in current period.

The accompanying notes are an integral part of the restated financial information.

As per our report of even date

**For MSKA & Associates**

Chartered Accountants

Firm Registration No.:105047W

For and on behalf of the Board of Directors

**Krsnaa Diagnostics Limited**

CIN:U74900PN2010PLC138068

**Nitin Manohar Juman**

Partner

Membership No: 111700

Place: Pune

Date: July 23, 2021

**Rajendra Mutha**

Chairman

DIN: 01066737

Place: Pune

Date: July 23, 2021

**Pallavi Bhatevara**

Managing Director

DIN: 03600332

Place: Pune

Date: July 23, 2021

**Manisha Chitgopekar**

Company Secretary

M.No:A27816

Place: Pune

Date: July 23, 2021

**Yash Mutha**

Executive Director

DIN: 07285523

Place: Pune

Date: July 23, 2021

**Pawan Daga**

Chief Financial Officer

Place: Pune

Date: July 23, 2021

## OTHER FINANCIAL INFORMATION

### Accounting ratios

The accounting ratios derived from Restated Financial Statements required to be disclosed under the SEBI ICDR Regulations are set forth below:

| (in ₹million, except otherwise stated)                                                                                                                                   |                 |                   |                 |
|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------|-------------------|-----------------|
| Particulars                                                                                                                                                              | Fiscal 2021     | Fiscal 2020       | Fiscal 2019     |
| Restated profit/(loss) for the year (A)                                                                                                                                  | 1,849.29        | (1,119.51)        | (580.57)        |
| Share Issue Expenses debited to securities premium account (B)                                                                                                           | -               | (0.57)            | (40.36)         |
| <b>Restated adjusted Profit/(loss) for the year for Basic EPS (C= A+B)</b>                                                                                               | <b>1,849.29</b> | <b>(1,120.08)</b> | <b>(620.93)</b> |
| Adjustment for (Gain)/loss on fair value movement of compulsory convertible preference share <sup>(1)</sup> (D)                                                          | (2,527.84)      | -                 | -               |
| Deferred tax impact on above (E)                                                                                                                                         | 993.87          | -                 | -               |
| <b>Restated adjusted Profit/(loss) for the year for Diluted EPS (F=C+D+E)</b>                                                                                            | <b>315.33</b>   | <b>(1,120.08)</b> | <b>(620.93)</b> |
| Weighted average number of equity shares for calculating Basic EPS (prior to conversion of Preference Shares, as maybe applicable, and share split) (G)                  | 57,66,062       | 51,63,100         | 51,62,264       |
| Weighted average number of equity shares for calculating Diluted EPS (prior to conversion of Preference Shares, as maybe applicable, and share split) <sup>(1)</sup> (H) | 1,28,66,862     | 51,63,100         | 51,62,264       |
| <b>Restated earnings per share (prior to conversion of Preference Shares, as maybe applicable, and share split):</b>                                                     |                 |                   |                 |
| - Basic (in ₹) [I = C/G]                                                                                                                                                 | 320.72          | (216.94)          | (120.28)        |
| - Diluted (in ₹) [J = F/H]                                                                                                                                               | 24.51           | (216.94)          | (120.28)        |
| Weighted average number of equity shares for calculating Basic EPS (post conversion of Preference Shares, as maybe applicable, and share split) (K)                      | 2,57,33,725     | 2,57,29,720       | 2,57,28,049     |
| Weighted average number of equity shares for calculating Diluted EPS (post conversion of Preference Shares, as maybe applicable, and share split) <sup>(1)</sup> (L)     | 2,57,33,725     | 2,57,29,720       | 2,57,28,049     |
| <b>Restated earnings per share (post conversion of Preference Shares, as maybe applicable, and share split):</b>                                                         |                 |                   |                 |
| - Basic (in ₹) [M = C/K]                                                                                                                                                 | 71.86           | (43.53)           | (24.13)         |
| - Diluted (in ₹) [N = F/L]                                                                                                                                               | 12.25           | (43.53)           | (24.13)         |
| Net Worth (O)                                                                                                                                                            | 2,318.65        | (1,969.77)        | (849.21)        |
| Restated profit/(loss) for the year (A)                                                                                                                                  | 1,849.29        | (1,119.51)        | (580.57)        |
| <b>Return on Net Worth (%) (Q = A / O)</b>                                                                                                                               | <b>79.76%</b>   | <b>(56.83%)</b>   | <b>(68.37%)</b> |
| Net Worth (O)                                                                                                                                                            | 2,318.65        | (1,969.77)        | (849.21)        |
| Number of equity shares (prior to conversion of Preference Shares, as maybe applicable, and share split) (R)                                                             | 64,94,964       | 51,63,100         | 51,63,100       |
| <b>Net asset value per share of ₹10 each (₹) (prior to conversion of Preference Shares, as maybe applicable, and share split) (S = O / R)</b>                            | <b>356.99</b>   | <b>(381.51)</b>   | <b>(164.48)</b> |
| Number of equity shares (post conversion of Preference Shares, as maybe applicable, and share split) (T)                                                                 | 2,71,91,528     | 2,57,29,720       | 2,57,29,720     |
| <b>Net asset value per share of ₹5 each (₹) (post conversion of Series B CCCPS and share split) (U = O / T)</b>                                                          | <b>85.27</b>    | <b>(76.56)</b>    | <b>(33.00)</b>  |
| EBITDA (V)                                                                                                                                                               | 3,588.31        | (1,012.57)        | (325.17)        |

|                                                                                    |                 |               |               |
|------------------------------------------------------------------------------------|-----------------|---------------|---------------|
| Adjustments for:                                                                   |                 |               |               |
| Add: Loss on fair value movement of compulsorily convertible preference shares (W) | 0.00            | 1,770.31      | 955.19        |
| Less: Gain on fair value movement of Compulsorily Convertible Preference Share (X) | 2,527.84        | -             | -             |
| <b>Adjusted EBITDA (Y = V+W-X)</b>                                                 | <b>1,060.47</b> | <b>757.74</b> | <b>630.02</b> |

**Notes:**

1. Since conversion of compulsory convertible preference shares would decrease loss per share, these are anti-dilutive in nature and thus the effects of anti-dilutive potential equity shares are ignored in calculating profit/(loss) for the purpose of diluted earnings per share. However, the same are considered in calculating EPS for the year ended March 31, 2021 as the effect is not anti-dilutive. Further, adjustment of ESOP expenses are not considered in calculating profit/(loss) for the purpose of diluted earnings per share as the ESOP's are anti-dilutive as the exercise price is out of money.
2. Pursuant to Shareholder's resolution passed at the Extraordinary General Meeting held on April 25, 2021 the equity share capital (Authorised, Issued and Paid-up) of the Company was subdivided from ₹10.00 each to equity shares of ₹5.00 each. Accordingly, the calculation above reflect the effect of share split retrospectively for all periods presented.
3. Pursuant to resolution passed at the meeting of Board of Director's held on March 23, 2021, CCCPS - Series B was converted into equity shares in the ratio of 1:1. Accordingly, the calculation above reflects the effect of conversion retrospectively for Fiscals 2020 and 2019. Further, pursuant to resolution passed at the meeting of Board of Director's held on July 23, 2021, CCPS - Series A and CCPS - Series C were converted into equity shares in the ratio of 2:1. Accordingly, the calculation above reflects the effect of conversion retrospectively for all periods presented.
4. The figures disclosed above is based on Restated Financial Statements.
5. The above ratios are calculated as under:
  - a) Basic earnings per share (₹) =  $\frac{\text{Net Profit/(loss) after tax attributable to equity shareholders, as restated}}{\text{Weighted average number of equity share outstanding during the period}}$
  - b) Diluted earnings per share (₹) =  $\frac{\text{Net Profit/(loss) after tax attributable to equity shareholders adjusted for effect of dilution, as restated}}{\text{Weighted average number of dilutive equity share outstanding during the period}}$
  - c) Return on net worth (%) =  $\frac{\text{Net Profit/(loss) after tax attributable to equity shareholders, as restated}}{\text{Net worth as restated as at period end}}$
  - d) Net asset value per share (₹) =  $\frac{\text{Net worth, as restated, at the end of the period/year}}{\text{Number of equity shares outstanding at the end of the period}}$
6. Weighted average number of equity shares is the number of equity shares outstanding at the beginning of the year adjusted by the number of equity shares issued during the year multiplied by the time weighting factor. The time weighting factor is the number of days for which the specific shares are outstanding as a proportion of total number of days during the year.
7. Net worth for the ratios represents sum of equity share capital, instruments entirely equity in nature and other equity which comprises of Employee Stock options outstanding account, securities premium, surplus/(deficit) in the Statement of Profit and Loss and other reserves, as restated.

**Other financial statements**

In accordance with the SEBI ICDR Regulations, the audited standalone financial statements of our Company for Fiscals 2021, 2020 and 2019 (collectively, the “**Audited Financial Statements**”) are available on our website at [www.krsnaadiagnostics.com/investor/](http://www.krsnaadiagnostics.com/investor/). Our Company is providing a link to this website solely to comply with the requirements specified in the SEBI ICDR Regulations. The Audited Financial Statements do not constitute, (i) a part of this Prospectus; or (ii) a prospectus, a statement in lieu of a prospectus, an offering circular, an offering memorandum, an advertisement, an offer or a solicitation of any offer or an offer document to purchase or sell any securities under the Companies Act, the SEBI ICDR Regulations, or any other applicable law in India or elsewhere. The Audited Financial Statements should not be considered as part of information that any investor should consider subscribing for or purchase any securities of our Company or any entity in which our Shareholders have significant influence (collectively, the “**Group**”) and should not be relied upon or used as a basis for any investment decision. None of the Group or any of its advisors, nor BRLMs or the Selling Shareholders, nor any of their respective employees, directors, affiliates, agents or representatives accept any liability whatsoever for any loss, direct or indirect, arising from any information presented or contained in the Audited Financial Statements, or the opinions expressed therein.

***Related party transactions***

For details of the related party transactions, as per the requirements under applicable Accounting Standards, i.e., Ind AS 24 'Related Party Disclosures' for as at and for the years ended March 31, 2021, March 31, 2020 and March 31, 2019 and as reported in the Restated Financial Statements, see "*Restated Financial Statements – Related Party Disclosures*" on page 258.

## CAPITALISATION STATEMENT

The following table sets forth our Company's capitalization as at March 31, 2021, on the basis of our Restated Financial Statements, and as adjusted for the Offer. This table should be read in conjunction with the sections "Management's Discussion and Analysis of Financial Position and Results of Operations", "Financial Information" and "Risk Factors" on pages 288, 201 and 24, respectively.

| (₹ in million, except ratios)                         |                                |                                                  |
|-------------------------------------------------------|--------------------------------|--------------------------------------------------|
| Particulars                                           | Pre-Offer as at March 31, 2021 | As adjusted for the proposed Offer <sup>##</sup> |
| <b>Total Borrowings</b>                               |                                |                                                  |
| Current borrowings*                                   | 347.44                         | 347.44                                           |
| Non-Current borrowings (including current maturity) * | 1,970.35                       | 1,970.35                                         |
| <b>Total borrowings (A)</b>                           | <b>2,317.79</b>                | <b>2,317.79</b>                                  |
| <b>Total Equity</b>                                   |                                |                                                  |
| Share Capital*                                        | 64.95                          | 157.04                                           |
| Instruments entirely equity in nature*#               | 2,423.90                       | -                                                |
| Other Equity*                                         | (170.20)                       | 6,161.61                                         |
| <b>Total equity (B)</b>                               | <b>2,318.65</b>                | <b>6,318.65</b>                                  |
| <b>Total capital (A+B)</b>                            | <b>4,636.44</b>                | <b>8,636.44</b>                                  |
| <b>Ratio: Non-Current borrowings/total equity</b>     | <b>0.85</b>                    | <b>0.31</b>                                      |

The above information has been extracted from the Restated Financial Statements of Krsnaa Diagnostics Limited ('the Company') prepared in connection with the proposed initial public offering of equity shares of the Company ('the Offer'). The Restated Financial Statements were approved by the IPO Committee of our Board of Directors on July 23, 2021.

\* The above terms carry the meaning as per division II of Schedule III to the Companies Act, 2013 (as amended).

# Instruments entirely equity in nature represents sum total of Series A Compulsory Convertible Preference Share and Series C Compulsory Convertible Preference Shares.

## The corresponding post Offer capitalisation data has been effected for conversion of Series A Compulsory Convertible Preference Share and Series C Compulsory Convertible Preference Shares and the Offer only. No other changes have been considered.

### Changes in the share capital since March 31, 2021

The Company, pursuant to Shareholders' resolution dated April 25, 2021, sub-divided its equity share capital by sub-dividing the face value of the Equity Shares from ₹10 to ₹5 per Equity Share. Accordingly, the issued and paid-up capital of our Company was sub-divided from 6,494,964 Equity Shares of ₹10 each to 12,989,928 Equity Shares of ₹5 each. Additionally, pursuant to the resolution dated July 23, 2021 passed by the Board of Directors, a cumulative of 7,100,800 CCPS, which were outstanding as on the date of the filing of the DRHP, were converted into an aggregate of 14,201,600 Equity Shares and allotted to the holders of the CCPS by the Company.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL POSITION AND RESULTS OF OPERATIONS

*The following discussion of our financial condition and results of operations should be read in conjunction with our Restated Financial Statements on page 201.*

*This Prospectus may include forward-looking statements that involve risks and uncertainties, and our actual financial performance may materially vary from the conditions contemplated in such forward-looking statements as a result of various factors, including those described below and elsewhere in this Prospectus. For further information, see "Forward-Looking Statements" on page 17. Also read "Risk Factors" and "Significant Factors Affecting our Results of Operations" on pages 24 and 291, respectively, for a discussion of certain factors that may affect our business, financial condition or results of operations.*

*Unless otherwise indicated or the context otherwise requires, the financial information for Fiscals 2019, 2020 and 2021 included herein is derived from the Restated Financial Statements, included in this Prospectus, which have been derived from our audited financial statements and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended from time to time, which differ in certain material respects from IFRS, U.S. GAAP and GAAP in other countries. For further information, see "Restated Financial Statements" on page 201. Unless otherwise indicated or the context otherwise requires, in this section, references to "the Company", "our Company", "we", "us" or "our", are to Krsnaa Diagnostics Limited.*

*Unless otherwise indicated, industry and market data used in this section has been derived from the report titled "Assessment of the diagnostic industry in India with a special focus on government spending" dated July 2021 (the "CRISIL Report") exclusively prepared and issued by CRISIL Limited commissioned by and paid for by us in connection with the Offer. Unless otherwise indicated, all financial, operational, industry and other related information derived from the CRISIL Report and included herein with respect to any particular year refers to such information for the relevant calendar year. See also, "Risk Factors – Industry information included in this Prospectus has been derived from the CRISIL Report prepared by CRISIL Limited and exclusively commissioned and paid for by our Company for such purpose. There can be no assurance that such third-party statistical, financial and other industry information is either complete or accurate." on page 42.*

### OVERVIEW

We are one of the largest differentiated diagnostic service provider in India (Source: CRISIL Report). We provide a range of technology-enabled diagnostic services such as imaging (including radiology), pathology/clinical laboratory and tele-radiology services to public and private hospitals, medical colleges and community health centres pan-India. We are the fastest growing diagnostic chain in India on multiple parameters including operating income, operating profit before depreciation, interest and tax ("OPBDIT") and profit after tax between Fiscal 2017 and Fiscal 2020 and volume of tests conducted between Fiscal 2018 and Fiscal 2021 (amongst players with revenues exceeding ₹1,500 million) (Source: CRISIL Report). According to CRISIL Report, we also operate one of India's largest tele-radiology reporting hubs in Pune that is able to process large volumes of X-rays, CT scans and MRI scans round the clock and 365 days a year, and allows us to serve patients in remote locations where diagnostic facilities are limited. We provide quality and inclusive diagnostic services at affordable rates across various segments. Since inception, we have served more than 23 million patients.

We focus on the public private partnership ("PPP") diagnostics segment and have the largest presence in the diagnostic PPP segment (Source: CRISIL Report). Our PPP agreements are typically long-term in nature and ensure predictability of our revenues from operations. Our continued focus on this segment has led us to become a preferred partner for public health agencies, resulting in, since commencement of operations, 77.59% of all tenders (by number) we have bid for being granted to us. As of June 30, 2021, we have deployed 1,797 diagnostic centres pursuant to PPP agreements with public health agencies. In addition to the PPP segment, we have been growing our collaboration with private healthcare providers to operate diagnostic centres within their facilities, and have expanded from operating 14 diagnostic centres, as of March 31, 2019 to 17 diagnostic centres, as of March 31, 2020 and to 20 diagnostic centres as of March 31, 2021 while we operated 26 such diagnostic centres as of June 30, 2021.

We have an extensive network of integrated diagnostic centres across India primarily in non-metro and lower tier cities and towns. As of June 30, 2021, we operated 1,823 diagnostic centres offering radiology and pathology services in 13 states across India. Our operating model involves diagnostic centres operated under a hospital-

partnership model. These diagnostic centres are located within existing facilities of public and private hospitals or community health centres, and operated pursuant to arrangements with public health agencies and private healthcare providers. In Fiscal 2021 and in the three months ended June 30, 2021, we served 5.18 million patients and 1.88 million patients, respectively. In line with our focus of providing inclusive and affordable services, we offer our diagnostic services at competitive rates and at significantly lower rates than players with revenues exceeding ₹1,500 million (*Source: CRISIL Report*). For example, our radiology tests are priced 45% – 60% lower than market rates while pathology tests are 40% – 80% lower than market rates (*Source: CRISIL Report*). We believe that our brand is associated with quality diagnostic and healthcare services at affordable rates.

We offer a range of diagnostics imaging services and clinical laboratory tests that include both routine and specialized tests / studies and profiles, which are used for prediction, early detection, diagnostic screening, confirmation and/or monitoring of diseases. Our diagnostic imaging/radiology services include conducting X-rays, computed tomography (“CT”) scans, magnetic resonance imaging (“MRI”) scans, ultrasounds, bone mineral densitometry and mammography. In our pathology segment, our primary focus includes biochemistry, haematology, clinical pathology, histopathology and cytopathology, microbiology, serology and immunology. A suite of diagnostic equipment is located at our tele-radiology hub along with a team of radiologists which provide us significant operating efficiencies and scalability.

As of June 30, 2021, we had a team of 190 radiologists, 30 pathologists, eight microbiologists and more than 2,800 qualified professionals including clinicians, technicians and operators. We continue to make investments in equipment and in our technology platform, to ensure they meet requisite industry standards and accreditations like NABL and NABH. Our diagnostic equipment is procured from leading OEMs including Wipro GE Healthcare Private Limited, Siemens Healthcare Private Limited, Fujifilm India Private Limited, HORIBA India Private Limited and Agappe Diagnostics Limited. Our equipment is covered by comprehensive maintenance contracts with our OEM suppliers to ensure requisite equipment uptime and regular servicing and calibration. In our pathology segment, we obtain quality assessment reports and undertake comparison of results across our diagnostic centres.

Certain key operational performance indicators in relation to our business operations are set out below:

| Parameters                                                        | As of and for the year ended March 31, |           |           | As of and for the three months ended June 30, 2021 |
|-------------------------------------------------------------------|----------------------------------------|-----------|-----------|----------------------------------------------------|
|                                                                   | 2019                                   | 2020      | 2021      |                                                    |
| <b>Operational Parameters</b>                                     |                                        |           |           |                                                    |
| Diagnostic Centres                                                |                                        |           |           |                                                    |
| - Radiology                                                       | 833                                    | 897       | 1,365     | 1,370                                              |
| - Pathology (including Collection Centres and Processing Centres) | 440                                    | 455       | 465       | 487                                                |
| Collection Centres                                                | 409                                    | 422       | 425       | 443                                                |
| Processing Centres                                                | 31                                     | 33        | 40        | 44                                                 |
| Tests Conducted                                                   |                                        |           |           |                                                    |
| - Radiology                                                       | 1,950,356                              | 3,476,253 | 3,054,032 | 790,198                                            |
| - Pathology                                                       | 5,441,779                              | 7,176,459 | 6,319,285 | 2,803,747                                          |
| Equipment                                                         |                                        |           |           |                                                    |
| - CT Scan                                                         | 44                                     | 53        | 62        | 62                                                 |
| - X-Ray                                                           | 804                                    | 860       | 876       | 937                                                |
| - MRI                                                             | 18                                     | 23        | 26        | 27                                                 |

Certain key financial performance indicators in relation to our business operations are set out below:

| Parameters                                    | As of and for the year ended March 31, |          |          |
|-----------------------------------------------|----------------------------------------|----------|----------|
|                                               | 2019                                   | 2020     | 2021     |
| <b>Financial Parameters</b>                   |                                        |          |          |
| Revenue from operations (net) (₹ million)     | 2,092.35                               | 2,584.27 | 3,964.56 |
| - Contracts with Public Health Agencies       | 1,506.61                               | 1,884.34 | 2,675.70 |
| - Contracts with Private Healthcare Providers | 585.74                                 | 699.93   | 1,288.86 |
| Revenue from operations (net) (%)             |                                        |          |          |

| Parameters                               | As of and for the year ended March 31, |        |          |
|------------------------------------------|----------------------------------------|--------|----------|
|                                          | 2019                                   | 2020   | 2021     |
| - Public Health Agencies                 | 72.01%                                 | 72.92% | 67.49%   |
| - Private Healthcare Providers           | 27.99%                                 | 27.08% | 32.51%   |
| Adjusted EBITDA <sup>#</sup> (₹ million) | 630.02                                 | 757.74 | 1,060.47 |
| Adjusted EBITDA Margin <sup>##</sup>     | 29.40%                                 | 27.92% | 25.95%   |

Notes:

*Adjusted EBITDA means profit / (loss) for the period plus income tax expense plus finance costs plus depreciation and amortization expenses plus loss / (gain) on fair value movement of Compulsory Convertible Preference Shares.*

*Adjusted EBITDA Margin means Adjusted EBITDA divided by Adjusted Total Income.*

Our experienced and qualified management team has contributed to our significant growth over the years. Our Promoter, Executive Chairman and Whole-time Director, Rajendra Mutha, has considerable experience in the healthcare industry, and has been associated with our Company since inception. Our business is ably supported by an experienced team of professionals including our Managing Director, Pallavi Bhatevara and Whole-time Director, Yash Mutha, who have helped to significantly expand our operations.

The PPP segment of healthcare services is a large target market, representing a market opportunity of ₹95 billion – ₹100 billion in Fiscal 2021. Going forward, this market is expected to grow at a CAGR of 14% and 17% between Fiscal 2021 and 2023 to reach ₹125 billion and ₹135 billion on the back of higher government spending in the PPP segment (*Source: CRISIL Report*). Given our track-record of operating in the PPP segment, we believe that we are well positioned to benefit from the significant growth opportunity in this segment. We intend to further grow our business and operations organically by entering into partnership arrangements with public health agencies, private hospitals, medical colleges and community health centres as well as inorganically through value-enhancing acquisitions to consolidate our business and our leadership position. We will continue to expand our network of diagnostic centres in existing and new territories and add new services as we grow our operations. We believe this will allow us to leverage increasing operating synergies and benefit from economies of scale, to drive earnings growth, margin improvement, and increasing return on capital invested.

## PRESENTATION OF FINANCIAL INFORMATION

Our restated financial statements comprise the restated statement of assets and liabilities as at March 31, 2019, 2020 and 2021, and the restated statement of profit and loss (including other comprehensive income), cash flows and changes in equity for the year ended March 31, 2019, 2020 and 2021, together with the summary statement of significant accounting policies and other explanatory information thereon (collectively, the “**Restated Financial Statements**”), and has been derived from: (i) our audited financial statements of our Company as of and for the year ended March 31, 2021 prepared under Ind AS; (ii) our audited special purpose financial statements of our Company as of and for the year ended March 31, 2020 prepared under Ind AS; and (iii) audited financial statements of our Company as of and for the year ended March 31, 2019 prepared under the previous generally accepted accounting principles followed in India on which Ind AS adjustments following accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. April 1, 2019), and restated in accordance with the SEBI ICDR Regulations and the Guidance Note on Reports in Company Prospectuses (Revised 2019) issued by the ICAI, as amended. Our Company has followed the same accounting policy choices (both mandatory exceptions and optional exemptions) as per Ind AS 101 as initially adopted on transition date i.e., April 1, 2019. For the purpose of Ind AS financial information as of and for the years ended March 31, 2019, our Company has Accordingly, suitable restatement adjustments (both remeasurements and reclassifications) in the accounting heads were made to the Ind AS financial information as of and for the years ended March 31, 2019 following accounting policy choices (both mandatory exceptions and optional exemptions) consistent with that used at the date of transition to Ind AS (i.e. 1 April 2019).

### **Transition from Indian GAAP to Ind AS Financial Statements**

The financial statements for the year ended March 31, 2021, were the first financial statements of our Company that have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2020, our Company prepared its financial statements in accordance with Indian GAAP. Accordingly, our Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2021 and March 31, 2020. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, our Company has presented a reconciliation from the presentation of Restated Financial Statements under accounting standards notified under Indian GAAP to Ind AS of the restated statement of assets and liabilities as of March 31, 2020, April 01, 2019 and of the restated statement of profit and loss for the year ended March 31, 2020. For further information, see “*Restated Financial Statements – Annexure 6 – Note 51(B)*” on page 269.



## **SIGNIFICANT FACTORS AFFECTING OUR RESULTS OF OPERATIONS AND FINANCIAL CONDITION**

### ***Number of patients and diagnostic services***

The number of patients we serve and the number of diagnostic services we offer are among the most significant factors affecting our revenues. Our core focus has been to provide quality and reliable diagnostic services at affordable prices. We served 3.25 million patients in Fiscal 2019 which increased to 5.27 million patients in Fiscal 2020, and served 5.18 million patients in Fiscal 2021. In Fiscals 2019, 2020 and 2021, we conducted 1,950,356, 3,476,253 and 3,054,032 radiology tests, respectively, and 5,441,779, 7,176,459 and 6,319,285 pathology tests, respectively. We offer a comprehensive range of diagnostics imaging services including tele-radiology services and clinical laboratory tests that include both routine and specialized tests / studies and profiles, which are used for prediction, early detection, diagnostic screening, confirmation and/or monitoring of diseases. As of June 30, 2021, we offered 1,394 kinds of radiology tests and 2,544 kinds of pathology tests through our network of diagnostic centres. We believe that the increasing prescription of diagnostic tests and services by healthcare providers in India, increased awareness and spend on preventive care and wellness tests and a shift from the unorganized players to the organized players in the Indian diagnostic market will create a significant market opportunity for us.

We operate all our diagnostic centres within public and private healthcare facilities under the hospital partnership model and our operations are dependent on the captive patient base of such facilities. We do not operate any standalone diagnostic centres and do not offer referral commissions to private clinics and healthcare professionals to refer patients to our diagnostic centres. Considering the captive patient base of public and private healthcare facilities, we therefore have better visibility on revenue streams. Any decline in the number of patients at such facilities may result in a decline in the number of our patients and demand for services we offer. We, however, also enter into arrangements with certain hospitals and laboratories for referral of their patients to our diagnostic centre.

The number of patients we serve and the number of diagnostic tests we perform are also dependent on our ability to maintain the reputation of our *Krsnaa* brand, which could be impacted by several factors, including our ability to maintain and improve the quality and efficiency of our existing diagnostic healthcare services, turnaround time and patient satisfaction standards, introduce new tests and services with the same levels of quality and efficiency and maintaining strong relationships with healthcare professionals and other healthcare providers. While we expect to serve a higher number of patients in the future, the diagnostics industry in India is highly competitive and increasing market share and profitability is challenging. Consequently, our ability to grow our business operations and further improve our financial performance depends on our ability to successfully compete in the industry and attract new patients.

Further, the diagnostic healthcare services industry is subject to constant innovations in, and improvements to tests and services, testing equipment, processes and technologies. Our success in continuing to introduce new tests, technology and services depends on our ability to contract with equipment vendors and test developers on favourable terms, as well as our employees' ability to familiarise themselves with the new equipment or technology and accurately interpret tests. In addition, in order to maintain our position in our industry, we must continue to anticipate and keep abreast of the demands and needs of our patients through investing in technologies to develop new tests and services and improve existing tests and services.

### ***Bidding capabilities and relationships with public health agencies***

The government-led PPP model for diagnostic services involves players entering into a PPP agreements with the public health agencies to provide specific diagnostic services for a specific concession period at predefined rates. In a PPP model, government contributions can vary from providing land lease, upfront capital infusion, to giving financial concessions on the capital infused by the private players. As a provider, the government can contribute towards building infrastructure and managing operations of hospitals and diagnostic centres and, as a payer, it can pay for healthcare services provided by the private sector (*Source: CRISIL Report*).

The diagnostic centres we set up and operate are pursuant to agreements on a PPP basis in India that have been awarded primarily through a competitive bidding process. This process involves pre-qualifying for bids based on the company's service quality, technological capacity and performance, health and safety records and personnel, as well as reputation and experience and sufficiency of financial resources. Once prospective bidders satisfy the qualification requirements of the tender, the contract for establishing the diagnostic centre is usually awarded

based on the quote by the prospective bidder. We spend considerable time and resources in the preparation and submission of bids. The growth of our business mainly depends on our ability to obtain new contracts to deploy diagnostic centres. Our future results of operations and cash flows can fluctuate materially depending on the timing of contract awards. Further, all our ongoing contracts have been awarded to us for a definite term and the relevant authorities may float tenders for re-establishment of such diagnostic centres after expiry of the current term.

We enter into agreements with public health agencies to establish and operate onsite diagnostic centres at existing healthcare facilities. A substantial portion of our revenue from operations depend on payments under such agreements with public health agencies. Revenue from sale of service to public health agencies was ₹1,506.61 million, ₹1,884.34 million and ₹2,675.70 million in Fiscals 2019, 2020 and 2021 and represented 72.01%, 72.92% and 67.49% of our total revenue from operations in similar periods, respectively. Accordingly, our future success is dependent, in part, on our ability to maintain good relationships with public health agencies. Competition from other diagnostic laboratories in a particular region may impact our relationships with, or ability to negotiate fee increases or other favourable terms from such public health agencies.

Our PPP agreements to set up diagnostic centres for our radiology and pathology services are typically long-term contracts that ensure visibility of revenues for our operations. The term of our contracts with public health agencies ranges between two years and 10 years and include a term extension clause for another two to five years. Pursuant to the terms of our contractual agreements, the medical facility typically provides rent-free space and access to its utilities and other infrastructure, and we provide the diagnostic equipment and are responsible for all costs relating to personnel, transportation of samples and maintenance of the diagnostic centre. The agreements also include price escalation clauses that allow us to revise the rates for our services periodically during the tenure of the contract.

#### ***Expansion of our network of diagnostic centres***

Our financial performance and results of operations depend on the effectiveness of the geographic reach of our network. We operate an extensive network of integrated diagnostic centres across India and as of June 30, 2020, operated over 1,800 diagnostic centres offering both radiology and pathology services across 13 states in India. We intend to expand our presence to additional regions in India and also consolidate our presence in regions where we currently operate, while maintaining the quality of the services we offer. We also intend to explore opportunities for expansion of our operations outside India. New diagnostic centres we establish increases the number of patients served and contributes to our revenue growth. The new diagnostic centres we set up undergoes an initial ramp-up period between two and six months, during which period operating expenses for a new centre exceeds revenues generated by it resulting in an operating loss. In addition, while we maintain equipment and staff at our diagnostic centres, our tele-radiology services allow us operating leverage and scalability with additional radiologists and doctors operating from the hub. Our ability to maintain and expand our network of diagnostic centres, collection centres and processing centres in a cost effective and efficient manner has had, and we expect will continue to have, an impact on our financial performance and results of operation.

#### ***Relationship with our suppliers governing our cost of equipment, analysers, reagents and diagnostic kits***

We depend on third-party vendors and suppliers to procure our imaging equipment, testing equipment and reagents and we enter into contractual arrangements with them. Our key suppliers include manufacturers of imaging equipment, automated analysers, reagents and diagnostic kits. We believe we maintain strong relationship with equipment vendors that ensures quicker deployment of machinery, advantageous asset pricing and fleet wide maintenance. Any reductions or interruptions in the supply of equipment or reagents, defects in equipment, reagent and test kits and an inability on our part to find alternate sources for the procurement of such items, may have an adverse effect on our ability to provide our services in a timely or cost effective manner. Moreover, the procurement cost of foreign produced testing equipment and reagents may increase due to depreciation of Indian Rupee, and the suppliers may therefore demand to re-negotiate the supply contracts with us.

Further, the agreements under which we procure our testing equipment and reagents have minimum offtake requirements and we are required to purchase certain minimum quantities of or value of purchases from the suppliers with whom we have contracted. Any disruption in our business could result in us not meeting our minimum purchase obligations under these agreements resulting in an event of default, which could potentially disrupt our supply of reagents, and adversely affect our business, results of operations and financial condition.

### ***Periods of disease outbreaks and the impact of COVID-19 pandemic***

Our revenues and results of operations have fluctuated in the past and may continue to fluctuate significantly due to periods of disease outbreaks. Diagnostic healthcare testing volumes typically increase during the monsoon season, when there is a greater prevalence of malaria and dengue, as well as gastrointestinal and respiratory diseases. The increased prevalence of a particular virus or other pathogen in the general population often causes an increased demand for specific diagnostic healthcare testing for that virus, such as the COVID-19 pandemic. However, certain of our expenses are less impacted by fluctuations in demand, as a certain portion of our costs and expenses such as employee benefits expenses, electricity, other expenses are fixed, unlike our costs of medical consumables and reporting charges. As a result of such seasonal and other factors, we experience fluctuations and we expect such seasonal patterns in our results of operations to continue in the foreseeable future.

Due to the COVID-19 pandemic, we have experienced significant volatility, including periods of material decline compared to prior year periods, in testing volume in our base business (which excludes COVID-PCR molecular pathology testing to diagnose the virus) and this volatility, including periods of material decline, could continue. Although we also have experienced heavy demand for PCR testing as a result of the COVID-19 pandemic, which has had a positive impact on our overall testing volume, the duration and level of the demand for, COVID-19 molecular testing is uncertain. We may also experience an adverse impact on supply chain disruptions, including shortages, delays and price increases in testing equipment and supplies, as a result of the impact of the COVID-19 pandemic.

The further spread of COVID-19, including the rise of variants, and our Company's initiatives to help limit the spread of the illness, will impact our Company's ability to carry out its business as usual, which could materially adversely impact its business and financial condition. We have incurred additional costs in order to provide for the safety of our employees and the continuity of our operations, including increased frequency of deep cleaning and sanitation at each of our diagnostic centres, additional safety training and processes, enhanced hygiene practices and materials, flexible and remote working where possible, and allowing for greater social distancing for our employees who must work on-site. In addition, the further spread has also resulted in a strain on our resources with increased testing and processing requirements and our ability to meet such requirements given our existing infrastructure.

The full extent to which COVID-19 will directly or indirectly impact our business, financial condition, and results of operations will depend on future developments that are highly uncertain and cannot be accurately predicted, including new information that may emerge concerning COVID-19, the ability to effectively and comprehensively administer COVID-19 vaccines across India, the actions taken to contain it or treat its impact and the economic impact on local, regional, national and international markets. We will continue to assess the potential impact of the COVID-19 pandemic on our business, financial condition, and results of operations.

### ***Depreciation, repairs and maintenance of our equipment***

The nature of the diagnostic imaging services and clinical laboratory tests we provide, requires us to invest in technologically sophisticated equipment. Such equipment is generally expensive and purchases of and upgrades to such equipment form a major component of our annual capital expenditure. Medical equipment also forms a substantial part of our fixed assets, which results in significant associated depreciation cost. In Fiscals 2019, 2020 and 2021, depreciation and amortisation expenses represented ₹256.40 million, ₹324.11 million and ₹374.39 million and 8.78%, 7.54% and 10.23%, respectively, of our total expenses.

The timely and effective maintenance of our equipment and instruments is essential for the efficient operation of our diagnostic equipment. Purchased equipment typically has a 12 month – 36 month supplier warranty for any defects, malfunctions and any required repairs required. However, upon the expiry of the warranty period, repairs and maintenance are in most cases carried out pursuant to annual maintenance contracts with equipment vendors, and as a result, our repairs and maintenance expenses may increase significantly at the end of such warranty period. Further, as we expand our network and purchase additional equipment, we expect our repairs and maintenance expenses to increase significantly in the future upon such equipment coming out of the warranty period.

### ***Finance costs***

Our operations are partly funded by debt and increases in interest rate and a consequent increase in the cost of servicing such debt may have an adverse effect on our results of operations and financial condition. As of March

31, 2021, our total outstanding borrowings amounted to ₹2,317.79 million. Changes in prevailing interest rates affect our interest expense in respect of our borrowings.

Our business also requires significant amount of working capital primarily as a considerable amount of time passes in establishment of a diagnostic centre, purchase of equipment and generating revenues from the testing services we undertake. Further, we require a substantial amount of capital and will continue to incur significant expenditure in maintaining and growing our existing infrastructure. In Fiscals 2019, 2020 and 2021, our capital expenditure towards additions to fixed assets (property, plant and equipment's, capital work in progress, intangible asset under development and intangible assets) were ₹1,037.49 million, ₹519.00 million and ₹679.45 million, respectively. Our future success depends on our ability to continue to secure and successfully manage sufficient amounts of working capital.

### ***Performance of healthcare industry in India and changes in government regulations and policies***

Our business is substantially dependent on the performance and factors impacting the Indian healthcare industry, including the general economic conditions, demographic changes, the rate of expansion of health insurance coverage in India, as well as the number of and healthcare costs associates with uninsured and underinsured patients, and the seasonal cycles of illness as a function of varying climate, weather conditions and disease outbreaks. We are also impacted by various challenges currently faced by the Indian healthcare industry, including the provision of quality patient care at affordable costs. To address these, the National Health Mission has introduced the 'Free Diagnostic Service' initiative which has been vital in boosting the PPP model in diagnostic services. The initiative was announced in the Union Budget of fiscal 2015 to tackle the issue of high out-of-pocket expenses on diagnostic services. The objective of this initiative is to ensure availability and access to essential diagnostic tests at public health facilities in order to reduce direct costs and out of pocket expenditure incurred by economically weak patients. The government-led PPP model for diagnostic is meant to improve health facilities and facilitate accessible healthcare to all, especially to the bottom of the pyramid and thereby creating potential for PPP model of diagnostics in underpenetrated rural India. (Source: CRISIL Report).

We are subjected to, and affected by, extensive, stringent and frequently changing laws and regulations, as well as frequently changing enforcement regimes, including, laws and regulations requiring: (i) certification or licensing of diagnostic centres; (ii) sampling conducted by medical doctors or duly authorised personnel; (iii) compliance with operational, personnel and quality requirements relating to clinical laboratory testing, including quality control audits by regulatory authorities to which we are periodically subject; (iv) establishment of safety and health standards for employees of diagnostic centres; (v) proper handling, transportation and disposal of medical samples, infectious and hazardous waste; (vi) compliance with certain rules regulating relationships with doctors and hospitals (including laws and regulations prohibiting kickbacks and regulating gifts or fringe benefits); and (vi) maintaining the privacy of patient data. In addition, we are subject to Indian laws and regulations relating to the protection of the environment, human health and safety, and laws and regulations relating to the handling, transportation and disposal of medical specimens, infectious and hazardous waste and radioactive materials. All our diagnostic centres are subject to applicable laws and regulations relating to biohazard disposal of all laboratory specimens. For further information, see "Key Regulations and Policies in India" on page 163.

Adverse changes in the applicable laws and regulations or inability to comply with such laws and regulations or inability to maintain new or secure required permits, licences or other necessary regulatory approvals, could result in a damage to our reputation, adversely affect our important relationships with contract clients or other third parties and have a material adverse effect on our business, results of operations, financial condition and prospects.

## **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### ***Revenue Recognition***

Revenue is primarily generated from radiology, pathology services and tele-reporting services.

Revenue is measured at the fair value of the consideration received or receivable. Revenue is recognised at a point in time when our Company satisfies performance obligations by transferring the promised services to its customers. Generally, each test represents a separate performance obligation for which revenue is recognised when the test report is generated i.e. when the performance obligation is satisfied.

Our Company has assessed that it is primarily responsible for fulfilling the performance obligation and has no agency relationships. Accordingly the revenue has been recognised at the gross amount and fees to hospitals and others has been recognised as an expense.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

A contract liability is the obligation to transfer services to a customer for which our Company has received consideration from the customer. If a customer pays consideration before our Company transfers services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when our Company performs under the contract.

#### *Other Income*

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

Dividends are recognized in statement of profit and loss on the date on which our Company's right to receive payment is established.

#### ***Property, plant and equipment***

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to our Company and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

#### ***Depreciation methods, estimated useful lives***

Our Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

| <b>Property, plant and equipment</b>                         | <b>Life used by Company</b> | <b>Life as per Schedule II</b> |
|--------------------------------------------------------------|-----------------------------|--------------------------------|
| Plant & Machinery                                            | 13 years                    | 15 years                       |
| Furniture and Fixtures                                       | 10 years                    | 10 years                       |
| Office Equipment                                             | 5 years                     | 5 years                        |
| Vehicle                                                      | 8 years                     | 8 years                        |
| Computers (End user devices such as, desktops, laptops etc.) | 3 years                     | 3 years                        |

Leasehold improvements are amortised over the estimated useful economic life i.e. the duration of lease (ranging from 5 to 10 years)

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under ‘Other Income’.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

### ***Other Intangible Assets***

Intangible assets are stated at acquisition cost, net of accumulated amortization.

Our Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

| <b>Intangible assets</b> |         |
|--------------------------|---------|
| Computer Software        | 6 years |

Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

### ***Foreign Currency Transactions***

#### *Functional and presentation currency*

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates (‘the functional currency’). The financial statements are presented in Indian rupee (INR), which is our Company’s functional and presentation currency.

#### *Transactions and balances*

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the statement of profit and loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the statement of profit and loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

### ***Fair value measurement***

Our Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability accessible to our Company.

Our Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. Our management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

## ***Taxes***

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

### *Current income tax*

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year-end date. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### *Deferred tax*

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.”

Current and deferred tax is recognized in statement of profit and loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Minimum alternate tax (“**MAT**”) paid in a year is charged to the statement of profit and loss as current tax. Our Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that our Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. In the year in which our Company recognizes MAT credit as an asset in accordance with the Guidance Note on Accounting for Credit Available in respect of Minimum Alternative Tax under the Income-tax Act, 1961, the said asset is created by way of credit to the statement of profit and loss and shown as “MAT Credit Entitlement”. Our Company reviews the “MAT Credit Entitlement” asset at each reporting date and writes down the asset to the extent our Company does not have convincing evidence that it will pay normal tax during the specified period.

## ***Leases***

### ***Company as a lessee***

Our Company's lease asset classes primarily consist of leases for machinery. Our Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, our Company assesses whether: (i) the contract involves the use of an identified asset (ii) our Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) our Company has the right to direct the use of the asset.

At the date of commencement of the lease, our Company recognizes a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short-term and low value leases, our Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

## ***Inventories***

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories. Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

## ***Impairment of non-financial assets***

Our Company assesses at each year end whether there is any objective evidence that a non-financial asset or a group of non-financial assets is impaired. If any such indication exists, our Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in statement of profit and loss and reflected in an allowance account. When our Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through statement of profit and loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

## ***Provisions and contingent liabilities***

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable



estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

Our Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of our Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

### ***Cash and cash equivalents***

Cash and cash equivalent in the balance sheet comprise cash at banks, cash on hand and short-term deposits net of bank overdraft with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks less bank and book overdraft.

### ***Financial instruments***

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

#### *Financial assets*

##### Initial recognition and measurement

At initial recognition, financial asset is measured at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

##### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

- Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).
- Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of

principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in statement of profit and loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to statement of profit and loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

- Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.
- Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, our Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. Our Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If our Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, our Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

#### Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, our Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

For recognition of impairment loss on financial assets and risk exposure, our Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to our Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, our Company does not reduce impairment allowance from the gross carrying amount.

### Derecognition of financial assets

A financial asset is derecognized only when:

- (a) the rights to receive cash flows from the financial asset is transferred or
- (b) retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

### *Financial liabilities*

#### Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

#### Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss: Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the statement of profit and loss.

Loans and borrowings: After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in statement of profit and loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

#### Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit and loss as finance costs.

#### *Embedded derivatives*

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

### *Offsetting financial instruments*

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of our Company or the counterparty.

### ***Employee Benefits***

#### *Short-term obligations*

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

#### *Other long-term employee benefit obligations*

##### Defined contribution plan

**Provident Fund:** Contribution towards provident fund is made to the regulatory authorities, where our Company has no further obligations. Such benefits are classified as "Defined Contribution Schemes" as our Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the statement of profit and loss.

**Employee's State Insurance Scheme:** Contribution towards employees' state insurance scheme is made to the regulatory authorities, where our Company has no further obligations. Such benefits are classified as "Defined Contribution Schemes" as our Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the statement of profit and loss.

##### Defined benefit plans

**Gratuity:** Our Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. Our Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

**Compensated Absences:** Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. Our Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

##### Share-based payments

Employees (including senior executives) of our Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Companies best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### ***Contributed equity***

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

### ***Estimates and assumptions***

The key assumptions concerning the future and other key sources of estimation uncertainty at the year-end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Our Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of our Company. Such changes are reflected in the assumptions when they occur.

### ***Share-based payments***

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 42 of the Restated Financial Statements on page 255.

### ***Valuation for liabilities of compulsory convertible preference shares***

Estimating fair value of liabilities of compulsory convertible preference shares requires determination of the most appropriate valuation model, which is dependent on terms and conditions of the shareholder agreement. This estimate also requires determination of the most appropriate inputs to the valuation model including cash flow forecasts, discount rate and credit risk. The probabilities of the various estimates within the range can be reasonably assessed and are used in management's estimate of fair value. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 47 of the Restated Financial Statements on page 262.

### ***Taxes***

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

### *Defined benefit plans (gratuity benefits and leave encashment)*

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 41.

### *Intangible asset under development*

Our Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits.

### *Impairment of non-financial assets*

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate.

### *Determination of useful lives of Property, plant and Equipments and Intangible asset*

Estimation involved is determining the economic useful lives of Property, plant and Equipments and Intangible asset which is based on technical evaluation by the management.

### **Standards (including amendments) issued but not yet effective**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2021

### ***Exemptions availed on first time adoption of Ind AS***

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. Our Company has accordingly applied the following exemptions.

#### *"Deemed Cost"*

Since there is no change in the functional currency, our Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets. Accordingly the management has elected to measure all of its property, plant and equipment and intangible assets at their Indian GAAP carrying value.

### ***Mandatory Exemption on first-time adoption of Ind AS***

#### *Estimates*

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at April 01, 2019 are consistent with the estimates as at the same date made in conformity with Indian GAAP. Our Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- (i) Impairment of financial assets based on expected credit loss model.
- (ii) Fair valuation of compound instrument.
- (iii) Effective interest rate used in calculation of security deposit.

#### *Derecognition of financial assets and financial liabilities*

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

Our Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

#### *Classification and measurement of financial assets*

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.

Also, see “*Restated Financial Statements – Annexure 5 – Note 2 – Significant Accounting Policies*” on page 210.

### **PRINCIPAL COMPONENTS OF INCOME AND EXPENDITURE**

#### **Income**

Our total income comprises (i) revenue from operations, and (ii) other income.

#### ***Revenue from Operations***

Revenue from operations comprises sale of services that includes provision of radiology and pathology diagnostic services and tele-radiology services.

#### ***Other Income***

Other income includes (i) interest income on fixed deposit, other deposits, income tax refund and other financial assets measured at amortised cost; (ii) net gain on fair value movement of compulsory convertible preference shares; (iii) amortization of deferred revenue; and (iv) miscellaneous income.

#### **Expenses**

Our expenses comprise (i) cost of materials consumed; (ii) employee benefits expenses; (iii) finance costs; (iv) depreciation and amortisation expenses; (v) fees to hospitals and others and (vii) other expenses.

#### ***Costs of Materials Consumed***

Cost of material consumed consists of inventory at the beginning of the year, purchases during the year reduced by the inventory at the end of the year. Cost of materials consumed includes costs incurred towards purchase of raw materials that we require for conducting imaging studies, clinical laboratory tests and profiles, films, contracts and reagents and testing kits.

### ***Employee Benefits Expenses***

Employee benefits expenses comprises (i) salaries, wages, bonus and other allowances; (ii) contribution to provident and other funds; (iii) gratuity expenses; (iv) compensation pursuant to employee stock option scheme; and (iv) staff welfare expenses.

### ***Finance Costs***

Finance cost refers to (i) interest expense on borrowings from banks and NBFCs; (ii) loans from related parties; (iii) finance leases; and (iii) other financial liabilities at amortised cost.

### ***Depreciation, Amortisation and Impairment Expenses***

Depreciation and amortization expenses comprises (i) depreciation of fixed assets; and (ii) amortisation of intangible assets.

### ***Other Expenses***

Other expenses comprises, amongst other things, (i) power and fuel; (ii) rent; (iii) telereporting charges; (iv) repairs and maintenance of machinery; (v) insurance; (vi) rates and taxes; (vii) logistics expenses; (viii) travelling and lodging expenses; (ix) remuneration of auditors; (x) security and facility management expenses; (xi) pathologists charges; (xii) legal and professional expenses; and (xiii) service charges

## **NON-GAAP MEASURES**

### ***Adjusted Earnings before Interest, Taxes, Depreciation and Amortization Expenses (“Adjusted EBITDA”)/ Adjusted EBITDA Margin***

Adjusted EBITDA presented in this Prospectus is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, Adjusted EBITDA is not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, Adjusted EBITDA is not a standardised term, hence a direct comparison of Adjusted EBITDA between companies may not be possible. Other companies may calculate Adjusted EBITDA differently from us, limiting its usefulness as a comparative measure. Although Adjusted EBITDA is not a measure of performance calculated in accordance with applicable accounting standards, our Company’s management believes that it is useful to an investor in evaluating us because it is a widely used measure to evaluate a company’s operating performance.

### ***Reconciliation of Adjusted Total Income to Total Income***

The tables below reconciles total income to Adjusted Total Income. Adjusted Total Income is calculated as total income minus gain on fair value movement of Compulsory Convertible Preference Shares.

| Particulars                                                                  | Fiscal          |                 |                 |
|------------------------------------------------------------------------------|-----------------|-----------------|-----------------|
|                                                                              | 2019            | 2020            | 2021            |
|                                                                              | (₹ million)     |                 |                 |
| <b>Total income</b>                                                          | 2,143.15        | 2,713.79        | 6,614.76        |
| <b>Adjustments:</b>                                                          |                 |                 |                 |
| Less: Gain on fair value movement of Compulsory Convertible Preference Share | -               | -               | 2,527.84        |
| <b>Total Adjusted Income</b>                                                 | <b>2,143.15</b> | <b>2,713.79</b> | <b>4,086.92</b> |

### ***Reconciliation of Adjusted EBITDA and Adjusted EBITDA Margin to Profit / (Loss) for the Period***

The tables below reconciles profit / (loss) for the period Adjusted EBITDA. Adjusted EBITDA is calculated as profit / (loss) for the period plus income tax expense plus finance costs plus depreciation and amortization expenses plus loss on fair value movement of Compulsory Convertible Preference Shares minus gain on fair value



movement of Compulsory Convertible Preference Shares while Adjusted EBITDA Margin is the percentage of Adjusted EBITDA divided by Adjusted Total Income.

| Particulars                                                                                                   | Fiscal          |                 |               |
|---------------------------------------------------------------------------------------------------------------|-----------------|-----------------|---------------|
|                                                                                                               | 2019            | 2020            | 2021          |
|                                                                                                               | (₹ million)     |                 |               |
| <b>Profit/ (Loss) for the period</b>                                                                          | (580.57)        | (1,119.51)      | 1,849.29      |
| <b>Adjustments:</b>                                                                                           |                 |                 |               |
| Add: Total Income tax expense                                                                                 | (196.69)        | (463.81)        | 1,105.23      |
| Add: Finance Costs                                                                                            | 195.69          | 246.64          | 259.40        |
| Add: Depreciation and Amortization                                                                            | 256.40          | 324.11          | 374.39        |
| Add: Loss on fair value movement of Compulsory Convertible Preference Shares                                  | 955.19          | 1,770.31        | -             |
| Less: Gain on fair value movement of Compulsory Convertible Preference Shares                                 | -               | -               | 2,527.84      |
| <b>Adjusted Earnings before interest, taxes, depreciation and amortization expenses (Adjusted EBITDA) (A)</b> | <b>630.02</b>   | <b>757.74</b>   | 1,060.47      |
| <b>Total Adjusted Income (B)</b>                                                                              | <b>2,143.14</b> | <b>2,713.79</b> | 4,086.92      |
| <b>Adjusted EBITDA Margin (Adjusted EBITDA as a percentage of total income) (A/B)</b>                         | <b>29.40%</b>   | <b>27.92%</b>   | <b>25.95%</b> |

## RESULTS OF OPERATIONS

The following table sets forth certain information with respect to our results of operations for Fiscals 2018, 2019 and 2020:

| Particulars                                                             | Fiscal          |                            |                   |                            |                 |                            |
|-------------------------------------------------------------------------|-----------------|----------------------------|-------------------|----------------------------|-----------------|----------------------------|
|                                                                         | 2019            |                            | 2020              |                            | 2021            |                            |
|                                                                         | (₹ million)     | Percentage of total income | (₹ million)       | Percentage of total income | (₹ million)     | Percentage of total income |
| <b>Income</b>                                                           |                 |                            |                   |                            |                 |                            |
| Revenue from operations                                                 | 2,092.35        | 97.63%                     | 2,584.27          | 95.23%                     | 3,964.56        | 59.94%                     |
| Gain on fair value movement of Compulsory Convertible Preference Shares | -               | -                          | -                 | -                          | 2,527.84        | 38.22%                     |
| Other income                                                            | 50.80           | 2.37%                      | 129.52            | 4.77%                      | 122.36          | 1.85%                      |
| <b>Total Income</b>                                                     | <b>2,143.15</b> | <b>100.00%</b>             | <b>2,713.79</b>   | <b>100.00%</b>             | <b>6,614.76</b> | <b>100.00%</b>             |
| <b>Cost of materials consumed</b>                                       | 173.36          | 8.09%                      | 277.23            | 10.22%                     | 837.47          | 12.66%                     |
| Employee benefits expenses                                              | 183.04          | 8.54%                      | 231.34            | 8.52%                      | 295.86          | 4.47%                      |
| Finance costs                                                           | 195.69          | 9.13%                      | 246.64            | 9.09%                      | 259.40          | 3.92%                      |
| Depreciation and amortisation expense                                   | 256.40          | 11.96%                     | 324.11            | 11.94%                     | 374.29          | 5.66%                      |
| Fees to hospitals and others                                            | 623.24          | 29.08%                     | 755.32            | 27.83%                     | 1,082.02        | 16.36%                     |
| Loss on fair value movement of Compulsory Convertible Preference Shares | 955.19          | 44.57%                     | 1,770.31          | 65.23%                     | -               | -                          |
| Other expenses                                                          | 533.49          | 24.89%                     | 692.16            | 25.51%                     | 811.10          | 12.26%                     |
| <b>Total expenses</b>                                                   | <b>2,920.41</b> | <b>136.27%</b>             | <b>4,297.11</b>   | <b>158.34%</b>             | <b>3,660.24</b> | <b>55.33%</b>              |
| <b>Profit / (loss) before tax</b>                                       | <b>(777.26)</b> | <b>(36.27)%</b>            | <b>(1,583.32)</b> | <b>(58.34)%</b>            | <b>2,954.52</b> | <b>44.67%</b>              |
| <b>Tax expense</b>                                                      |                 |                            |                   |                            |                 |                            |
| Current tax                                                             |                 |                            |                   |                            |                 |                            |
| - For current year profits                                              | 39.22           | 1.83%                      | 21.87             | 0.81%                      | 76.47           | 1.16%                      |
| Deferred tax                                                            |                 |                            |                   |                            |                 |                            |
| - Deferred tax charge/(credit)                                          | (235.91)        | (11.01)%                   | (485.68)          | (17.90)%                   | 1028.76         | 15.55%                     |
| <b>Total income tax expense</b>                                         | <b>(196.69)</b> | <b>(9.18%)</b>             | <b>(463.81)</b>   | <b>(17.09%)</b>            | <b>1,105.23</b> | <b>16.71%</b>              |

| Particulars                                                         | Fiscal          |                            |                   |                            |                 |                            |
|---------------------------------------------------------------------|-----------------|----------------------------|-------------------|----------------------------|-----------------|----------------------------|
|                                                                     | 2019            |                            | 2020              |                            | 2021            |                            |
|                                                                     | (₹ million)     | Percentage of total income | (₹ million)       | Percentage of total income | (₹ million)     | Percentage of total income |
| <b>Profit for the year</b>                                          | <b>(580.57)</b> | <b>(27.09%)</b>            | <b>(1,119.51)</b> | <b>(41.25%)</b>            | <b>1,849.29</b> | <b>27.96%</b>              |
| <b>Other comprehensive income</b>                                   |                 |                            |                   |                            |                 |                            |
| Items that will not be reclassified subsequently to profit or loss: |                 |                            |                   |                            |                 |                            |
| Remeasurements of net defined benefit liability                     | 0.94            | 0.04%                      | (0.68)            | (0.03%)                    | (0.38)          | (0.01%)                    |
| Income tax effect                                                   | (0.27)          | (0.01%)                    | 0.20              | 0.01%                      | 0.10            | 0.00%                      |
| <b>Other comprehensive income for the year, net of tax</b>          | <b>0.67</b>     | <b>0.03%</b>               | <b>(0.48)</b>     | <b>(0.02%)</b>             | <b>(0.28)</b>   | <b>(0.01%)</b>             |
| <b>Total comprehensive income for the year</b>                      | <b>(579.90)</b> | <b>(27.06%)</b>            | <b>(1,119.99)</b> | <b>(41.27%)</b>            | <b>1,849.01</b> | <b>27.95%</b>              |

## FISCAL 2021 COMPARED TO FISCAL 2020

### Key Developments

- During the period, we have experienced significant increase in testing volumes for COVID-19 PCR molecular pathology testing to diagnose the virus. Our Company performed approximately more than 900,000 COVID-19 PCR tests in the Fiscal 2021. We were also awarded a number of contracts in the states of Tamil Nadu, Madhya Pradesh, Maharashtra, Jammu Kashmir, Rajasthan and Assam to undertake COVID-19 testing.
- Further, we have been awarded tenders for establishment of radiology diagnostic centres by the Municipal Corporation of Greater Mumbai pursuant to which we intend to establish three CT diagnostic centres and one MRI diagnostic centre in Mumbai. We are responsible for the installation, operation and maintenance of such diagnostic centres. In the three months ended March 31, 2021, we were awarded contract to set-up a radiology centre in Punjab.

### Income

Total income increased from ₹2,713.79 million in Fiscal 2020 to ₹6,614.76 million in Fiscal 2021 primarily due to an increase in revenue from operations and gain on fair value movement of compulsory convertible preference shares. Revenue from operations increased by 53.41% from ₹2,584.27 million in Fiscal 2020 to ₹3,964.56 million in Fiscal 2021 due to the reasons discussed below.

#### *Revenue from sale of services*

Revenues from sale of services increased by 53.41% from ₹2,584.27 million in Fiscal 2020 to ₹3,964.56 million in Fiscal 2021 primarily on account of increased testing for COVID-19.

The table below sets out details of the tests / scans performed in each period:

| Particulars                   | Fiscal 2020 | Fiscal 2021 |
|-------------------------------|-------------|-------------|
| Number of pathology tests     | 7,176,459   | 6,319,285   |
| Number of X-rays performed    | 2,849,234   | 2,429,683   |
| Number of CT scans performed  | 434,042     | 4,79,233    |
| Number of MRI scans performed | 192,977     | 145,116     |

The following table sets forth the revenue from operations contributed by each of our segments and the percentage of our total revenue from operations for the period indicated:

| Segment      | Fiscal 2020             |                                       | Fiscal 2021             |                                       |
|--------------|-------------------------|---------------------------------------|-------------------------|---------------------------------------|
|              | Revenue from Operations | As % of Total Revenue from Operations | Revenue from Operations | As % of Total Revenue from Operations |
|              | (₹ million)             | (%)                                   | (₹ million)             | (%)                                   |
| Radiology    | 1,673.43                | 64.75%                                | 1,618.81                | 40.83%                                |
| Pathology    | 910.83                  | 35.25%                                | 2,345.73                | 59.17%                                |
| <b>Total</b> | <b>2,584.26</b>         | <b>100.00%</b>                        | <b>3,964.56</b>         | <b>100.00%</b>                        |

#### ***Gain on Fair Value Movement of Compulsory Convertible Preference Shares***

Gain on fair value movement of Compulsory Convertible Preference Shares was nil in Fiscal 2020 and ₹2,527.84 million in Fiscal 2021.

#### ***Other Income***

Other income decreased from ₹129.52 million in Fiscal 2020 to ₹122.36 million in Fiscal 2021, primarily due to a decrease in interest income from fixed deposits from ₹99.95 million in Fiscal 2020 to ₹99.09 million in Fiscal 2021, income from other deposits from ₹0.67 million in Fiscal 2020 to ₹0.44 million in Fiscal 2021 and decrease in miscellaneous income from ₹2.13 million in Fiscal 2020 to ₹0.11 million in Fiscal 2021. The decrease was partially offset by an increase in income on financial asset at amortized cost by 13.45% from ₹17.49 million in Fiscal 2020 to ₹19.85 million in Fiscal 2021.

#### ***Expenses***

Total expenses decreased by 14.82% from ₹4,297.11 million in Fiscal 2020 to ₹3,660.24 million in Fiscal 2021, primarily due to loss on fair value movement of compulsory convertible preference share in Fiscal 2020. There was a gain on the same account in Fiscal 2021.

#### ***Cost of Materials Consumed***

Cost of materials consumed increased by 202.09% from ₹277.23 million in Fiscal 2020 to ₹837.47 million in Fiscal 2021 primarily due to procurement of COVID-19 testing kits that were used for undertaking COVID-19 PCR molecular pathology tests across the states of Tamil Nadu, Madhya Pradesh, Maharashtra, Jammu Kashmir, Rajasthan and Assam.

#### ***Employee Benefit Expenses***

Employee benefit expenses increased by 27.89% from ₹231.34 million in Fiscal 2020 to ₹295.86 million in Fiscal 2021, primarily due to an increase in salaries, wages, bonus and other allowances, by 24.58% from ₹199.78 million in Fiscal 2020 to ₹248.88 million in Fiscal 2021 on account of expansion in our operations and incremental incentives paid to our employees involved in COVID-19 testing operations. We incurred ₹8.20 million pursuant to the employee stock option scheme compared to nil in Fiscal 2020.

#### ***Finance Costs***

Finance costs increased by 5.17% from ₹246.64 million in Fiscal 2020 to ₹259.40 million in Fiscal 2021 due to an increase in interest on borrowing from banks and NBFCs by 8.79% from ₹214.02 million in Fiscal 2020 to ₹232.84 million in Fiscal 2021, on account of increase in borrowings availed for setting-up of COVID-19 testing centres and additional working capital facilities utilised. Interest on finance leases also increased by 76.47% from ₹7.00 million in Fiscal 2020 to ₹12.35 million in Fiscal 2021 on account of additional assets taken on lease in Fiscal 2021. This was partially offset by a decrease in bank charges by 56.91% from ₹9.10 million in Fiscal 2020 to ₹3.92 million in Fiscal 2021 due to lesser facilities availed in Fiscal 2020 compared with Fiscal 2021 and decrease in interest on other financial asset at amortised cost from ₹7.76 million in Fiscal 2020 to nil in Fiscal 2021.

#### ***Depreciation and Amortisation Expenses***

Depreciation and amortisation expenses increased by 15.51% from ₹324.11 million in Fiscal 2020 to ₹374.39 million in Fiscal 2021, primarily due to an increase in depreciation of equipment by 13.39% from ₹318.22 million

in Fiscal 2020 to ₹360.83 million in Fiscal 2021 on account of incremental depreciation on new additions during the period and full period depreciation for assets added during the previous period and an increase in amortization from ₹5.89 million in Fiscal 2020 to ₹13.56 million in Fiscal 2021 on account of addition in intangible assets.

### ***Fees to Hospitals and Others***

Fees to hospitals and others increased by 43.25% from ₹755.32 million in Fiscal 2020 to ₹1,082.02 million in Fiscal 2021 on account of the growth in our operations during the period.

### ***Loss on Fair Value Movement of Compulsory Convertible Preference Shares***

Loss on fair value movement of Compulsory Convertible Preference Shares was ₹1,770.31 million in Fiscal 2020 due to liability provided towards fair valuation of Compulsory Convertible Preference Shares.

### ***Other Expenses***

Other expenses increased by 17.18% from ₹692.16 million in Fiscal 2020 to ₹811.10 million in Fiscal 2021, primarily due to:

- Charges towards repair and maintenance of machinery increased by 6.07% from ₹105.35 million in Fiscal 2020 to ₹111.74 million in Fiscal 2021 due to additional machinery being covered under comprehensive maintenance contracts following the expiry of manufacturers' warranties.
- Legal and professional charges increased from ₹44.18 million in Fiscal 2020 to ₹82.52 million in Fiscal 2021 on account of additional professionals and consultants hired to assist with COVID-19 testing operations.
- Reporting charges increased by 25.62% from ₹214.93 million in Fiscal 2020 to ₹269.22 million in Fiscal 2021 on account of increased imaging volumes on account of COVID-19.
- Security and facility management charges increased by 51.71% from ₹25.86 million in Fiscal 2020 to ₹39.23 million in Fiscal 2021 on account of increase in contract labour engaged for our operations.

These increases were partly offset by:

- Decrease in power and fuel expenses by 18.64% from ₹58.90 million in Fiscal 2020 to ₹47.92 million in Fiscal 2021 on account of centres running with lower capacity during the lockdown period.
- Decrease in printing and stationery expenses by 24.59% from ₹24.95 million in Fiscal 2020 to ₹18.81 million in Fiscal 2021 on account of reduction in usage of stationery during the lockdown period and reports issued in digital format.
- A decrease in provision for doubtful debt by 100% from ₹24.84 million in Fiscal 2020 to nil in Fiscal 2021 in accordance with our provisioning policy.

### ***Profit Before Tax***

For the reasons discussed above, profit before tax was ₹2,954.52 million in Fiscal 2021 compared to loss before tax of ₹1,583.32 million in Fiscal 2020.

### ***Tax Expense***

Current tax expenses increased from ₹21.87 million in Fiscal 2020 to ₹76.47 million in Fiscal 2021, primarily on account of an increase in profit before tax. Deferred tax expenses increased from ₹(485.68) million in Fiscal 2020 to ₹1,028.76 million in Fiscal 2021, due to gain arising out of fair valuation of Compulsory Convertible Preference Shares. As a result, total tax expense amounted to ₹(463.81) million in Fiscal 2021 compared to ₹1,105.23 million in Fiscal 2020.

## Profit for the Year

For the various reasons discussed above, we recorded a profit for the year of ₹1,849.29 million in Fiscal 2021 compared to a loss of ₹1,119.51 million in Fiscal 2020.

## Total Comprehensive Income for the Year

Total comprehensive income for the year was ₹1,849.29 million in Fiscal 2021 compared to ₹(1,119.99) million in Fiscal 2020.

## Adjusted Earnings before Interest, Taxes, Depreciation and Amortization (Adjusted EBITDA)

Adjusted EBITDA was ₹1,060.47 million in Fiscal 2021 compared to EBITDA of ₹757.74 million in Fiscal 2020, while Adjusted EBITDA margin (Adjusted EBITDA as a percentage of our Adjusted Total Income) was 25.95% in Fiscal 2021 compared to 27.92% in Fiscal 2020.

## FISCAL 2020 COMPARED TO FISCAL 2019

### Income

Total income increased by 26.63% from ₹2,143.15 million in Fiscal 2019 to ₹2,713.79 million in Fiscal 2020 primarily due to an increase in revenue from operations. Revenue from operations increased by 23.51% from ₹2,092.35 million in Fiscal 2019 to ₹2,584.27 million in Fiscal 2020 due to the reasons discussed below.

### Revenue from Operations

#### Revenue from sale of services

Revenues from sale of services increased by 23.51% from ₹2,092.35 million in Fiscal 2019 to ₹2,584.27 million in Fiscal 2020 primarily on account of increase in the volume of diagnostic services provided by our Company.

The table below sets out details of the tests / scans performed in each period:

| Particulars                   | Fiscal 2019 | Fiscal 2020 |
|-------------------------------|-------------|-------------|
| Number of pathology tests     | 5,441,779   | 7,176,459   |
| Number of X-rays performed    | 1,534,231   | 2,849,234   |
| Number of CT scans performed  | 297,264     | 434,042     |
| Number of MRI scans performed | 118,861     | 192,977     |

The following table sets forth the revenue from operations contributed by each of our segments and the percentage of our total revenue from operations for the period indicated:

| Segment      | Fiscal 2019             |                                       | Fiscal 2020             |                                       |
|--------------|-------------------------|---------------------------------------|-------------------------|---------------------------------------|
|              | Revenue from Operations | As % of Total Revenue from Operations | Revenue from Operations | As % of Total Revenue from Operations |
|              | (₹ million)             | (%)                                   | (₹ million)             | (%)                                   |
| Radiology    | 1,093.79                | 52.28%                                | 1,673.43                | 64.75%                                |
| Pathology    | 998.55                  | 47.72%                                | 910.83                  | 35.25%                                |
| <b>Total</b> | <b>2,092.34</b>         | <b>100.00%</b>                        | <b>2,584.26</b>         | <b>100.00%</b>                        |

### Other Income

Other income significantly increased from ₹50.80 million in Fiscal 2019 to ₹129.52 million in Fiscal 2020, primarily due to an increase in interest income from fixed deposits from ₹22.10 million in Fiscal 2019 to ₹99.95 million in Fiscal 2020, income from other deposits from ₹0.03 million in Fiscal 2019 to ₹0.67 million in Fiscal 2020 and income in miscellaneous income from ₹0.92 million in Fiscal 2019 to ₹2.13 million in Fiscal 2020. The decrease was partially offset by a decrease in amortization of deferred revenue by 3.52% from ₹9.49 million in Fiscal 2019 to ₹9.16 million in Fiscal 2020.

## **Expenses**

Total expenses increased by 47.14% from ₹2,920.41 million in Fiscal 2019 to ₹4,297.11 million in Fiscal 2020, primarily due to an increase in cost of materials consumed, employee benefits expenses, finance costs, depreciation and amortisation, fees to hospitals and others and other expenses.

### ***Cost of Materials Consumed***

Cost of materials consumed increased by 59.91% from ₹173.36 million in Fiscal 2019 to ₹277.23 million in Fiscal 2020 primarily due to growth in our operations.

### ***Employee Benefits Expenses***

Employee benefits expenses increased by 26.39% from ₹183.04 million in Fiscal 2019 to ₹231.34 million in Fiscal 2020, primarily due to an increase in salaries, wages, bonus and other allowances by 26.52% from ₹157.90 million in Fiscal 2019 to ₹199.78 million in Fiscal 2020 on account of expansion in our operations resulting in an increase in the number of employees. Gratuity expenses increased by 6.67% from ₹2.55 million in Fiscal 2019 to ₹2.72 million in Fiscal 2020. Contribution to provident and other funds also increased by 10.21% from ₹11.23 million in Fiscal 2019 to ₹12.38 million in Fiscal 2020. In addition, staff welfare expenses also increased by 44.90% from ₹11.36 million in Fiscal 2019 to ₹16.46 million in Fiscal 2020 on account of annual incentive paid to the employees.

### ***Finance Costs***

Finance costs increased by 26.03% from ₹195.69 million in Fiscal 2019 to ₹246.64 million in Fiscal 2020 due to an increase in interest on borrowing from banks and NBFCs by 45.03% from ₹147.57 million in Fiscal 2019 to ₹214.02 million in Fiscal 2020 on account of increase in borrowings to establish additional diagnostic centres. Interest on finance leases also increased significantly by 234.35% from ₹2.09 million in Fiscal 2019 to ₹7.00 million in Fiscal 2020 on account of additional asset taken on lease during Fiscal 2020. This was partially offset by a decrease in bank charges by 63.50% from ₹24.93 million in Fiscal 2019 to ₹9.10 million in Fiscal 2020 due to lesser facilities availed in Fiscal 2020 compared with Fiscal 2019 and decrease in other borrowing costs by 49.66% from ₹11.26 million in Fiscal 2019 to ₹5.67 million in Fiscal 2020 due to a non-recurring borrowing expense incurred in Fiscal 2019.

### ***Depreciation and Amortisation Expenses***

Depreciation and amortisation expenses increased by 26.41% from ₹256.40 million in Fiscal 2019 to ₹324.11 million in Fiscal 2020, primarily due to an increase in depreciation of property, plant and equipment, by 26.42% from ₹251.72 million in Fiscal 2019 to ₹318.22 million in Fiscal 2020 on account of incremental depreciation of new equipment during the year and full year depreciation of assets added during Fiscal 2019 and increase in amortization by 25.70% from ₹4.68 million in Fiscal 2019 to ₹5.89 million in Fiscal 2020 on account of addition in intangible assets in Fiscal 2020.

### ***Fees to Hospitals and Others***

Fees to hospitals and others increased by 21.19% from ₹623.24 million in Fiscal 2019 to ₹755.32 million in Fiscal 2020 on account of the growth in our operations during the period.

### ***Gain on Fair Value Movement of Compulsory Convertible Preference Shares***

Gain on fair value movement of Compulsory Convertible Preference Shares was nil in Fiscal 2019 and Fiscal 2020.

### ***Loss on Fair Value Movement of Compulsory Convertible Preference Shares***

Loss on fair value movement of Compulsory Convertible Preference Shares was ₹955.19 million in Fiscal 2019 compared to ₹1,770.31 million in Fiscal 2020 on account of the loss due to liability provided towards fair valuation of Compulsory Convertible Preference Shares.

### **Other Expenses**

Other expenses increased by 29.74% from ₹533.49 million in Fiscal 2019 to ₹692.16 million in Fiscal 2020, primarily due to an increase in:

- Charges towards repair and maintenance of machinery increased by 67.83% from ₹62.77 million in Fiscal 2019 to ₹105.35 million in Fiscal 2020 on account of due to additional machinery being covered under comprehensive maintenance contracts and increase in rates under such comprehensive maintenance contracts.
- Reporting charges increased by 42.38% from ₹150.96 million in Fiscal 2019 to ₹214.93 million in Fiscal 2020 on account of increase in radiology operations.
- Legal and professional charges increased by 27.36% from ₹34.69 million in Fiscal 2019 to ₹44.18 million in Fiscal 2020 on account of additional services availed from professionals including legal counsels and doctors for our business requirements.
- Logistics expenses increased by 35.58% from ₹23.96 million in Fiscal 2019 to ₹32.49 million in Fiscal 2020 on account of growth in our pathology operations that required increased logistics for sample collection.
- Power and fuel by 30.37% from ₹45.18 million in Fiscal 2019 to ₹58.90 million in Fiscal 2020 on account of growth in our operations.

These increases were partly offset by a decrease in security and facility management expenses by 43.27% from ₹45.58 million in Fiscal 2019 to ₹25.86 million in Fiscal 2020 on account of reduction in contract labour engaged for our operations.

### **Profit / (Loss) Before Tax**

For the reasons discussed above, loss before tax was ₹1,583.32 million in Fiscal 2020 compared to ₹777.26 million in Fiscal 2019.

### **Income Tax Expense/ Credit**

Current tax expenses decreased from ₹39.22 million in Fiscal 2019 to ₹21.87 million in Fiscal 2020, primarily on account of decrease in profitability due to expenses being charged on account of fair valuation of Compulsory Convertible Preference Shares. Deferred tax credit increased from ₹235.91 million in Fiscal 2019 to ₹485.68 million in Fiscal 2020, on account of gains arising out of fair valuation of Compulsory Convertible Preference Shares. As a result, total tax expense amounted to ₹(196.69) million in Fiscal 2020 compared to ₹(463.81) million in Fiscal 2019.

### **Profit for the Year**

For the various reasons discussed above, we recorded a loss for the year of ₹1,119.51 million in Fiscal 2020 compared to ₹580.57 million in Fiscal 2019.

### **Total Comprehensive Income for the Year**

Total comprehensive income for the year was ₹(1,119.99) million in Fiscal 2020 compared to ₹(579.90) million in Fiscal 2019.

### **Adjusted Earnings before Interest, Taxes, Depreciation and Amortisation (Adjusted EBITDA)**

Adjusted EBITDA was ₹757.74 million in Fiscal 2020 compared to Adjusted EBITDA of ₹630.02 million in Fiscal 2019, while Adjusted EBITDA margin (Adjusted EBITDA as a percentage of our Adjusted Total Income) was 27.92% in Fiscal 2020 compared to 29.40% in Fiscal 2019.

## LIQUIDITY AND CAPITAL RESOURCES

We have historically financed the expansion of our business and operations primarily through institutional equity investments, debt financing and funds generated from our operations. From time to time, we may obtain loan facilities to finance our short term working capital requirements.

### CASH FLOWS

The following table sets forth certain information relating to our cash flows in the periods indicated:

| Particulars                                                     | Fiscal      |          |          |
|-----------------------------------------------------------------|-------------|----------|----------|
|                                                                 | 2019        | 2020     | 2021     |
|                                                                 | (₹ million) |          |          |
| Net cash flow from / (used in) operating activities (A)         | 582.66      | 378.09   | 1,025.58 |
| Net cash used in investing activities (B)                       | (1,992.52)  | (766.48) | (611.39) |
| Net cash flow from/ (used in) financing activities (C)          | 1,242.71    | 57.77    | 308.40   |
| Net increase/ (decrease) in cash and cash equivalents (A+B+C)   | (167.15)    | (330.62) | 722.59   |
| Cash and cash equivalents at the beginning of the period / year | 21.93       | (145.22) | (475.84) |
| Cash and cash equivalents at the closing of the period / year   | (145.22)    | (475.84) | 246.75   |

#### Operating Activities

##### Fiscal 2021

In the Fiscal 2021, net cash flow from operations was ₹1,025.58 million. Profit for the period was ₹2,954.52 million in Fiscal 2021. Adjustments primarily consisted of depreciation and amortization expenses of ₹374.39 million, finance cost of ₹259.40 million, interest income of ₹119.38 million and gain on fair value movement of Compulsory Convertible Preference Shares of ₹2,527.84 million. Operating profit before working capital changes was ₹953.97 million in Fiscal 2021. The main working capital adjustments in Fiscal 2021, included an increase in trade payables of ₹404.62 million on account of increase in revenue share payable under our contracts with service providers, increase in other current liabilities of ₹12.51 million primarily due to increase in statutory dues payable and decrease in other financial liabilities of ₹143.85 million on account of movement in financial liabilities. This was offset by an increase in other non-current financial assets of ₹31.16 million on account of increase in capital advances and prepaid rent, increase in inventories of ₹21.43 million on account of increase in raw material requirements, an increase in trade receivables of ₹110.42 million on account of increase in revenue, decrease in non-current liabilities of ₹12.94 million on account of decrease in deferred revenue and increase in other current assets of ₹50.44 million. Cash generated from operations in Fiscal 2021 amounted to ₹1,102.31 million. Income tax paid amounted to ₹76.73 million in Fiscal 2021.

##### Fiscal 2020

In Fiscal 2020, net cash generated from operations was ₹378.09 million. Loss for the year was ₹1,583.32 million in Fiscal 2020, and adjustments primarily consisted of depreciation and amortization expenses of ₹323.32 million and finance cost of ₹238.88 million, provision for doubtful trade receivable balances of ₹24.84 million on account of provision made for certain debtors as per our provisioning policy and loss on fair value movement of Compulsory Convertible Preference Shares of ₹1,770.31 million. Operating profit before working capital changes was ₹673.29 million in Fiscal 2020. The main working capital adjustments in Fiscal 2020, included an increase in other financial liabilities of ₹21.27 million on account of increase in capital creditors, increase in provisions of ₹2.65 million on account of changes in employee benefits payable and decrease in other current assets of ₹12.68 million on account of reduction in prepaid rent and advance to suppliers. This was offset by a decrease in trade payables of ₹36.38 million on account of decrease in period of payment to vendors, increase in trade receivables of ₹76.93 million on account of increase in period of collection from few debtors and increase in other non-current financial assets of ₹48.64 million on account of increase in borrowings. Cash generated from operations in Fiscal 2019 amounted to ₹480.11 million. Income taxes paid amounted to ₹102.02 million in Fiscal 2019.

##### Fiscal 2019

In Fiscal 2019, net cash generated from operations was ₹582.66 million. Loss for the year was ₹777.26 million in Fiscal 2019, and adjustments primarily consisted of depreciation and amortization expenses of ₹255.61 million, finance cost of ₹188.38 million on account of additional facilities availed by our Company and loss on fair value movement of Compulsory Convertible Preference Shares of ₹955.19 million. Operating profit before working



capital changes was ₹618.87 million in Fiscal 2019. The main working capital adjustments in Fiscal 2019, included an increase in inventories of ₹22.62 million on account of increase in material requirements, increase in trade receivables of ₹294.98 million on account of increase in days for collection of debts from certain debtors and increase in other current financial assets of ₹110.77 million on account of increase in security deposits. This was offset by an increase in trade payables of ₹256.53 million on account of increase in period of payment to vendors, increase in other financial liabilities of ₹83.75 million on account of increase in payable for capital purchases and deposits from hospitals, increase in other non-current liabilities of ₹28.97 million on account of increase in deferred revenue and decrease in other non-current financial assets of ₹66.07 million on account of decrease in borrowings. Cash generated from operations in Fiscal 2019 amounted to ₹652.56 million. Income tax paid amounted to ₹69.90 million in Fiscal 2019.

## **Investing Activities**

### ***Fiscal 2021***

Net cash used in investing activities was ₹611.39 million in Fiscal 2021, primarily due to payment for property, plant and equipment and intangible assets of ₹668.40 million required for expansion of our operations and investments in bank deposits of ₹56.97 million. This was offset by interest received of ₹93.98 million and ₹20.00 million received through sale of plant and equipment in Fiscal 2021.

### ***Fiscal 2020***

Net cash used in investing activities was ₹766.48 million in in Fiscal 2020, primarily due to payment for property, plant and equipment and intangible assets of ₹767.49 million required for expansion of our operations and investments in bank deposits of ₹72.78 million. This was offset by interest received of ₹73.67 million and dividend income of ₹0.12 million in Fiscal 2020.

### ***Fiscal 2019***

Net cash used in investing activities was ₹1,992.52 million in in Fiscal 2019, primarily due to payment for property, plant and equipment and intangible assets of ₹999.77 million required for expansion of our operations and investments in bank deposits of ₹1,009.48 million. This was offset by interest received of ₹14.65 million and dividend income of ₹0.08 million in Fiscal 2019.

## **Financing Activities**

### ***Fiscal 2021***

Net cash generated from financing activities was ₹308.40 million in Fiscal 2021, primarily comprising proceeds from borrowings of ₹555.27 million, partially offset by payment of interest on borrowing of ₹241.83 million and interest paid on lease liabilities of ₹12.35 million.

### ***Fiscal 2020***

Net cash generated from financing activities was ₹57.77 million in Fiscal 2020, primarily comprising proceeds from borrowings of ₹302.49 million partially offset by payment of interest on borrowing of ₹237.15 million.

### ***Fiscal 2019***

Net cash generated from financing activities was ₹1,242.71 million in Fiscal 2019, primarily comprising proceeds from issuance of CCPS amounting to ₹1,000.00 million and borrowings of ₹441.50 million partially offset by payment of interest on borrowings of ₹156.34 million.

## **INDEBTEDNESS**

As of March 31, 2021, we had total borrowings of ₹2,317.79 million. Our gross debt to equity ratio was 0.85 as of March 31, 2021. For further information on our indebtedness, see “*Financial Indebtedness*” on page 321.

The following table sets forth certain information relating to our outstanding indebtedness as of March 31, 2021, and our repayment obligations in the periods indicated:

| Particulars                                                      | As of March 31, 2021   |                       |               |               |                   |
|------------------------------------------------------------------|------------------------|-----------------------|---------------|---------------|-------------------|
|                                                                  | Payment due by period  |                       |               |               |                   |
|                                                                  | ( $\text{₹ million}$ ) |                       |               |               |                   |
|                                                                  | Total                  | Not later than 1 year | 1-3 years     | 3-5 years     | More than 5 years |
| <b>Long Term Borrowings</b>                                      |                        |                       |               |               |                   |
| Term loans (secured)                                             | 1,802.57               | 282.32                | 703.87        | 447.08        | 369.31            |
| <b>Finance Lease</b>                                             | 167.78                 | 17.49                 | 45.25         | 58.46         | 46.57             |
| <b>Total Long Term Borrowings (including current maturities)</b> | <b>1,970.35</b>        | <b>299.81</b>         | <b>749.12</b> | <b>505.54</b> | <b>415.88</b>     |
| <b>Short Term Borrowings</b>                                     |                        |                       |               |               |                   |
| Secured                                                          | 327.71                 | 327.71                | -             | -             | -                 |
| Unsecured                                                        | 19.73                  | 19.73                 | -             | -             | -                 |
| <b>Total Short Term Borrowings</b>                               | <b>347.44</b>          | <b>347.44</b>         | -             | -             | -                 |
| <b>Total Borrowings</b>                                          | <b>2,317.79</b>        | <b>647.25</b>         | <b>749.12</b> | <b>505.54</b> | <b>415.88</b>     |

## CONTINGENT LIABILITIES AND OFF-BALANCE SHEET ARRANGEMENTS

As of March 31, 2021, our contingent liabilities that have not been accounted for in our financial statements, were as follows:

| Particulars                                                           | Amount                 |
|-----------------------------------------------------------------------|------------------------|
|                                                                       | ( $\text{₹ million}$ ) |
| Other money for which the Company is contingently liable <sup>#</sup> | 36.50                  |
| Dividend                                                              | -                      |
| <b>Total</b>                                                          | <b>36.50</b>           |

<sup>#</sup> The Company had availed bank guarantee facility of ₹334.00 million with Janata Sahakari Bank Limited against the property of Mr. Narayan Chighlikar and Mrs. Shubhangi Chighlikar, for which the Company had paid the sum of ₹36.50 million to Mr. Narayan Chighlikar, the proprietor of Yash Construction.

For further information on our contingent liabilities, see “Restated Financial Statements” on page 201.

Except as disclosed in the Restated Financial Statements or elsewhere in this Prospectus, there are no off-balance sheet arrangements that have or are reasonably likely to have a current or future effect on our financial condition, revenues or expenses, results of operations, liquidity, capital expenditures or capital resources that we believe are material to investors.

## CONTRACTUAL OBLIGATIONS AND COMMITMENTS

The following table sets forth certain information relating to future payments due under known contractual commitments as of March 31, 2021, by type of contractual obligation:

| Particulars        | As of March 31, 2021   |                  |           |           |                   |
|--------------------|------------------------|------------------|-----------|-----------|-------------------|
|                    | Payment due by period  |                  |           |           |                   |
|                    | ( $\text{₹ million}$ ) |                  |           |           |                   |
|                    | Total                  | Less than 1 year | 1-3 years | 3-5 years | More than 5 years |
| Lease arrangements | 167.77                 | 17.49            | 45.25     | 58.46     | 46.57             |
| <b>Total</b>       | <b>167.77</b>          | -                | -         | -         | -                 |

For further information on our capital and other commitments, see “Restated Financial Statements” on page 201.

## CAPITAL EXPENDITURES

In Fiscals 2019, 2020 and 2021, our capital expenditure towards additions to fixed assets (property, plant and equipment's, capital work in progress, intangible assets under development and intangible assets) were ₹1,037.49 million, ₹519.00 million and ₹679.45 million, respectively. The following table sets forth our gross block fixed assets for the periods indicated:

| Particulars                         | Fiscal 2019     | Fiscal 2020     | Fiscal 2021     |
|-------------------------------------|-----------------|-----------------|-----------------|
|                                     | (₹ million)     |                 |                 |
| Property, plant and equipment       | 2,629.94        | 3,054.04        | 3,733.42        |
| Intangible Assets                   | 14.05           | 21.03           | 31.73           |
| Capital Work in Progress            | 416.58          | 91.30           | 37.18           |
| Intangible Assets Under Development | 1.32            | -               | -               |
| <b>Total</b>                        | <b>3,061.89</b> | <b>3,166.37</b> | <b>3,802.33</b> |

For further information, see “Restated Financial Statements” on page 201.

## RELATED PARTY TRANSACTIONS

We enter into various transactions with related parties in the ordinary course of business. These transactions principally include remuneration, rent expense, purchase of consumables and others.

In Fiscals 2019, 2020 and 2021, the aggregate amount of such related party transactions was ₹37.60 million, ₹41.02 million and ₹54.77 million, respectively. The percentage of the aggregate value of such related party transactions to our revenue from operations in Fiscals 2019, 2020 and 2021 was 1.80%, 1.59% and 1.38%, respectively.

| Nature of Transaction                           | Fiscal 2019 | Fiscal 2020 | Fiscal 2021 |
|-------------------------------------------------|-------------|-------------|-------------|
|                                                 | (₹ million) |             |             |
| <b>Compensation to Key Managerial Personnel</b> |             |             |             |
| Pallavi Bhatevara                               | 3.66        | 5.09        | 4.88        |
| Rajendra Mutha                                  | 8.40        | 8.38        | 6.28        |
| Yash Mutha                                      | 0.30        | 1.80        | 3.53        |
| Sanjay Pandhare                                 | -           | -           | -           |
| Pawan Daga                                      | -           | -           | 0.37        |
|                                                 |             |             |             |
| <b>Expenses incurred</b>                        |             |             |             |
| Sunita Mutha – Rent Expense                     | 21.20       | 22.66       | 35.64       |
| Pallavi Bhatevara – Interest Expense            | 2.53        | 3.09        | 4.08        |
| Sanjay Pandhare – Interest Expense              | 1.51        | -           | -           |
|                                                 |             |             |             |
| <b>Loans taken during the period</b>            |             |             |             |
| Rajendra Mutha                                  | 135.69      | 31.49       | 7.72        |
| Pallavi Bhatevara                               | -           | 10.00       | 17.50       |
| Sanjay Pandhare                                 | -           | -           | -           |
|                                                 |             |             |             |
| <b>Loans repaid during the period</b>           |             |             |             |
| Rajendra Mutha                                  | 147.38      | 28.05       | 10.00       |
| Sanjay Pandhare                                 | 10.00       | -           | -           |
| Pallavi Bhatevara                               | -           | -           | 17.50       |
|                                                 |             |             |             |
| <b>Advances given during the period</b>         |             |             |             |
| Pallavi Bhatevara                               | 2.02        | -           | -           |
|                                                 |             |             |             |
| <b>Advances repaid during the period</b>        |             |             |             |
| Pallavi Bhatevara                               | -           | 2.02        | -           |

For further information on our related party transactions, see “Restated Financial Statements – Note 44: Related Party Disclosures” on page 258.

## **AUDITOR'S OBSERVATIONS**

There have been no reservations/ qualifications/ adverse remarks/ matters of emphasis highlighted by our statutory auditors in their auditor's reports on the audited financial statements as of and for the years ended March 31, 2019, 2020 and 2021.

## **QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK**

We are exposed to various types of market risks during the normal course of business.

### ***Market Risk***

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments. We have negligible exposure to foreign current risk. We do not have interest rate risks as we do not have debt obligations with floating interest rates. Further, we are not exposed to currency risk, as we do not have any significant foreign currency outstanding /receivables neither are we exposed to price or commodity risk.

### ***Credit Risk***

Credit risk is the risk of financial loss to a company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Our Company is exposed to credit risk from our operating activities (primarily trade receivables and security deposit to hospitals), from our financing activities, including deposits with banks and other statutory deposits with regulatory agencies. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. Our Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

Our Company limits exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. Customer credit risk is managed by our internal policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. On account of adoption of Ind AS 109, our Company uses expected credit loss model to assess the impairment loss or gain

### ***Liquidity Risk***

Liquidity risk is the risk that our Company will not be able to meet its financial obligations as they become due. Our Company manages liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due. For further information on contractual maturities of financial liabilities, see, "*Financial Statements – Note 49 – Financial Risk Management Objectives and Policies*" on page 260.

### ***Inflation***

In recent years, India has experienced relatively high rates of inflation. While we believe inflation has not had any material impact on our business and results of operations, inflation generally impacts the overall economy and business environment and hence could affect us.

## **UNUSUAL OR INFREQUENT EVENTS OR TRANSACTIONS**

Except as described in this Prospectus, to our knowledge, there have been no unusual or infrequent events or transactions that have in the past or may in the future affect our business operations or future financial performance.

## **CHANGES IN ACCOUNTING POLICIES**

For periods up to and including the year ended March 31, 2020, our Company prepared its financial statements in accordance with Indian GAAP. Accordingly, our Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2020 and March 31, 2019 (together with the comparative

period data as at and for the year ended March 31, 2018). For further information, see “*Restated Financial Statements – Annexure 5 – Note 2 – Significant Accounting Policies*” on page 210. Other than as required for the preparation of our Restated Financial Statements, there have been no changes in our accounting policies during Fiscals 2019, 2020 and 2021.

## **SIGNIFICANT ECONOMIC CHANGES THAT MATERIALLY AFFECT OR ARE LIKELY TO AFFECT INCOME FROM CONTINUING OPERATIONS**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes that materially affect or are likely to affect income from continuing operations identified above in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*” and the uncertainties described in “*Risk Factors*” on pages 24 and 291, respectively.

## **KNOWN TRENDS OR UNCERTAINTIES**

Our business has been subject, and we expect it to continue to be subject, to significant economic changes arising from the trends identified above in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Significant Factors Affecting our Results of Operations*” and the uncertainties described in “*Risk Factors*” on pages 291 and 24, respectively. To our knowledge, except as discussed in this Prospectus, there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on revenues or income of our Company from continuing operations.

## **FUTURE RELATIONSHIP BETWEEN COST AND INCOME**

Other than as described in “*Risk Factors*”, “*Our Business*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” on pages 24, 142 and 288 respectively, to our knowledge there are no known factors that may adversely affect our business prospects, results of operations and financial condition.

## **NEW PRODUCTS OR BUSINESS SEGMENTS**

Except as set out in this Prospectus, we have not announced and do not expect to announce in the near future any new business segments.

## **COMPETITIVE CONDITIONS**

We operate in a competitive environment. See “*Our Business*”, “*Industry Overview*” and “*Risk Factors*” on pages 142, 118 and 24, respectively, for further details on competitive conditions that we face across our various business segments.

## **EXTENT TO WHICH MATERIAL INCREASES IN NET SALES OR REVENUE ARE DUE TO INCREASED SALES VOLUME, INTRODUCTION OF NEW PRODUCTS OR SERVICES OR INCREASED SALES PRICES**

Changes in revenue in the last three Fiscals are as described in “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2021 compared to Fiscal 2020*” and “*Management’s Discussion and Analysis of Financial Condition and Results of Operations – Fiscal 2020 compared to Fiscal 2019*” above on pages 308 and 311, respectively.

## **SEGMENT REPORTING**

Segments are identified in line with Ind AS-108, “Operating Segment”, as specified under the section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rule 2015, as amended from time to time, and other relevant provision of the Companies Act, 2013, taking into consideration the internal organisation and management structure as well as differential risk and return of the segment. Our Company’s operations predominantly relate to providing radiology and pathology services for X-ray, CT scan, MRI, mammography, tele-reporting services, and all types of blood and urine investigations. The Chief Operating Decision Maker reviews the operations of our Company as one operating segment. Hence no separate segment information has been included. For further information, see “*Financial Statements – Note 45 – Segment Reporting*” on page 260.

## **SIGNIFICANT DEPENDENCE ON SINGLE OR FEW CUSTOMERS**

Revenues from any particular customer may vary between financial reporting periods depending on the nature and term of ongoing contracts with such customer. Our revenue from sale of services has historically been derived from our arrangements with public health agencies and private healthcare facilities. In Fiscals 2019, 2020 and 2021, revenue from sale of service to public health agencies was ₹1,506.61 million, ₹1,884.34 million and ₹2,675.70 million and such arrangements with public health agencies represented 72.01%, 72.92% and 67.49%, respectively, of our total revenues from operations in such periods. For further information, see “*Risk Factors – A substantial portion of our revenue from operations depend on payments under contracts with public health agencies. If we are unable to negotiate and retain similar fee arrangements, if the contracts are cancelled, or if we are unable to realize payments due to us, our business may be materially and adversely affected*” on page 24.

## **SEASONALITY/ CYCLICALITY OF BUSINESS**

Our business is not subject to seasonality or cyclicity. For further information, see “*Industry Overview*” and “*Our Business*” on pages 118 and 142, respectively.

## **SIGNIFICANT DEVELOPMENTS AFTER MARCH 31, 2021 THAT MAY AFFECT OUR FUTURE RESULTS OF OPERATIONS**

The Company has incorporated a new subsidiary on July 27, 2021, with the name ‘*Krsnaa Diagnostics (Mohali) Private Limited*’.

Except as disclosed above and elsewhere in this Prospectus, to our knowledge no circumstances have arisen since March 31, 2021, that could materially and adversely affect or are likely to affect, our operations or profitability, or the value of our assets or our ability to pay our material liabilities within the next 12 months.

## FINANCIAL INDEBTEDNESS

In accordance with the Articles of Association, subject to the provisions of the Companies Act, 2013 and in terms of the resolution passed by our shareholders in their meeting held on April 25, 2021, our Board may, at any time or from time to time, at its discretion, by a resolution passed at a meeting of the Board, borrow any sum of money for the purpose of our Company and the Board may secure repayment of such money in such manner and upon such terms and conditions in all respects as it thinks fit, provided that the total amount so borrowed by our Board together with monies already borrowed by our Company (apart from temporary loans obtained or to be obtained from our Company's bankers in the ordinary course of business), does not exceed the aggregate of the paid-up share capital of our Company, its free reserves and securities premium and shall, at any time, not exceed ₹3,500.00million. For further details regarding the borrowing powers of our Board, see "Our Management-Borrowing Powers" on page 183.

Our Company is engaged in the business of integrated medical diagnostic services and accordingly, has availed borrowings in its ordinary course of business. Our Promoter has provided guarantees in relation to certain of our borrowings, as per the terms and conditions in the relevant agreements/ sanction letters.

For the Offer, our Company has obtained the necessary consents required under the relevant loan documentations for undertaking activities, including, *inter alia*, for change in its capital structure, change in its shareholding pattern, reconstitution of the board of directors and change or amendment to the constitutional documents of our Company.

As on June 30, 2021, the aggregate outstanding borrowings (including fund based and non-fund based borrowings) of our Company, on a consolidated basis, as certified by M/s. Pawan Jain and Associates, chartered accountants, vide certificate dated July 23, 2021, are as follows:

(in ₹ million)

| Name of lender                                    | Sanctioned amount | Outstanding amount as on June 30, 2021 | Nature of facility/ borrowing | Details of material borrowing documentation                                                                                                       |
|---------------------------------------------------|-------------------|----------------------------------------|-------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------|
| HDFC Bank Limited                                 | 197.03            | 157.35                                 | Term Loan                     | i. Sanction letter dated November 17, 2018<br>ii. Master Facility Agreement dated December 5, 2018                                                |
| Reliance Commercial Finance Limited               | 67.83             | 56.31                                  | Term Loan                     | i. Sanction letter dated March 16, 2018<br>ii. Facility cum Hypothecation Agreement dated March 27, 2018                                          |
|                                                   | 32.05             | 31.13                                  | Term Loan                     | i. Sanction letter dated June 21, 2018<br>ii. Facility cum Hypothecation Agreement dated June 30, 2018                                            |
| De Lage Landen Financial Services Private Limited | 88.40             | 37.33                                  | Term Loan                     | i. Sanction letter dated November 24, 2017<br>ii. Master Loan cum Hypothecation Agreement dated April 9, 2018                                     |
|                                                   | 22.10             | 13.42                                  | Term Loan                     | i. Sanction letter dated November 13, 2017<br>ii. Master Loan cum Hypothecation Agreement dated April 9, 2018                                     |
| Clix Finance India                                | 176.85            | 139.16                                 | Term Loan                     | i. Sanction letter dated December 5, 2017<br>ii. Term Loan Agreement dated December 20, 2017<br>iii. Deed of Hypothecation dated October 30, 2017 |
| ICICI Bank Limited                                | 20.80             | 14.13                                  | Vehicle Loan                  | i. Sanction letter dated May 19, 2020<br>ii. Loan Agreement dated May 25, 2020                                                                    |
| Axis Bank Limited                                 | 42.00             | 40.29                                  | Term Loan                     | i. Sanction Letter dated December 24, 2020<br>ii. Loan Agreement dated December 30, 2020                                                          |
| Kotak Mahindra Prime Limited                      | 4.22              | 1.54                                   | Vehicle Loan                  | i. Sanction Letter dated June 14, 2019<br>ii. Loan Agreement dated June 14, 2019                                                                  |
| IndusInd Bank                                     | 220.00            | 220.00                                 | Term Loan                     | i. Sanction Letter dated January 21, 2021                                                                                                         |

| Name of lender               | Sanctioned amount | Outstanding amount as on June 30, 2021 | Nature of facility/ borrowing | Details of material borrowing documentation                                                                                                                                         |
|------------------------------|-------------------|----------------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Limited                      |                   |                                        |                               | ii. Loan Agreement dated March 26, 2021                                                                                                                                             |
|                              | 250.00            | 244.30                                 | Term Loan                     | i. Sanction Letter dated July 29, 2020<br>ii. Loan Agreement dated January 25, 2021                                                                                                 |
|                              | 877.20            | 718.01                                 | Term Loan                     | i. Sanction Letter dated December 21, 2018<br>ii. Common Loan Agreement dated December 26, 2018<br>iii. Deed of Hypothecation dated December 27, 2018                               |
|                              | 300.00            | 141.61                                 | Cash Credit                   | i. Sanction Letter dated December 21, 2018<br>ii. Common Loan Agreement dated December 26, 2018<br>iii. Deed of Hypothecation dated December 27, 2018                               |
| Janata Sahakari Bank Limited | 50.00             | 43.08                                  | Cash Credit                   | i. Standing instruction for repayment dated March 13, 2020<br>ii. Loan Agreement dated March 13, 2020<br>iii. Deed of Mortgage / Additional Further Charge dated February 4, 2020   |
|                              | 550.00            | (0.02)                                 | Fixed Deposit Overdraft       | i. Application for loan against paper security dated March 30, 2020<br>ii. Loan Agreement dated March 30, 2020<br>iii. Security of Loan Against Paper Security dated March 20, 2020 |
|                              | 354.00            | 212.64                                 | Bank Guarantee                | i. Sanction Letter dated March 13, 2020<br>ii. Loan Agreement dated March 13, 2020                                                                                                  |
| Kotak Mahindra Bank          | 2.96              | 0.58                                   | Term Loan                     | i. Sanction Letters dated December 6, 2018<br>ii. Loan cum Guarantee Agreement dated December 5, 2018                                                                               |
|                              | 4.86              | 4.03                                   | Term Loan                     | i. Sanction Letters dated December 14, 2020<br>ii. Loan cum Guarantee Agreement dated November 5, 2020                                                                              |
| <b>Total Secured</b>         | <b>3,260.30</b>   | <b>2,074.89</b>                        |                               |                                                                                                                                                                                     |
| <b>Unsecured</b>             |                   |                                        |                               |                                                                                                                                                                                     |
| Pallavi Bhatevara            | 5.10              | 5.10                                   | Loan from Director            | Loan Agreement dated May 20, 2015                                                                                                                                                   |
|                              | 13.44             | 13.44                                  |                               | Loan Agreement dated August 17, 2017                                                                                                                                                |
| <b>Total Unsecured</b>       | <b>18.54</b>      | <b>18.54</b>                           |                               |                                                                                                                                                                                     |
| <b>Total Borrowing</b>       | <b>3,278.84</b>   | <b>2,093.43</b>                        |                               |                                                                                                                                                                                     |

Accordingly, as on June 30, 2021, the total indebtedness under the various financing arrangements of our Company, on a consolidated basis, aggregated to ₹2,093.43 million.

For details of our Company's outstanding borrowing obligations for the last three Fiscals, please see "*Financial Statements*" on page 201.



### Principal terms of the borrowings currently availed by us:

The details provided below are indicative and there may be additional terms, conditions and requirements under the various borrowing arrangements entered into by us.

1. **Interest:** In terms of the borrowings availed by us, the interest rate is typically dependent on the guidelines of RBI and bank and ranges from 8.20% per annum to 13.02% per annum, either at floating rate or linked to base rate.
2. **Tenor:** The tenor of the borrowings availed by us ranges from 12 months to 108 months before being considered for renewal.
3. **Security:** Our borrowings are secured by, *inter alia*, the following:
  - (a) exclusive charge and hypothecation of assets;
  - (b) issuance of demand promissory notes and letters of continuity for specified amounts;
  - (c) issuance of post-dated cheques;
  - (d) charge on fixed/recurring deposits;
  - (e) creation of pledge on the shareholding of Promoter; and
  - (f) personal guarantees by our Promoter.
4. **Re-payment:** Our borrowings are typically repayable on monthly basis, after the end of the specified moratorium period or as may be agreed between us and the respective lenders.
5. **Pre-payment:** Our borrowings typically have rescheduling and pre-payment provisions which allow for pre-payment of the outstanding amount, subject to the conditions specified in the borrowing arrangements and in certain cases subject to the payment of a pre-payment penalty.
6. **Penalty:** The borrowings availed by us contain provisions prescribing penalties for pre-payment as well as delayed payment or default in the repayment obligations, including delay in creation of the stipulated security and/or submission of documents such as annual reports, financial statements, insurance policies and stock statements.
7. **Restrictive Covenants:** The financing arrangement entered into by us entail various restrictive conditions and covenants restricting certain corporate actions, and we are required to take the prior approval of the lenders before carrying out such activities.

For instance, certain corporate actions for which we require the prior written consent of the lenders include:

- (a) amending or modifying the constitutional documents of our Company;
- (b) changing the constitution/composition of the board of directors of our Company;
- (c) undertaking any merger, de-merger, consolidation, reorganisation, dissolution, scheme of arrangement or compromise with our Company's creditors or shareholders;
- (d) effecting any change to our Company's capital structure or shareholding pattern; and
- (e) undertaking any expansion or fresh project or acquisition of fixed assets by our Company.

Further, in relation to certain of borrowings availed by our Company, the relevant lenders have the right to appoint a nominee director on our Board and/or have a right to convert the outstanding loan into Equity Shares of our Company, in case of occurrence of an event of default.

8. **Events of Default:** The term loans and other borrowing facilities availed by our Company contain certain standard events of default, including:
  - (a) failure to make payment of any principal, interest, commission fee, costs or other amounts on due dates;
  - (b) failure to observe or comply with any of the terms and conditions of the transaction documents;
  - (c) any event that would likely constitute a material adverse change, as set out in the transaction documents;
  - (d) failure to comply with security covenants;
  - (e) in case if our Company ceases or threatens to cease to carry on all or a substantial part of its

- businesses;
- (f) in case any step is taken against our Company for dissolution, winding up, liquidation and/or insolvency; and
- (g) in case the security is in jeopardy or ceases to have effect or becomes illegal.

Further, in relation to certain borrowings availed by our Company, any change in ownership, management and/or control of our Company without the prior written consent of the relevant lender is deemed to be an event of default.

The details above are indicative and there may be additional terms that may amount to an event of default under the various borrowing arrangements entered into by us.

9. **Consequences of occurrence of events of default:** In terms of our borrowing arrangements, the following, *inter alia*, are the consequences of occurrence of events of default, whereby our lenders may:

- (a) withdraw or cancel the sanctioned facilities;
- (b) suspend further access/drawdowns, either in whole or in part, of the facility;
- (c) seek immediate repayment of either whole or part of the outstanding amounts under the respective facilities;
- (d) accelerate repayments/ initiate recall of the loans;
- (e) appoint a nominee director on the Board of Directors;
- (f) disclosure of details of borrowings and default to regulators / third parties;
- (g) enforce their security interest which includes, among others, taking possession of charged assets and transfer of the secured assets to such other third parties by way of lease, leave and license, sale or otherwise; and
- (h) application of penal rate of interest / penal charges over and above the agreed rates.

### **Proposed issuance of NCDs**

Our Company proposes to issue secured, unrated, unlisted, redeemable, transferable and interest bearing non-convertible debentures with a face value of ₹1 million each (“NCDs”) to Asian Development Bank (“ADB”) aggregating to an amount of ₹400 million in one tranche. In this regard, our Company has entered into a debenture subscription agreement with Asian Development Bank and has also executed a debenture trust deed with IDBI Trusteeship Services Limited (“IDBI”) (to act as a trustee on behalf of the NCD holders) dated February 15, 2021 (“Trust Deed”, and together with the Subscription Agreement, the “**Debenture Documents**”).

### **Salient features of the Debenture Documents**

#### Subscription Agreement

Our Company has entered into the Subscription Agreement with ADB, in relation to the proposed issuance of NCDs, wherein our Company has agreed to issue and allot the NCDs to ADB and ADB has agreed to subscribe and pay for the NCDs, in accordance with the terms of the Subscription Agreement, the Trust Deed and other transaction documents. The Subscription Agreement contemplates the payment of an upfront fee and a commitment fee by our Company to ADB for subscription of the NCDs. The Subscription Agreement also records the representation and warranties provided by our Company to ADB and certain affirmative and negative covenants, *inter alia*, the application of the proceeds from the issuance of the NCDs, compliance with certain safeguard and social reporting requirements, preparation of a corrective action plan and certain other financial covenants. Further, the Subscription Agreement also records certain conditions to be complied with for ADB’s subscription to the NCDs, *inter alia*, ADB not being prohibited or acting as a creditor pursuant to any sanctions, our Company not being named in ADB’s sanctions list, India not having ceased to be a member of ADB or having provided a notice of withdrawal from ADB’s membership and the Government of India having no objection to ADB’s subscription to the NCDs. The Subscription Agreement also details out certain ‘events of defaults’, *inter alia*, failure by our Company to comply with certain obligations or provisions of the Subscription Agreement or becoming a restricted party or being named in ADB’s sanction list.

#### Trust Deed

Our Company has entered into the Trust Deed with IDBI, in relation to the proposed issuance of NCDs to ADB,

for which IDBI has been appointed as the trustee on behalf of the NCD holders (“**Trustee**”). The Trust Deed stipulates, the nature and terms of the NCDs, inter alia, (a) the purpose for which the NCDs are proposed to be issued; (b) details of scheduled and voluntary redemption of NCDs; (c) accrual and computation of interest, default interest and other payments; (d) reimbursement of expenses; (e) creation of debenture redemption reserve; (f) transfer of NCDs. Further, the Trust Deed records the details of the security proposed to be created for the issuance of NCDs along with the security cover ratio. The Trust Deed also stipulates the representation and warranties provided by our Company, certain conditions required to be complied by our Company prior to and post the issuance of the NCDs along with detailing the events of defaults in terms of the NCDs, inter alia, default or delay in payment, initiation of winding up or bankruptcy proceedings against our Company, failure to comply with security obligations, occurrence of cross default, and the consequence of occurrence of any such event of default. The Trust Deed also stipulates the general powers, rights and discretions of the Trustee and provides for the mechanism for removal or replacement of the Trustee.

As on the date of this Prospectus, our Company has not issued the NCDs. For further details, please see “*Risk Factors*” on page 24.

## SECTION VIII – LEGAL AND OTHER INFORMATION

### OUTSTANDING LITIGATION AND OTHER MATERIAL DEVELOPMENTS

*There are no outstanding (i) criminal proceedings involving our Company, Subsidiaries, Directors, or Promoter; (ii) actions by statutory or regulatory authorities involving our Company, Subsidiaries, Directors, or Promoter (except as disclosed on page 327); (iii) claims relating to direct and indirect taxes involving our Company, Subsidiaries, Directors, or Promoter (except as disclosed on page 327); and (iv) any other pending litigation involving our Company, Subsidiaries, Directors or Promoter (other than proceedings covered under (i) to (iii) above) which has been determined to be material pursuant to the Materiality Policy (as disclosed herein below).*

*In accordance with the Materiality Policy, all pending litigation (other than outstanding criminal proceedings, actions by statutory or regulatory authorities and claims relating to direct and indirect taxes mentioned in points (i) to (iii) above):*

*A. involving our Company and Subsidiaries:*

- i. where the aggregate monetary claim made by or against our Company and/or our Subsidiaries (individually or in aggregate), in any such pending litigation is equal to or in excess of one percent of the restated revenue from operations of our Company in the most recently completed Fiscal, as per the Restated Financial Statements.*

*Based on the above, we have disclosed all such outstanding litigation proceedings where the aggregate monetary claim made by or against our Company and Subsidiaries (individually or in aggregate), in any such pending litigation is equal to or in excess of an amount equivalent to one per cent of our restated revenue from operations during Fiscal 2021, as per the Restated Financial Statements); or*

- ii. where the monetary liability is not quantifiable, or which does not fulfil the threshold specified in (i) above, but the outcome of which could, nonetheless have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company, have been considered “material” and accordingly have been disclosed in this Prospectus.*

*B. involving our Promoter and Directors, the outcome of which could have a material adverse effect on the business, operations, performance, prospects, financial position or reputation of our Company, irrespective of the amount involved in such litigation, have been considered “material” and accordingly have been disclosed in this Prospectus.*

*Further, there are no: (i) disciplinary actions (including penalties) imposed by SEBI or a recognized stock exchange against our Promoter in the last five Fiscals immediately preceding the date of this Prospectus, including any outstanding action; and (ii) outstanding litigation involving the Group Companies, which may have a material impact on our Company.*

*Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ to whom the amount due is equal to or in excess of five percent of the trade payables of our Company as of the end of the most recent period covered in the Restated Financial Statements. The trade payables of our Company as on March 31, 2021 was ₹785.56 million. Accordingly, a creditor has been considered ‘material’ if the amount due to such creditor exceeds ₹39.28 million as on March 31, 2021.*

*For the purposes of the above, pre-litigation notices received by our Company, Subsidiaries, Promoter, Directors or Group Companies from third parties (excluding those notices issued by statutory or regulatory or taxation authorities or notices threatening criminal action) have not and shall not, unless otherwise decided by our Board, be considered material until such time that our Company, or such Subsidiaries, Promoter, Director or Group Company, as the case may be, is impleaded as a defendant in litigation before any judicial or arbitral forum.*

*Unless stated to the contrary, the information provided below is as of the date of this Prospectus. All terms defined in a particular litigation disclosure below are for that particular litigation only.*

## LITIGATION INVOLVING OUR COMPANY

### (a) Outstanding litigation proceedings by our Company

#### (i) Criminal proceedings

Our Company, through one of its employees in Mumbai, has filed a first information report dated April 8, 2021 at the Tulinj police station, Mumbai, against certain persons under Sections 34, 420, 465, 468 and 471 of the Indian Penal Code, 1860, for using the letterhead and logo of our Company to issue fake RT-PCR reports in relation to COVID-19. The matter is currently pending.

## LITIGATION INVOLVING OUR PROMOTER

### (a) Outstanding litigation proceedings against our Promoter

#### (i) Claims related to direct and indirect taxes

A summary table of the claims relating to direct and indirect taxes involving our Promoter is set forth below:

| Nature of case | Number of cases | Amount (in ₹ million) |
|----------------|-----------------|-----------------------|
| Direct Tax     | 1               | 0.40                  |
| <b>Total</b>   | <b>1</b>        | <b>0.40</b>           |

## LITIGATION INVOLVING OUR DIRECTORS

### (c) Outstanding litigation against our Directors

#### Chetan Desai

#### (i) Actions by statutory or regulatory authorities

SEBI has initiated adjudication proceedings and issued a show cause notice dated March 19, 2021 (“SCN”) to Chetan Desai, in his capacity as a former independent director of a real estate investment manager (the “Investment Manager”) during July 31, 2018 to May 5, 2020 under Section 15HB of the SEBI Act, 1992, for the alleged violation of certain provisions of the SEBI AIF Regulations by the Investment Manager. The SCN was issued by the adjudicating officer in terms of Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties by Adjudicating Officer) Rules, 1995. The Investment Manager, along with Mr. Desai and other directors of the Investment Manager have made an application for settlement to SEBI on May 17, 2021, under Securities and Exchange Board of India (Settlement Proceedings) Regulations, 2018. The matter is currently pending.

## OUTSTANDING DUES TO CREDITORS

Further, in accordance with the Materiality Policy, our Company has considered such creditors ‘material’ to whom the amount due is equal to or in excess of five percent of the trade payables of our Company as of the end of the most recent period covered in the Restated Financial Statements, i.e., ₹39.28 million, as of March 31, 2021 (“Material Creditors”).

The details of the total outstanding dues (trade payables) owed to micro, small and medium enterprises (as defined under Section 2 of the Micro, Small and Medium Enterprises Development Act, 2006), Material Creditors and other creditors as on March 31, 2021 is as set forth below:

| Particulars                                                 | Number of creditors | Amount involved<br>(₹ in million) |
|-------------------------------------------------------------|---------------------|-----------------------------------|
| Dues to micro, small and medium enterprises                 | 18                  | 5.37                              |
| Dues to Material Creditor(s)                                | 7                   | 440.17                            |
| Dues to other creditors (including outstanding liabilities) | 423                 | 340.02                            |
| <b>Total</b>                                                | <b>448</b>          | <b>785.56</b>                     |

For details of outstanding dues to the Material Creditors (referenced above) as on March 31, 2021, (along with the names and amounts involved for each such Material Creditor) see [www.krsnaadiagnostics.com/investor/](http://www.krsnaadiagnostics.com/investor/). It is

clarified that information provided on the website of our Company is not a part of this Prospectus and should not be deemed to be incorporated by reference. Anyone placing reliance on any other source of information, including our Company's website, <https://krsnaadiagnostics.com/> would be doing so at their own risk.

#### **MATERIAL DEVELOPMENTS**

Other than as stated in the section "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" on page 288, there have not arisen, since the date of the last financial statements disclosed in this Prospectus, any circumstances which materially and adversely affect, or are likely to affect, our operations, our profitability taken as a whole or the value of our consolidated assets or our ability to pay our liabilities within the next 12 months.

## GOVERNMENT AND OTHER APPROVALS

*Our Company has received all consents, licenses, registrations, permissions and approvals from the relevant governmental, statutory and/ or regulatory authorities, which are material for undertaking its present business activities and operations and except as mentioned below, no further material approvals are required for carrying on our present business activities. Unless stated otherwise, these approvals are valid as on the date of this Prospectus.*

*For details of risk associated with not obtaining or delay in obtaining the requisite approvals, see “Risk Factors - We require certain approvals, licenses, registrations and permits for conducting our business and our inability to obtain, retain or renew them in a timely manner, or at all, may adversely affect our business, results of operations and financial condition” on page 33. Further, for details in connection with the regulatory and legal framework within which our Company operates, see “Key Regulations and Policies in India” on page 163.*

*For Offer related approvals, see “Other Regulatory and Statutory Disclosures” on page 331 and for incorporation details of our Company, see “History and Certain Corporate Matters” on page 168.*

### **I. Material labour/employment related approvals**

The following are the material labour/ employment related approvals applicable to our Company:

1. Shops and establishments registrations under the applicable provisions of the shops and establishments legislation of relevant states for our Registered and Corporate Office and diagnostic centres, wherever applicable, issued by the ministry or department of labour of relevant state government. These licenses are periodically renewed, whenever applicable.
2. Registration for employees’ provident fund issued by the Employees’ Provident Fund Organisation under the Employees’ Provident Funds and Miscellaneous Provisions Act, 1952.
3. Registration for employees’ insurance issued by the Sub-Regional Office, Employees State Insurance Corporation of different states in India under the Employees’ State Insurance Act, 1948.

### **II. Tax related approvals**

The following are the tax related approvals applicable to our Company:

1. Permanent account number issued by the Income Tax Department under the Income Tax Act, 1961.
2. Tax deduction account number issued by the Income Tax Department under the Income Tax Act, 1961.
3. Goods and services tax registration issued by the GoI under the Goods and Service Tax Act, 2017.
4. Professional Tax registration under applicable state specific laws.

### **III. Material approvals in relation to our business and operations**

In order to operate its diagnostic centres in India, our Company requires various approvals and/ or licenses under various applicable state and central laws, rules and regulations. These approvals and/ or licenses, *inter alia*, include (a) registration under the Pre-Conception and Pre-Natal Diagnostic Techniques Act, 1994 and the rules thereunder, issued by appropriate State authority, (b) license to operate medical diagnostic equipment issued by the Atomic Energy Regulatory Board (Government of India) under the Atomic Energy Act, 1962, (c) registration under the Clinical Establishments (Registration and Regulations) Act, 2010 or under respective State clinical establishment legislation and rules thereunder, as applicable, issued by the appropriate State authority, wherever applicable and (d) bio medical waste authorisation under the Bio-Medical Waste (Management and Handling) Rules, 2016, issued by the respective State Pollution Control Board, as applicable.

Our Company has obtained material permits, licenses and approvals from the appropriate regulatory and governing authorities required to operate its diagnostic centres. Certain approvals may have lapsed in

their normal course and our Company has either made applications to the appropriate authorities for renewal of such licenses and/or approvals or is in the process of making such applications.

**Intellectual property rights**

For details, see “*Our Business*” on page 142 and “*Risk Factors – Our inability to protect or use our intellectual property rights or comply with intellectual property rights of others may adversely affect our business*” on page 45.



## OTHER REGULATORY AND STATUTORY DISCLOSURES

### Authority for the Offer

The Offer has been authorized by a resolution of our Board dated May 13, 2021 and the Fresh Issue has been authorized by a special resolution of our Shareholders, dated May 14, 2021.

Our Board and our IPO Committee have each approved the Draft Red Herring Prospectus pursuant to their resolutions dated May 14, 2021 and May 15, 2021, respectively.

The Selling Shareholders have consented to participate in the Offer for Sale by way of their respective consent letters and corporate approvals as outlined in the table below:

| Sr. No. | Name of Selling Shareholder                                                   | Total number of Offered Shares | Date of corporate approval | Date of consent letters |
|---------|-------------------------------------------------------------------------------|--------------------------------|----------------------------|-------------------------|
| 1.      | Phi Capital                                                                   | 1,600,000                      | March 18, 2021             | May 14, 2021            |
| 2.      | Kitara                                                                        | 3,340,713                      | April 23, 2021             | May 14, 2021            |
| 3.      | Somerset                                                                      | 3,563,427                      | July 23, 2021              | July 23, 2021           |
| 4.      | Lotus Management Solutions (acting through and represented by Mayur Sirdesai) | 21,380                         | April 29, 2021             | May 14, 2021            |

Our Company has received in-principle approvals from BSE and NSE for the listing of the Equity Shares pursuant to letters dated June 4, 2021 and June 22, 2021, respectively.

Our Board and our IPO Committee have approved the Red Herring Prospectus pursuant to resolutions dated July 28, 2021 and July 29, 2021 respectively.

Our Board [and our IPO Committee] have approved this Prospectus pursuant to resolutions dated August 10, 2021 [and August 10, 2021], respectively.

### Prohibition by SEBI or other Governmental Authorities

Our Company, our Promoter, our Directors, the members of the Promoter Group and the Selling Shareholders have not been prohibited from accessing the capital markets and have not been debarred from buying, selling or dealing in securities under any order or direction passed by SEBI or any securities market regulator in any jurisdiction or any other authority/court.

### Compliance with the Companies (Significant Beneficial Owners) Rules, 2018

Our Company, our Promoter, the members of the Promoter Group and each of the Selling Shareholders are in compliance with the Companies (Significant Beneficial Owners) Rules, 2018, to the extent applicable.

### Directors associated with the Securities Market

Other than Chetan Desai who is a director on the board of Reliance Securities Limited, which is registered as a stock broker, research analyst, depository participant, investment advisor, none of the Directors are, in any manner, associated with the securities market. Other than as disclosed in “*Outstanding Litigation and Other Material Developments-Litigation involving our Directors-Litigation against our Directors-Chetan Desai*” on page 327, there are no outstanding action(s) initiated by SEBI against the Directors of our Company in the five years preceding the date of this Prospectus.

### Eligibility for the Offer

Our Company is eligible for the Offer in accordance with Regulation 6(2) of the SEBI ICDR Regulations, and is in compliance with the conditions specified therein in the following manner:

*An issuer not satisfying the condition stipulated in sub-regulation (1) shall be eligible to make an initial public offer only if the issue is made through the book-building process and the issuer undertakes to allot at least seventy five per cent. of the net offer to qualified institutional buyers and to refund the full subscription money if it fails to do so.*

We are an unlisted company not complying with the conditions specified in Regulation 6(1) of the SEBI ICDR Regulations and are therefore required to meet the conditions detailed in Regulation 6(2) of the SEBI ICDR Regulations.

We undertake to comply with Regulation 6(2) of the SEBI ICDR Regulations. Not less than 75% of the Offer is proposed to be allocated to QIBs and in the event that we fail to do so, the Bid Amounts received by our Company shall be refunded to the Bidders, in accordance with the SEBI ICDR Regulations and other applicable laws.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of Allottees in the Offer shall be not less than 1,000.

Our Company confirms that it is in compliance with the conditions specified in Regulation 7(1) of the SEBI ICDR Regulations, to the extent applicable, and will ensure compliance with the conditions specified in Regulation 7(2) of the SEBI ICDR Regulations, to the extent applicable.

Further, our Company confirms that it is not ineligible to make the Offer in terms of Regulation 5 of the SEBI ICDR Regulations, to the extent applicable.

The details of our compliance with Regulation 5 of the SEBI ICDR Regulations are as follows:

- (a) None of our Company, our Promoter, members of our Promoter Group, our Directors or the Selling Shareholders are debarred from accessing the capital markets by SEBI.
- (b) None of our Promoter or Directors are promoters or directors of companies which are debarred from accessing the capital markets by SEBI.
- (c) None of our Company, our Promoter or Directors is a Wilful Defaulter.
- (d) None of our Promoter or Directors has been declared a fugitive economic offender in accordance with the Fugitive Economic Offenders Act, 2018.
- (e) There are no other fully paid up convertible securities that are required to be converted on or before the filing of this Prospectus;
- (f) Except for options granted under the ESOP Scheme, there are no outstanding warrants, options or rights to convert debentures, loans or other instruments convertible into, or which would entitle any person any option to receive Equity Shares, as on the date of this Prospectus.

Each of the Selling Shareholders confirm compliance with Regulation 8 of the SEBI ICDR Regulations.

None of our Company, our Promoter or Directors have been declared as a fraudulent borrower by any bank, financial institution or lending consortium, in accordance with the 'Master Directions on Frauds – Classification and Reporting by commercial banks and select FIs' dated July 1, 2016, as updated, issued by the RBI.

#### **DISCLAIMER CLAUSE OF SEBI**

**IT IS TO BE DISTINCTLY UNDERSTOOD THAT SUBMISSION OF THE DRAFT RED HERRING PROSPECTUS TO SEBI SHOULD NOT, IN ANY WAY, BE DEEMED OR CONSTRUED THAT THE SAME HAS BEEN CLEARED OR APPROVED BY SEBI. SEBI DOES NOT TAKE ANY RESPONSIBILITY EITHER FOR THE FINANCIAL SOUNDNESS OF ANY SCHEME OR THE PROJECT FOR WHICH THE OFFER IS PROPOSED TO BE MADE OR FOR THE CORRECTNESS OF THE STATEMENTS MADE OR OPINIONS EXPRESSED IN THE DRAFT RED HERRING PROSPECTUS. THE BRLMs, JM FINANCIAL LIMITED, DAM CAPITAL ADVISORS LIMITED (FORMERLY IDFC SECURITIES LIMITED), EQUIRUS CAPITAL PRIVATE LIMITED AND IIFL SECURITIES LIMITED HAVE CERTIFIED THAT THE DISCLOSURES MADE IN THE DRAFT RED HERRING PROSPECTUS ARE GENERALLY ADEQUATE AND ARE IN CONFORMITY WITH THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED. THIS REQUIREMENT IS TO FACILITATE INVESTORS TO TAKE AN INFORMED DECISION FOR MAKING AN INVESTMENT IN THE PROPOSED OFFER.**

**IT SHOULD ALSO BE CLEARLY UNDERSTOOD THAT WHILE THE COMPANY IS PRIMARILY RESPONSIBLE FOR THE CORRECTNESS, ADEQUACY AND DISCLOSURE OF ALL RELEVANT INFORMATION IN THE DRAFT RED HERRING PROSPECTUS, THE BRLMs ARE EXPECTED TO**

**EXERCISE DUE DILIGENCE TO ENSURE THAT THE COMPANY AND THE SELLING SHAREHOLDERS DISCHARGE THEIR RESPONSIBILITY ADEQUATELY IN THIS BEHALF AND TOWARDS THIS PURPOSE, THE BRLMs HAVE FURNISHED TO SEBI, A DUE DILIGENCE CERTIFICATE DATED MAY 15, 2021 IN THE FORMAT PRESCRIBED UNDER SCHEDULE V(A) OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (ISSUE OF CAPITAL AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2018, AS AMENDED.**

**THE FILING OF THE DRAFT RED HERRING PROSPECTUS DOES NOT, HOWEVER, ABSOLVE THE COMPANY FROM ANY LIABILITIES UNDER THE COMPANIES ACT, 2013 OR FROM THE REQUIREMENT OF OBTAINING SUCH STATUTORY AND/OR OTHER CLEARANCES AS MAY BE REQUIRED FOR THE PURPOSE OF THE OFFER. SEBI FURTHER RESERVES THE RIGHT TO TAKE UP, AT ANY POINT OF TIME, WITH THE BRLMs, ANY IRREGULARITIES OR LAPSES IN THE DRAFT RED HERRING PROSPECTUS.**

#### **Disclaimer from our Company, our Directors, the Selling Shareholders and the BRLMs**

Our Company, the Directors, the Selling Shareholders and the BRLMs accept no responsibility for statements made otherwise than in the Red Herring Prospectus and this Prospectus or in the advertisements or any other material issued by or at our Company's instance and anyone placing reliance on any other source of information, including our Company's website [www.krснаadiagnostics.com](http://www.krснаadiagnostics.com) would be doing so at his or her own risk.

The BRLMs accept no responsibility, save to the limited extent as provided in the Offer Agreement and the Underwriting Agreement.

All information shall be made available by our Company, the Selling Shareholders and the BRLMs to the public and investors at large and no selective or additional information would be available for a section of the investors in any manner whatsoever, including at road show presentations, in research or sales reports, at Bidding centres or elsewhere.

Investors who Bid in the Offer will be required to confirm and will be deemed to have represented to our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, and representatives that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares and will not sell, pledge, or transfer the Equity Shares to any person who is not eligible under any applicable laws, rules, regulations, guidelines and approvals to acquire the Equity Shares. Our Company, the Selling Shareholders, Underwriters and their respective directors, officers, agents, affiliates, employees and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to acquire the Equity Shares.

The BRLMs and their respective associates and affiliates may engage in transactions with, and perform services for, our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties in the ordinary course of business and have engaged, or may in the future engage, in commercial banking and investment banking transactions with our Company, the Selling Shareholders and their respective group companies, affiliates or associates or third parties, for which they have received, and may in the future receive, compensation.

#### **Disclaimer in respect of Jurisdiction**

Any dispute arising out of the Offer will be subject to the jurisdiction of appropriate court(s) in Mumbai and Pune only.

The Offer was made in India to persons resident in India (including Indian nationals resident in India who are competent to contract under the Indian Contract Act, 1872, HUFs, companies, corporate bodies and societies registered under the applicable laws in India and authorised to invest in shares, Indian Mutual Funds registered with SEBI, Indian financial institutions, commercial banks, regional rural banks, co-operative banks (subject to RBI permission), or trusts under applicable trust law and who are authorised under their constitution to hold and invest in shares, permitted insurance companies and pension funds, insurance funds set up and managed by the army and navy and insurance funds set up and managed by the Department of Posts, India) and permitted Non-Residents including FPIs and Eligible NRIs, AIFs and other eligible foreign investors, if any, provided that they are eligible under all applicable laws and regulations to purchase the Equity Shares.

This Prospectus does not constitute an invitation to subscribe to or purchase the Equity Shares in the Offer in any jurisdiction, including India. Invitations to subscribe to or purchase the Equity Shares in the Offer have been made only pursuant to the Red Herring Prospectus if the recipient is in India or the preliminary offering memorandum for the Offer, which comprises this Prospectus and the preliminary international wrap for the Offer, if the recipient is outside India.

### **Eligibility and Transfer Restrictions**

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales are made. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”.**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

Until the expiry of 40 days after the commencement of this Offer, an offer or sale of Equity Shares within the United States by a dealer (whether or not it is participating in this Offer) may violate the registration requirements of the U.S. Securities Act if such an offer for sale is made otherwise than in compliance with the available exemptions from registration under the U.S. Securities Act.

### ***Equity Shares Offered and Sold within the United States***

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer within the United States, by its acceptance of this Prospectus and of the Equity Shares, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser (i) is a U.S. QIB, (ii) is aware that the sale to it was made in a transaction exempt from or not subject to the registration requirements of the U.S. Securities Act, and (iii) is acquiring such Equity Shares for its own account or for the account of a U.S. QIB with respect to which it exercises sole investment discretion;
4. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
5. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A under the U.S. Securities Act or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the states of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;

6. the Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act and no representation is made as to the availability of the exemption provided by Rule 144 for resales of any such Equity Shares;
7. the purchaser will not deposit or cause to be deposited such Equity Shares into any depositary receipt facility established or maintained by a depositary bank other than a Rule 144A restricted depositary receipt facility, so long as such Equity Shares are “restricted securities” within the meaning of Rule 144(a)(3) under the U.S. Securities Act;
8. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
9. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determines otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

**THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE U.S. SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.**

10. Our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
11. the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

***All Other Equity Shares Offered and Sold in this Offer***

Each purchaser that is acquiring the Equity Shares offered pursuant to this Offer outside the United States, by its acceptance of this Prospectus and of the Equity Shares offered pursuant to this Offer, will be deemed to have acknowledged, represented to and agreed with our Company and the BRLMs that it has received a copy of this Prospectus and such other information as it deems necessary to make an informed investment decision and that:

1. the purchaser is authorized to consummate the purchase of the Equity Shares offered pursuant to this Offer in compliance with all applicable laws and regulations;
2. the purchaser acknowledges that the Equity Shares offered pursuant to this Offer have not been and will not be registered under the U.S. Securities Act or with any securities regulatory authority of any state of the United States and accordingly may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act;
3. the purchaser is purchasing the Equity Shares offered pursuant to this Offer in an offshore transaction meeting the requirements of Rule 903 of Regulation S under the U.S. Securities Act;

4. the purchaser and the person, if any, for whose account or benefit the purchaser is acquiring the Equity Shares offered pursuant to this Offer, was located outside the United States at the time (i) the offer for such Equity Shares was made to it and (ii) when the buy order for such Equity Shares was originated and continues to be located outside the United States and has not purchased such Equity Shares for the account or benefit of any person in the United States or entered into any arrangement for the transfer of such Equity Shares or any economic interest therein to any person in the United States;
5. the purchaser is not an affiliate of our Company or a person acting on behalf of an affiliate;
6. if, in the future, the purchaser decides to offer, resell, pledge or otherwise transfer such Equity Shares, or any economic interest therein, such Equity Shares or any economic interest therein may be offered, sold, pledged or otherwise transferred only (A) (i) to a person whom the beneficial owner and/or any person acting on its behalf reasonably believes is a U.S. QIB in a transaction meeting the requirements of Rule 144A or (ii) in an offshore transaction complying with Rule 903 or Rule 904 of Regulation S under the U.S. Securities Act and (B) in accordance with all applicable laws, including the securities laws of the States of the United States. The purchaser understands that the transfer restrictions will remain in effect until our Company determines, in its sole discretion, to remove them;
7. the purchaser agrees that neither the purchaser, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any “directed selling efforts” as defined in Regulation S under the U.S. Securities Act in the United States with respect to the Equity Shares;
8. the purchaser understands that such Equity Shares (to the extent they are in certificated form), unless our Company determine otherwise in accordance with applicable law, will bear a legend substantially to the following effect:

**THE EQUITY SHARES REPRESENTED HEREBY HAVE NOT BEEN AND WILL NOT BE REGISTERED UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “U.S. SECURITIES ACT”) OR WITH ANY SECURITIES REGULATORY AUTHORITY OF ANY STATE OR OTHER JURISDICTION OF THE UNITED STATES AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT (1) TO A PERSON WHOM THE SELLER OR ANY PERSON ACTING ON ITS BEHALF REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE U.S. SECURITIES ACT IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A UNDER THE SECURITIES ACT, OR (2) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE U.S. SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES.**

9. our Company will not recognize any offer, sale, pledge or other transfer of such Equity Shares made other than in compliance with the above-stated restrictions; and
10. the purchaser acknowledges that our Company, the BRLMs, their respective affiliates and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations and agreements deemed to have been made by virtue of its purchase of such Equity Shares are no longer accurate, it will promptly notify our Company, and if it is acquiring any of such Equity Shares as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of such account.

Further, each Bidder where required must agree in the Allotment Advice that such Bidder will not sell or transfer any Equity Shares or any economic interest therein, including any off-shore derivative instruments, such as participatory notes, issued against the Equity Shares or any similar security, other than pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act.

### **European Economic Area**

In relation to each European Economic Area State that has implemented the Prospectus Directive (Directive 2003/71/EC) and amendments thereto, including Directive 2010/73/EU and to the extent applicable, Prospectus Regulation (EU) 2017/1129 (each, a “**Relevant Member State**”), an offer to the public of any Equity Shares may

be made at any time under the following exemptions under the Prospectus Regulations, if they have been implemented in that Relevant Member State:

- a. to any legal entity which is a qualified investor as defined under the Prospectus Regulations;
- b. to fewer than 150 natural or legal persons (other than qualified investors as defined under the Prospectus Directive), subject to obtaining the prior consent of the BRLMs; or
- c. in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

provided that no such offer of Equity Shares shall result in a requirement for our Company, the Selling Shareholders or any BRLM to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 23 of the Prospectus Directive.

For the purposes of this paragraph, the expression an “offer to the public” in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression “Prospectus Directive” means Regulation (EU) 2017/1129.

### **United Kingdom**

No Equity Shares have been offered or will be offered pursuant to the Offer to the public in the United Kingdom prior to the publication of a prospectus in relation to the Equity Shares which has been approved by the Financial Conduct Authority is to be treated as if it had been approved by the Financial Conduct Authority in accordance with the transitional provisions in Article 74 (transitional provisions) of the Prospectus Amendment etc. (EU Exit) Regulations 2019/1234, except that it may make an offer to the public in the United Kingdom of any Equity Shares at any time:

- a. to any legal entity which is a qualified investor as defined under the UK Prospectus Regulation;
- b. to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the UK Prospectus Regulation), subject to obtaining the prior consent of BRLMs for any such offer; or
- c. in any other circumstances falling within Section 86 of the FSMA.

provided that no such offer of Equity Shares shall result in a requirement for our Company, the Selling Shareholders or any BRLM to publish a prospectus pursuant to Section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

For the purposes of this provision, the expression an “offer to the public” in relation to the Equity Shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares and the expression “UK Prospectus Regulation” means Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

### **Disclaimer Clause of BSE**

As required, a copy of the Draft Red Herring Prospectus has been submitted to BSE. The disclaimer clause as intimated by BSE to our Company is as follows:

*“BSE Limited (“the Exchange”) has given vide its letter dated June 4, 2021 permission to this Company to use the Exchange’s name in this offer document as one of the stock exchanges on which this company’s securities are proposed to be listed. The Exchange has scrutinized this offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Company. The Exchange does not in any manner: -*

- a) warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; or*
- b) warrant that this Company’s securities will be listed or will continue to be listed on the Exchange; or*
- c) take any responsibility for the financial or other soundness of this Company, its promoters, its management or any scheme or project of this Company;*

*and it should not for any reason be deemed or construed that this offer document has been cleared or approved by the Exchange. Every person who desires to apply for or otherwise acquires any securities of this Company may*

*do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever”*

#### **Disclaimer Clause of NSE**

As required, a copy of the Draft Red Herring Prospectus has been submitted to NSE. The disclaimer clause as intimated by NSE to our Company is as follows:

*“As required, a copy of this Offer Document has been submitted to National Stock Exchange of India Limited (hereinafter referred to as NSE). NSE has given vide its letter Ref.: NSE/LIST/1035 dated June 22, 2021 permission to the Issuer to use the Exchange’s name in this Offer Document as one of the Stock Exchanges on which this Issuer’s securities are proposed to be listed. The Exchange has scrutinized this draft offer document for its limited internal purpose of deciding on the matter of granting the aforesaid permission to this Issuer. It is to be distinctly understood that the aforesaid permission given by NSE should not in any way be deemed or construed that the offer document has been cleared or approved by NSE; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this offer document; nor does it warrant that this Issuer’s securities will be listed or will continue to be listed on the Exchange; nor does it take any responsibility for the financial or other soundness of this Issuer, its promoters, its management or any scheme or project of this Issuer.*

*Every person who desires to apply for or otherwise acquire any securities of this Issuer may do so pursuant to independent inquiry, investigation and analysis and shall not have any claim against the Exchange whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription /acquisition whether by reason of anything stated or omitted to be stated herein or any other reason whatsoever.”*

#### **Listing**

The Equity Shares issued through the Red Herring Prospectus and this Prospectus are proposed to be listed on BSE and NSE. NSE will be the Designated Stock Exchange with which the Basis of Allotment will be finalised. Applications been made to BSE and NSE for permission to deal in and for an official quotation of the Equity Shares.

#### **Consents**

Consents in writing of the Selling Shareholders, our Directors, our Company Secretary and Compliance Officer, Statutory Auditors, Legal Counsel to our Company as to Indian law, Legal Counsel to the BRLMs as to Indian law, International Legal Counsel to the BRLMs, Bankers to our Company, the BRLMs, the Registrar to the Offer, lenders to our Company (wherever applicable), the Project Consultant and CRISIL, Syndicate Members, Sponsor Bank, Escrow Collection Bank(s), Monitoring Agency and Refund Bank(s) to act in their respective capacities, were obtained and filed along with a copy of the Red Herring Prospectus with the RoC as required under the Companies Act and such consents have not been withdrawn up to the time of delivery of this Prospectus with the RoC.

#### **Experts**

Except as stated below, our Company has not obtained any expert opinions:

Our Company has received written consent from the Statutory Auditors, holding a valid peer review certificate from ICAI, to include their name as required under Section 26 of the Companies Act, 2013 in this Prospectus and as an ‘expert’ as defined under Section 2(38) of Companies Act, 2013 in respect of the: (i) Restated Financial Statements and their examination report dated July 23, 2021, on the Restated Financial Statements; and (ii) the statement of possible special tax benefits dated July 23, 2021 included in this Prospectus. Such consent has not been withdrawn up to the time of delivery of this Prospectus.

Pursuant to Section 2(38) of the Companies Act, 2013, an ‘expert’ is defined to include an ‘engineer’. Oriens Advisors LLP is an independent engineering firm and have provided project consultancy services with respect to the Project Report in their capacity as engineers to certify certain details in relation to the capital expenditure proposed to be incurred by our Company from the Net Proceeds. Accordingly, our Company has received written



consent from Oriens Advisors LLP, to include their name, as required under Section 26 of the Companies Act, 2013, in this Prospectus and as an ‘expert’ under Section 2(38) of Companies Act, 2013 in respect of the Project Reports. Such consent has not been withdrawn up to the time of delivery of this Prospectus.

### **Particulars regarding public or rights issues by our Company during the last five years and performance vis-à-vis objects**

Other than as disclosed in “*Capital Structure-Notes to the Capital Structure*” on page 79, our Company has not made any public or rights issues (as defined under the SEBI ICDR Regulations) during the five years preceding the date of this Prospectus.

### **Performance vis-à-vis objects –Last issue of Subsidiaries and Promoter**

As on the date of this Prospectus, our Company does not have any corporate Promoter. None of our Subsidiaries have made any public issue or rights issue during the ten years immediately preceding the date of this Prospectus.

### **Underwriting Commission, Brokerage and Selling Commission paid on previous issues of the Equity Shares**

Since this is the initial public offering of Equity Shares, no sum has been paid or is payable as commission or brokerage for subscribing to or procuring or agreeing to procure subscription for any of the Equity Shares in the five years preceding the date of this Prospectus.

### **Capital issue during the previous three years by our Company**

Other than as disclosed in “*Capital Structure-Notes to the Capital Structure*”, our Company has not undertaken a capital issue in the last three years preceding the date of this Prospectus.

### **Capital issue during the previous three years by our listed Group Companies, Subsidiaries or associates of our Company**

As on the date of this Prospectus, our Company has no Group Companies. Further, none of the securities of our Subsidiaries are listed on any stock exchange. As on the date of this Prospectus, our Company does not have any associates.

### **Price information of past issues handled by the BRLMs (during the current Fiscal and two Fiscals preceding the current Fiscal)**

#### **Track record of past issues handled by the BRLMs**

1. *Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial Limited*

| Sr. No. | Issue name                                   | Issue size (₹ million) | Issue price (₹) | Listing Date   | Opening price on Listing Date (in ₹) | +/- % change in closing price, [+/- % change in closing benchmark] - 30 <sup>th</sup> calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 90 <sup>th</sup> calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 180 <sup>th</sup> calendar days from listing |
|---------|----------------------------------------------|------------------------|-----------------|----------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| 1.      | Rolex Rings Limited                          | 7,310.00               | 900.00          | August 9, 2021 | 1,250.00                             | Not Applicable                                                                                                   | Not Applicable                                                                                                   | Not Applicable                                                                                                    |
| 2.      | Tatva Chintan Pharma Chem Limited            | 5,000.00               | 1,083.00        | July 29, 2021  | 2,111.85                             | Not Applicable                                                                                                   | Not Applicable                                                                                                   | Not Applicable                                                                                                    |
| 3.      | Clean Science and Technology Limited         | 15,466.22              | 900.00          | July 19, 2021  | 1,755                                | Not Applicable                                                                                                   | Not Applicable                                                                                                   | Not Applicable                                                                                                    |
| 4.      | India Pesticides Limited                     | 8,000.00               | 296.00          | July 5, 2021   | 350.00                               | 12.64% [1.87%]                                                                                                   | Not Applicable                                                                                                   | Not Applicable                                                                                                    |
| 5.      | Shyam Metals and Energy Limited <sup>7</sup> | 9,085.50               | 306.00          | June 24, 2021  | 380.00                               | 40.95% [0.42%]                                                                                                   | Not Applicable                                                                                                   | Not Applicable                                                                                                    |
| 6.      | Sona BLW Precision Forgings Limited          | 55,500.00              | 291.00          | June 24, 2021  | 301.00                               | 45.45% [0.42%]                                                                                                   | Not Applicable                                                                                                   | Not Applicable                                                                                                    |
| 7.      | Macrotech Developers Limited                 | 25,000.00              | 486.00          | April 19, 2021 | 436.00                               | 30.22% [5.21%]                                                                                                   | 75.43% [10.89%]                                                                                                  | Not Applicable                                                                                                    |
| 8.      | Anupam Rasayan India Limited <sup>8</sup>    | 7,600.00               | 555.00          | March 24, 2021 | 520.00                               | -0.11% [-0.98%]                                                                                                  | 30.49%[8.23%]                                                                                                    | Not Applicable                                                                                                    |

|     |                            |          |        |            |     |         |                 |                |                |
|-----|----------------------------|----------|--------|------------|-----|---------|-----------------|----------------|----------------|
| 9.  | Easy Trip Planners Limited | 5,100.00 | 187.00 | March 2021 | 19, | 212.25  | -7.27% [-0.86%] | 124.68%[6.94%] | Not Applicable |
| 10. | MTAR Technologies Limited  | 5,964.14 | 575.00 | March 2021 | 15, | 1050.00 | 69.45% [-2.84%] | 78.83% [5.83%] | Not Applicable |

Source: www.nseindia.com for price information and prospectus/basis of allotment for issue details

Notes:

1. Opening price information as disclosed on the website of NSE.
2. Change in closing price over the issue/offer price as disclosed on NSE.
3. Change in closing price over the closing price as on the listing date for benchmark index viz. NIFTY 50.
4. In case of reporting dates falling on a trading holiday, values for the trading day immediately preceding the trading holiday have been considered.
5. 30<sup>th</sup> calendar day has been taken as listing date plus 29 calendar days; 90<sup>th</sup> calendar day has been taken as listing date plus 89 calendar days; 180<sup>th</sup> calendar day has been taken as listing date plus 179 calendar days.
6. Restricted to last 10 issues.
7. A discount of 4.90 % on the Offer Price was offered to the Eligible Employees Bidding in the Employee Reservation Portion ("Employee Discount") equivalent to ₹ 15 per Equity Share.
8. A discount of Rs. 55 per Equity Share was offered to Eligible Employees bidding in the Employee Reservation Portion.
9. Not Applicable – Period not completed

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by JM Financial Limited

| Financial Year | Total no. of IPOs | Total funds raised (₹ million) | Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date |                   |               | Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date |                  |               | Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar days from listing date |                  |               | Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar days from listing date |                  |               |
|----------------|-------------------|--------------------------------|--------------------------------------------------------------------------------------------|-------------------|---------------|-------------------------------------------------------------------------------------------|------------------|---------------|------------------------------------------------------------------------------------------|------------------|---------------|-----------------------------------------------------------------------------------------|------------------|---------------|
|                |                   |                                | Over 50%                                                                                   | Between 25% - 50% | Less than 25% | Over 50%                                                                                  | Between 25%- 50% | Less than 25% | Over 50%                                                                                 | Between 25%- 50% | Less than 25% | Over 50%                                                                                | Between 25%- 50% | Less than 25% |
| 2021-2022      | 7                 | 1,25,361.72                    | -                                                                                          | -                 | -             | -                                                                                         | 3                | 1             | -                                                                                        | -                | -             | -                                                                                       | -                | -             |
| 2020-2021      | 8                 | 62,102.09                      | -                                                                                          | -                 | 3             | 2                                                                                         | 1                | 2             | -                                                                                        | -                | -             | 3                                                                                       | 1                | 1             |
| 2019-2020      | 4                 | 36,400.83**                    | -                                                                                          | -                 | 1             | -                                                                                         | 1                | 2             | -                                                                                        | 1                | 1             | -                                                                                       | 1                | 1             |

\*\*Spandana Sphoorty Financial Limited raised ₹11,898.49 million as against the issue size of ₹12,009.36 million

2. Price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited (Formerly IDFC Securities Limited)

| Sr. No. | Issue name                                 | Issue size (₹ million) | Issue price (₹) | Listing Date     | Opening price on Listing Date (in ₹) | +/- % change in closing price, [+/- % change in closing benchmark] - 30 <sup>th</sup> calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 90 <sup>th</sup> calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 180 <sup>th</sup> calendar days from listing |
|---------|--------------------------------------------|------------------------|-----------------|------------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| 1.      | Mazagon Dock Shipbuilders Limited          | 4,436.86               | 145.00          | October 12, 2020 | 214.90                               | +18.90%,<br>[+5.87%]                                                                                             | +52.90%,<br>[+20.25%]                                                                                            | +45.79%,<br>[+24.34%]                                                                                             |
| 2.      | Indian Railway Finance Corporation Limited | 46,333.79              | 26.00           | January 29, 2021 | 24.90                                | -5.19%,<br>[+6.56%]                                                                                              | -18.65%,<br>[+9.02%]                                                                                             | -11.15%,<br>[+15.49%]                                                                                             |
| 3.      | Laxmi Organic Industries Limited           | 6,000.00               | 130.00          | March 25, 2021   | 155.50                               | +37.85%,<br>[+0.11%]                                                                                             | +71.96%,<br>[+10.11%]                                                                                            | Not applicable                                                                                                    |
| 4.      | Glenmark Life Sciences Limited             | 15,136.00              | 720.00          | August 6, 2021   | 750.00                               | Not applicable                                                                                                   | Not applicable                                                                                                   | Not applicable                                                                                                    |

Source: www.nseindia.com

Notes:

- (a) Issue size derived from prospectus
- (b) Price on NSE is considered for all of the above calculations
- (c) % of change in closing price on 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> calendar day from listing day is calculated vs issue price. % change in closing benchmark index is calculated based on closing index on listing day vs closing index on 30<sup>th</sup>/ 90<sup>th</sup> / 180<sup>th</sup> calendar day from listing day.
- (d) Wherever 30<sup>th</sup>/ 90<sup>th</sup> / 180<sup>th</sup> calendar day from listing day is a holiday, the closing data of the previous trading day has been considered.
- (e) The Nifty 50 index is considered as the benchmark index
- (f) Not applicable – Period not completed

*Summary statement of price information of past issues (during current Financial Year and two Financial Years preceding the current Financial Year) handled by DAM Capital Advisors Limited (Formerly IDFC Securities Limited)*

| Financial Year | Total no. of IPOs | Total funds raised (₹ millions) | Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date |                   |               | Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date |                  |               | Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar days from listing date |                  |               | Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar days from listing date |                  |               |
|----------------|-------------------|---------------------------------|--------------------------------------------------------------------------------------------|-------------------|---------------|-------------------------------------------------------------------------------------------|------------------|---------------|------------------------------------------------------------------------------------------|------------------|---------------|-----------------------------------------------------------------------------------------|------------------|---------------|
|                |                   |                                 | Over 50%                                                                                   | Between 25% - 50% | Less than 25% | Over 50%                                                                                  | Between 25%- 50% | Less than 25% | Over 50%                                                                                 | Between 25%- 50% | Less than 25% | Over 50%                                                                                | Between 25%- 50% | Less than 25% |
| 2021-22        | 1                 | 15,136.00                       | -                                                                                          | -                 | -             | -                                                                                         | -                | -             | -                                                                                        | -                | -             | -                                                                                       | -                | -             |
| 2020-21        | 3                 | 56,770.65                       | -                                                                                          | -                 | 1             | -                                                                                         | 1                | 1             | -                                                                                        | -                | 1             | -                                                                                       | 1                | -             |
| 2019-20        | -                 | -                               | -                                                                                          | -                 | -             | -                                                                                         | -                | -             | -                                                                                        | -                | -             | -                                                                                       | -                | -             |

Source: [www.nseindia.com](http://www.nseindia.com)

**Notes:**

- The information is as on the date of this offer document
- The information for each of the financial years is based on issues listed during such financial year.
- Since 30/180 calendar days from listing date has not elapsed for few issues, hence data for same is not available

**3. Price information of past issues handled by Equirus Capital Private Limited (during the current Fiscal and two Fiscals preceding the current financial year)**

| Sr. No. | Issue name                         | Issue size (₹ million) | Issue price (₹) | Listing Date  | Opening price on Listing Date (in ₹) | +/- % change in closing price, [+/- % change in closing benchmark] - 30 <sup>th</sup> calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 90 <sup>th</sup> calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 180 <sup>th</sup> calendar days from listing |
|---------|------------------------------------|------------------------|-----------------|---------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| 1.      | Antony Waste Handling Cell Limited | 2,999.85               | 315.00          | January 2021  | 1, 436.10                            | -10.27% [-2.74%]                                                                                                 | -23.21% [+4.80%]                                                                                                 | 2.14% [12.34%]                                                                                                    |
| 2.      | G R Infraprojects Limited          | 9,623.66               | 837.00          | July 19, 2021 | 1715.85                              | NA                                                                                                               | NA                                                                                                               | NA                                                                                                                |
| 3.      | Rolex Rings Limited                | 7,310.00               | 900.00          | August 2021   | 9, 1,250.00                          | N.A.                                                                                                             | N.A.                                                                                                             | N.A.                                                                                                              |

Source: [www.nseindia.com](http://www.nseindia.com) for price information and prospectus for issue details.

**Notes:**

- The S&P CNX NIFTY is considered as the Benchmark Index.
- Price on NSE is considered for all of the above calculations.
- In the event any day falls on a holiday, the price/index of the immediately preceding working day has been considered.
- Not Applicable – Period not completed.

*Summary statement of price information of past public issues handled by Equirus Capital Private Limited*

| Financial Year | Total no. of IPOs | Total funds raised (₹ million) | Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date |                   |               | Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date |                  |               | Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar days from listing date |                  |               | Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar days from listing date |                  |               |
|----------------|-------------------|--------------------------------|--------------------------------------------------------------------------------------------|-------------------|---------------|-------------------------------------------------------------------------------------------|------------------|---------------|------------------------------------------------------------------------------------------|------------------|---------------|-----------------------------------------------------------------------------------------|------------------|---------------|
|                |                   |                                | Over 50%                                                                                   | Between 25% - 50% | Less than 25% | Over 50%                                                                                  | Between 25%- 50% | Less than 25% | Over 50%                                                                                 | Between 25%- 50% | Less than 25% | Over 50%                                                                                | Between 25%- 50% | Less than 25% |
| 2021-2022*     | 2                 | 16,933.34                      | -                                                                                          | -                 | -             | -                                                                                         | -                | -             | -                                                                                        | -                | -             | -                                                                                       | -                | -             |
| 2020-2021      | 1                 | 2,999.85                       | -                                                                                          | -                 | 1             | -                                                                                         | -                | -             | -                                                                                        | -                | -             | -                                                                                       | -                | 1             |
| 2019-2020      | -                 | -                              | -                                                                                          | -                 | -             | -                                                                                         | -                | -             | -                                                                                        | -                | -             | -                                                                                       | -                | -             |

\* The information is as on the date of this Prospectus.

The information for each of the financial years is based on issues listed during such financial year.

4. Price information of past issues (during current financial year and two financial years preceding the current financial year) handled by IIFL Securities Limited

| Sr. No. | Issue name                                    | Issue Size (₹ million) | Issue price (₹) | Listing Date   | Opening price on Listing Date (in ₹) | +/- % change in closing price, [+/- % change in closing benchmark] - 30 <sup>th</sup> calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 90 <sup>th</sup> calendar days from listing | +/- % change in closing price, [+/- % change in closing benchmark] - 180 <sup>th</sup> calendar days from listing |
|---------|-----------------------------------------------|------------------------|-----------------|----------------|--------------------------------------|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------|
| 1.      | Antony Waste Handling Cell Limited            | 2,999.85               | 315.00          | January 2021   | 1, 436.10                            | -10.27%, [-2.74%]                                                                                                | -23.21%, [+4.80%]                                                                                                | +2.14%, [+12.34%]                                                                                                 |
| 2.      | MTAR Technologies Limited                     | 5964.14                | 575.00          | March 2021     | 15, 1,050.00                         | +69.45%, [-2.84%]                                                                                                | +78.83%, [+5.83%]                                                                                                | N.A.                                                                                                              |
| 3.      | Anupam Rasayan India Ltd                      | 7,600.00               | 555.00          | March 2021     | 24, 520.00                           | -0.11%, [-0.98%]                                                                                                 | +30.49%, [+8.23%]                                                                                                | N.A.                                                                                                              |
| 4.      | Craftsman Automation Limited                  | 8,236.96               | 1,490.00        | March 2021     | 25, 1,359.00                         | -13.82%, [+0.11%]                                                                                                | +16.81%, [+10.11%]                                                                                               | N.A.                                                                                                              |
| 5.      | Suryoday Small Finance Bank Ltd               | 5,808.39               | 305.00          | March 2021     | 26, 292.00                           | -18.38%, [-1.14%]                                                                                                | -26.87%, [-98.46%]                                                                                               | N.A.                                                                                                              |
| 6.      | Nazara Technologies Ltd                       | 5,826.91               | 1,101.00        | March 2021     | 30, 1,990.00                         | +62.57%, [0.13%]                                                                                                 | +38.22%, [6.84%]                                                                                                 | N.A.                                                                                                              |
| 7.      | Barbeque-Nation Hospitality Limited           | 4,528.74               | 500.00          | April 7, 2021  | 489.85                               | +18.77%, [-0.64%]                                                                                                | +76.97%, [+6.85%]                                                                                                | N.A.                                                                                                              |
| 8.      | Macrotech Developers Ltd                      | 25,000.00              | 486.00          | April 19, 2021 | 436.00                               | +30.22%, [+5.21%]                                                                                                | +75.43%, [+10.89%]                                                                                               | N.A.                                                                                                              |
| 9.      | Shyam Metalics and Energy Ltd                 | 9,085.50               | 306.00          | June 24, 2021  | 380.00                               | +40.95%, [+0.42%]                                                                                                | N.A.                                                                                                             | N.A.                                                                                                              |
| 10.     | Krishna Institute of Medical Sciences Limited | 21,437.44              | 825.00          | June 28, 2021  | 1,009.00                             | +48.10%, [-0.43%]                                                                                                | N.A.                                                                                                             | N.A.                                                                                                              |

Source: www.nseindia.com

Note: Benchmark Index taken as CNX NIFTY. Price on NSE is considered for all of the above calculations. The 30<sup>th</sup>, 90<sup>th</sup> and 180<sup>th</sup> calendar day from listed day have been taken as listing day plus 29, 89 and 179 calendar days, except wherever 30<sup>th</sup> / 90<sup>th</sup> / 180<sup>th</sup> calendar day from listing day is a holiday, the closing data of the previous trading day has been considered. % change taken against the Issue Price in case of the Issuer. The Nifty 50 index is considered as the benchmark index. NA means Not Applicable.

Summary statement of price information of past issues (during current financial year and two financial years preceding the current financial year) handled by IIFL Securities Limited

| Financial Year | Total no. of IPOs | Total funds raised (₹ million) | Nos. of IPOs trading at discount on as on 30 <sup>th</sup> calendar days from listing date |                   |               | Nos. of IPOs trading at premium on as on 30 <sup>th</sup> calendar days from listing date |                  |               | Nos. of IPOs trading at discount as on 180 <sup>th</sup> calendar days from listing date |                  |               | Nos. of IPOs trading at premium as on 180 <sup>th</sup> calendar days from listing date |                  |               |
|----------------|-------------------|--------------------------------|--------------------------------------------------------------------------------------------|-------------------|---------------|-------------------------------------------------------------------------------------------|------------------|---------------|------------------------------------------------------------------------------------------|------------------|---------------|-----------------------------------------------------------------------------------------|------------------|---------------|
|                |                   |                                | Over 50%                                                                                   | Between 25% - 50% | Less than 25% | Over 50%                                                                                  | Between 25%- 50% | Less than 25% | Over 50%                                                                                 | Between 25%- 50% | Less than 25% | Over 50%                                                                                | Between 25%- 50% | Less than 25% |
| 2019-20        | 5                 | 65,827.61                      | -                                                                                          | -                 | 2             | -                                                                                         | 1                | 2             | 1                                                                                        | 1                | 1             | -                                                                                       | -                | 2             |
| 2020-21        | 8                 | 47,017.65                      | -                                                                                          | -                 | 4             | 2                                                                                         | 1                | 1             | -                                                                                        | -                | -             | 1                                                                                       | 1                | 1             |
| 2021-22        | 4                 | 60,051.68                      | -                                                                                          | -                 | -             | -                                                                                         | 1                | 1             | -                                                                                        | -                | -             | -                                                                                       | -                | -             |

Source: www.nseindia.com

Note: Data for number of IPOs trading at premium/discount taken at closing price on NSE on the respective date. In case any of the days falls on a non-trading day, the closing price on the previous trading day has been considered. NA means Not Applicable.

Website for track record of the Book Running Lead Managers

For details regarding the track record of the Book Running Lead Managers, as specified in circular (reference CIR/MIRSD/1/2012) dated January 10, 2012 issued by SEBI, please see the websites of the Book Running Lead Managers, as set forth in the table below:

| Name                                                            | Website           |
|-----------------------------------------------------------------|-------------------|
| JM Financial Limited                                            | www.jmfl.com      |
| DAM Capital Advisors Limited (Formerly IDFC Securities Limited) | www.damcapital.in |
| Equirus Capital Private Limited                                 | www.equirus.com   |
| IIFL Securities Limited                                         | www.iiflcap.com   |

## Stock Market Data of Equity Shares

This being an initial public issue of the Equity Shares of our Company, the Equity Shares are not listed on any stock exchange and accordingly, no stock market data is available for the Equity Shares.

## Redressal of Investor Grievances

### Disposal and Redressal of Investor Grievances by our Company

SEBI, by way of its circular dated March 2021 Circular, has identified the need to put in place measures, in order to manage and handle investor issues arising out of the UPI Mechanism *inter alia* in relation to delay in receipt of mandates by Bidders for blocking of funds due to systemic issues faced by Designated Intermediaries/SCSBs and failure to unblock funds in cases of partial allotment/non allotment within prescribed timelines and procedures. Subsequently, SEBI vide its circular dated June 2021 Circular, modified the process timelines and extended the implementation timelines for certain measures introduced by the March 2021 Circular.

Per the March 2021 Circular read with the June 2021 Circular, for initial public offerings opening for subscription on or after May 1, 2021, SEBI has prescribed certain mechanisms to ensure proper management of investor issues arising out of the UPI Mechanism, including (i) identification of a nodal officer by SCSBs for the UPI Mechanism; (ii) delivery of SMS alerts by SCSBs for blocking and unblocking of UPI Mandate Requests; (iii) periodic sharing of statistical details of mandate blocks/unblocks, performance of apps and UPI handles, network latency or downtime, etc., by the Sponsor Bank to the intermediaries forming part of the closed user group vide email; (iv) limiting the facility of reinitiating UPI Bids to Syndicate Members to once per Bid; and (v) mandating SCSBs to ensure that the unblock process for non-allotted/partially allotted applications is completed by the closing hours of one Working Day subsequent to the finalisation of the Basis of Allotment.

Separately, pursuant to the March 2021 Circular, the following compensation mechanism shall be applicable for investor grievances in relation to Bids made through the UPI Mechanism for public issues opening on or after May 1, 2021, for which the relevant SCSBs shall be liable to compensate the investor:

| Scenario                                                                     | Compensation amount                                                                                                                                                                                                 | Compensation period                                                                                                                                                  |
|------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Delayed unblock for cancelled / withdrawn / deleted applications             | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher                                                                                                                                                | From the date on which the request for cancellation / withdrawal / deletion is placed on the bidding platform of the Stock Exchanges till the date of actual unblock |
| Blocking of multiple amounts for the same Bid made through the UPI Mechanism | 1. Instantly revoke the blocked funds other than the original application amount and<br>2. ₹100 per day or 15% per annum of the total cumulative blocked amount except the original Bid Amount, whichever is higher | From the date on which multiple amounts were blocked till the date of actual unblock                                                                                 |
| Blocking more amount than the Bid Amount                                     | 1. Instantly revoke the difference amount, i.e., the blocked amount less the Bid Amount and<br>2. ₹100 per day or 15% per annum of the difference amount, whichever is higher                                       | From the date on which the funds to the excess of the Bid Amount were blocked till the date of actual unblock                                                        |
| Delayed unblock for non – Allotted/ partially Allotted applications          | ₹100 per day or 15% per annum of the Bid Amount, whichever is higher                                                                                                                                                | From the Working Day subsequent to the finalisation of the Basis of Allotment till the date of actual unblock                                                        |

Further, in the event there are any delays in resolving the investor grievance beyond the date of receipt of the complaint from the investor, for each day delayed, the post-Offer BRLM shall be liable to compensate the investor ₹100 per day or 15% per annum of the Bid Amount, whichever is higher. The compensation shall be payable for the period ranging from the day on which the investor grievance is received till the date of actual unblock.

The agreement between the Registrar to the Offer, our Company and the Selling Shareholders provides for retention of records with the Registrar to the Offer for a period of at least eight years from the last date of dispatch

of the letters of allotment and demat credit to enable the investors to approach the Registrar to the Offer for redressal of their grievances.

**Bidders can contact the Company Secretary and Compliance Officer and/or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of Allotted Equity Shares in the respective beneficiary account, non-receipt of refund orders or non-receipt of funds by electronic mode, etc. For all Offer related queries and for redressal of complaints, Bidders may also write to the BRLMs, in the manner provided below.**

All grievances in relation to the Bidding process may be addressed to the Registrar to the Offer with a copy to the relevant Designated Intermediary to whom the Bid cum Application Form was submitted. The Bidder should give full details such as name of the sole or First Bidder, Bid cum Application Form number, Bidder DP ID, Client ID, PAN, date of the submission of Bid cum Application Form, address of the Bidder, number of the Equity Shares applied for and the name and address of the Designated Intermediary where the Bid cum Application Form was submitted by the Bidder.

All grievances relating to Bids submitted with Registered Brokers, may be addressed to the Stock Exchanges, with a copy to the Registrar to the Offer. Further, Bidders shall also enclose a copy of the Acknowledgment Slip received from the Designated Intermediaries in addition to the information mentioned hereinabove.

Anchor Investors are required to address all grievances in relation to the Offer to the BRLMs.

Further, the Bidder shall also enclose a copy of the Acknowledgment Slip duly received from the concerned Designated Intermediary in addition to the information mentioned hereinabove.

The Registrar to the Offer shall obtain the required information from the SCSBs for addressing any clarifications or grievances of ASBA Bidders. Our Company, the BRLMs and the Registrar to the Offer accept no responsibility for errors, omissions, commission or any acts of SCSBs including any defaults in complying with its obligations under applicable SEBI ICDR Regulations. Investors can contact the Company Secretary and Compliance Officer or the Registrar to the Offer in case of any pre-Offer or post-Offer related problems such as non-receipt of letters of Allotment, non-credit of allotted Equity Shares in the respective beneficiary account, non-receipt of refund intimations and non-receipt of funds by electronic mode. In terms of SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2018/22, dated February 15, 2018, any ASBA Bidder whose Bid has not been considered for Allotment, due to failure on the part of any SCSB, shall have the option to seek redressal of the same by the concerned SCSB within three months of the date of listing of the Equity Shares. SCSBs are required to resolve these complaints within 15 days, failing which the concerned SCSB would have to pay interest at the rate of 15% per annum for any delay beyond this period of 15 days.

We shall obtain authentication on the SCORES and comply with the SEBI circular (CIR/OIAE/1/2014) dated December 18, 2014 in relation to redressal of investor grievances through SCORES.

Our Company has also constituted a Stakeholders Relationship Committee to review and redress the shareholders and investor grievances such as transfer of Equity Shares, non-recovery of balance payments, declared dividends, approve subdivision, consolidation, transfer and issue of duplicate shares. The Selling Shareholders have authorised the Company Secretary and Compliance Officer of the Company, and the Registrar to the Offer to redress any complaints received from Bidders in respect of the Offer for Sale.

Our Company has also appointed Manisha Chitgopekar, Company Secretary of our Company, as the Compliance Officer for the Offer. For details, “*General Information- Company Secretary and Compliance Officer*” on page 71.

Our Company has not received any investor complaint during the three years preceding the date of this Prospectus.

Further, no investor complaint in relation to our Company is pending as on the date of filing of this Prospectus.

As on the date of this Prospectus, our Company has no group companies as defined under the SEBI ICDR Regulations.

#### **Disposal of Investor Grievances by our Company**

Our Company estimates that the average time required by our Company or the Registrar to the Offer or the relevant Designated Intermediary, for the redressal of routine investor grievances shall be 10 Working Days from the date of receipt of the complaint. In case of non-routine complaints and complaints where external agencies are involved, our Company will seek to redress these complaints as expeditiously as possible.

**Other confirmations**

Any person connected with the Offer shall not offer any incentive, whether direct or indirect, in any manner, whether in cash or kind or services or otherwise to any person for making an application in the initial public offer, except for fees or commission for services rendered in relation to the Offer.

## SECTION XI – OFFER RELATED INFORMATION

### TERMS OF THE OFFER

The Equity Shares being offered and transferred pursuant to this Offer are subject to the provisions of the Companies Act, the SCRA, SCRR, SEBI ICDR Regulations, the SEBI Listing Regulations, our Memorandum and Articles of Association, the terms of the Draft Red Herring Prospectus, the Red Herring Prospectus, this Prospectus, the Abridged Prospectus, the Bid cum Application Form, the Revision Form, CAN, the Allotment Advice and other terms and conditions as may be incorporated in the Allotment Advice and other documents or certificates that may be executed in respect of this Offer. The Equity Shares shall also be subject to all applicable laws, guidelines, rules, notifications and regulations relating to the offer of capital and listing and trading of securities offered from time to time by SEBI, the GoI, the Stock Exchanges, the RoC, the RBI, and/or other authorities, as in force on the date of this Offer and to the extent applicable or such other conditions as may be prescribed by such governmental, regulatory or statutory authority while granting its approval for the Offer.

#### The Offer

The Offer comprises a Fresh Issue and an Offer for Sale by the Selling Shareholders.

The listing fees shall be borne by our Company. Other Offer-related expenses shall be shared amongst our Company and the Selling Shareholders, on a pro rata basis in proportion to the Equity Shares to be offered by each Selling Shareholder. However, all Offer-related expenses shall initially be borne by our Company. Upon successful completion of the Offer or at the time the Offer is withdrawn or not completed for any reason whatsoever, each Selling Shareholder shall reimburse our Company their proportionate share of the Offer-related expenses (other than listing fees, as applicable).

#### Ranking of the Equity Shares

The Equity Shares being Allotted and transferred pursuant to the Offer shall be subject to the provisions of the Companies Act, our Memorandum and Articles of Association and shall rank *pari passu* in all respects with the existing Equity Shares including rights in respect of dividend and other corporate benefits if any, declared by our Company after the date of Allotment. For further details, see “*Main Provisions of the Articles of Association*” on page 374.

#### Mode of Payment of Dividend

Our Company shall pay dividends, if declared, to shareholders of our Company as per the provisions of the Companies Act, 2013, our Memorandum and Articles, the SEBI Listing Regulations and other applicable law. All dividends, if any, declared by our Company after the date of Allotment, will be payable to the Bidders who have been Allotted Equity Shares in the Offer, in accordance with applicable law. For further details in relation to dividends, see “*Dividend Policy*” and “*Main Provisions of the Articles of Association*” on pages 200 and 374, respectively.

#### Face Value, Offer Price and Price Band

The face value of the Equity Shares is ₹5. The Floor Price of Equity Shares is ₹933 per Equity Share and the Cap Price is ₹954 per Equity Share. The Anchor Investor Offer Price is ₹954 per Equity Share. The Price Band and minimum Bid Lot for the Offer were decided by our Company and the Selling Shareholders, in consultation with the BRLMs, and advertised in all editions of the English national daily newspaper The Financial Express, all editions of the Hindi national daily newspaper Jansatta, and Pune editions of the Marathi daily newspaper Loksatta (Marathi being the regional language of Maharashtra, where our Registered and Corporate Office is located), each with wide circulation, respectively, at least two Working Days prior to the Bid/ Offer Opening Date and were made available to the Stock Exchanges for the purpose of uploading the same on their websites. The Price Band, along with the relevant financial ratios calculated at the Floor Price and at the Cap Price, were pre-filled in the Bid cum Application Forms available on the respective websites of the Stock Exchanges. The Offer Price was determined by our Company and the Selling Shareholders in consultation with the BRLMs, after the Bid/Offer Closing Date, on the basis of assessment of market demand for the Equity Shares offered by way of Book Building Process.

At any given point of time there shall be only one denomination for the Equity Shares.



### **Compliance with disclosure and accounting norms**

Our Company shall comply with all applicable disclosure and accounting norms as specified by SEBI from time to time.

### **Rights of the Equity Shareholders**

Subject to applicable laws, rules, regulations and guidelines and the provisions of our Articles, our Shareholders shall have the following rights:

- The right to receive dividend, if declared;
- The right to attend general meetings and exercise voting powers, unless prohibited by law;
- The right to vote on a poll either in person or by proxy or 'e-voting';
- The right to receive offers for rights shares and be allotted bonus shares, if announced;
- The right to receive any surplus on liquidation subject to any statutory and other preferential claims being satisfied;
- The right to freely transfer their Equity Shares, subject to foreign exchange regulations and other applicable laws; and
- Such other rights, as may be available to a shareholder of a listed public company under applicable law, including the Companies Act, 2013, the terms of the SEBI Listing Regulations, and our Memorandum and Articles.

For a detailed description of the main provisions of our Articles relating to voting rights, dividend, forfeiture and lien, transfer and transmission, and/ or consolidation/ splitting, see "*Main Provisions of the Articles of Association*" on page 374.

### **Allotment of Equity Shares in dematerialised form**

Pursuant to Section 29 of the Companies Act, 2013 and the SEBI ICDR Regulations, the Equity Shares shall be Allotted only in dematerialised form. Hence, the Equity Shares offered through the Red Herring Prospectus could be applied for in the dematerialised form only. In this context, our Company has entered into the following agreements:

- Tripartite agreement dated April 29, 2021, amongst our Company, NSDL and Registrar to the Offer.
- Tripartite agreement dated April 27, 2021, amongst our Company, CDSL and Registrar to the Offer.

### **Market Lot and Trading Lot**

Further, the trading of our Equity Shares on the Stock Exchanges shall only be in dematerialised form, consequent to which, the tradable lot is one Equity Share. Allotment of Equity Shares will be only in electronic form in multiples of one Equity Share, subject to a minimum Allotment of 15 Equity Shares. For further details, see "*Offer Procedure*" beginning on page 355.

### **Joint Holders**

Subject to provisions contained in our Articles, where two or more persons are registered as the holders of any Equity Share, they shall be deemed to hold such Equity Shares as joint tenants with benefits of survivorship.

### **Jurisdiction**

The courts of Pune, Maharashtra, India will have exclusive jurisdiction in relation to this Offer.

### **Period of operation of subscription list**

See "*Offer Structure – Bid/Offer Programme*" on page 352.

### **Nomination facility to investors**

In accordance with Section 72 of the Companies Act, 2013 read with the Companies (Share Capital and Debentures) Rules, 2014, as amended, the sole or First Bidder, along with other joint Bidders, may nominate any one person in whom, in the event of the death of the sole Bidder or in case of joint Bidders, the death of all the Bidders, as the case may be, the Equity Shares Allotted, if any, shall vest to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner. A person, being a nominee, entitled to the Equity Shares by reason of death of the original holder(s), shall be entitled to the same advantages to which such person would be entitled if such person were the registered holder of the Equity Share(s). Where the nominee is a minor, the holder(s) may make a nomination to appoint, in the prescribed manner, any person to become entitled to the Equity Share(s) in the event of his or her death during the minority. A nomination shall stand rescinded upon a sale, transfer of Equity Share(s) by the person nominating. A nomination may be cancelled or varied by nominating any other person in place of the present nominee by the holder of the Equity Shares who has made the nomination by giving a notice of such cancellation. A buyer will be entitled to make a fresh nomination in the manner prescribed. A fresh nomination can be made only on the prescribed form, which is available on request at our Registered and Corporate Office or with the registrar and transfer agents of our Company.

Any person who becomes a nominee by virtue of Section 72 of the Companies Act, 2013 as mentioned above, shall, upon the production of such evidence as may be required by our Board, elect either:

- to register himself or herself as the holder of the Equity Shares; or
- to make such transfer of the Equity Shares, as the deceased holder could have made.

Further, our Board may at any time give notice requiring any nominee to choose either to be registered himself or herself or to transfer the Equity Shares, and if the notice is not complied with within a period of 90 days, our Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Equity Shares, until the requirements of the notice have been complied with.

Since the Allotment will be made only in dematerialised form, there shall be no requirement for a separate nomination with our Company. Nominations registered with the respective Depository Participant of the applicant will prevail. If investors wish to change their nomination, they are requested to inform their respective Depository Participant.

### **Minimum Subscription**

In the event our Company does not receive (i) a minimum subscription of 90% of the Fresh Issue, and (ii) a subscription in the Offer as specified under Rule 19(2)(b) of the SCRR, including through devolvement of Underwriters, as applicable, within sixty (60) days from the date of Bid/Offer Closing Date, or if the subscription level falls below the thresholds mentioned above after the Bid/Offer Closing Date, on account of withdrawal of applications or after technical rejections or any other reason, or if the listing or trading permission is not obtained from the Stock Exchanges for the Equity Shares being offered under the Red Herring Prospectus, our Company shall forthwith refund the entire subscription amount received in accordance with applicable law including the SEBI circular bearing no. SEBI/HO/CFD/DIL1/CIR/P/2021/47 dated March 31, 2021. If there is a delay beyond four days after the Issuer becomes liable to pay the amount, the Issuer and our Director who are officers in default, shall pay interest at the rate of fifteen percent per annum.

In the event of under-subscription in the Offer, subject to receiving minimum subscription for 90% of the Fresh Issue and compliance with Rule 19(2)(b) of the SCRR, Allotment will be first made towards the Fresh Issue from the valid Bids and Offer for Sale subsequently.

Further, in accordance with Regulation 49(1) of the SEBI ICDR Regulations, our Company shall ensure that the number of prospective Allottees to whom the Equity Shares will be Allotted will be not less than 1,000.

### **Arrangements for disposal of odd lots**

Since our Equity Shares will be traded in dematerialised form only and the market lot for our Equity Shares will be one Equity Share, no arrangements for disposal of odd lots are required.

## **New Financial Instruments**

Our Company is not issuing any new financial instruments through this Offer.

## **Restriction on transfer and transmission of shares**

Except for the lock-in of the pre-Offer Equity Shares, the Promoter's Contribution and Equity Shares allotted to Anchor Investors pursuant to the Offer, as detailed in "*Capital Structure*" on page 79 and except as provided in our Articles, there are no restrictions on transfers and transmission of Equity Shares or on their consolidation or splitting. See, "*Main Provisions of the Articles of Association*" at page 374.

## **Option to receive Equity Shares in Dematerialized Form**

Allotment of Equity Shares to successful Bidders will only be in the dematerialized form. Bidders will not have the option of Allotment of the Equity Shares in physical form. The Equity Shares on Allotment will be traded only in the dematerialized segment of the Stock Exchanges.

## **Withdrawal of the Offer**

Our Company and the Selling Shareholders, in consultation with the BRLMs, reserves the right not to proceed with the entire or portion of the Offer for any reason at any time after the Bid/Offer Opening Date but before the Allotment. In such an event, our Company would issue a public notice in the same newspapers, in which the pre-Offer advertisements were published, within two days of the Bid/Offer Closing Date or such other time as may be prescribed by SEBI, providing reasons for not proceeding with the Offer. Further, the Stock Exchanges shall be informed promptly in this regard by our Company and the BRLMs, through the Registrar to the Offer, shall notify the SCSBs and the Sponsor Bank to unblock the bank accounts of the ASBA Bidders within one Working Day from the date of receipt of such notification. In the event of withdrawal of the Offer and subsequently, plans of a fresh offer by our Company, a fresh draft red herring prospectus will be submitted again to SEBI.

Notwithstanding the foregoing, this Offer is also subject to obtaining the final listing and trading approvals of the Stock Exchanges, which our Company shall apply for after Allotment and within six Working Days or such other period as may be prescribed, and the final RoC approval of this Prospectus after it is filed with the RoC.

## OFFER STRUCTURE

The Offer was made through the Book Building Process. The face value of the Equity Shares is ₹5 each. The Offer is of 12,741,036\* Equity Shares for cash at a price of ₹954 per Equity Share (including a premium of ₹949\*\* per Equity Share) aggregating to ₹12,133.35 million comprising of a Fresh Issue of 4,215,516 \* Equity Shares aggregating to ₹4,000 million by our Company and an Offer of Sale of 8,525,520\* Equity Shares aggregating to 8,133.35 million by the Selling Shareholders. The Offer will constitute 40.75% of the post-Offer paid-up equity share capital of our Company. The Offer includes a reservation of 232,288\* Equity Shares aggregating to ₹200.00 million for subscription by Eligible Employees.

*\*\*Our Company and the Selling Shareholders, in consultation with the BRLMs Offered a discount of ₹93 per Equity Share to Eligible Employees Bidding in the Employee Reservation Portion.*

The Offer and the Net Offer will constitute 40.57% and 39.83%, respectively of the post-Offer paid-up Equity Share capital of our Company.

*\*subject to finalisation of the Basis of Allotment*

| Particulars                                                                 | QIBs <sup>(1)</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                       | Non-Institutional Investors         | Retail Individual Investors                                                                                                                                                                                                                                                                                                                              | Eligible Employees                                                                                                                                                                                                                                                                                                                            |
|-----------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Number of Equity Shares available for Allotment/ allocation* <sup>(2)</sup> | 9,381,562 Equity Shares or the Net Offer less allocation to RIIs and NIIs subject to the Allocation/Allotment of not less than 75% of the Net Offer.                                                                                                                                                                                                                                                                                                      | 1,876,312 Equity Shares             | 1,250,874 Equity Shares                                                                                                                                                                                                                                                                                                                                  | 232,288 Equity Shares aggregating to ₹200.00 million                                                                                                                                                                                                                                                                                          |
| Percentage of Offer Size available for allocation                           | Not less than 75% of the Net Offer shall be available for allocation to QIB Bidders.<br><br>However, up to 5% of the Net QIB Portion shall be available for allocation proportionately to Mutual Funds only. Mutual Funds participating in the 5% reservation in the Net QIB Portion will also be eligible for allocation in the remaining QIB Portion. The unsubscribed portion in the Mutual Fund reservation will be available for allocation to QIBs. | Not more than 15% of the Net Offer. | Not more than 10% of the Net Offer.                                                                                                                                                                                                                                                                                                                      | The Employee Reservation Portion shall constitute 0.74% of the post-Offer paid-up Equity Share capital of our Company                                                                                                                                                                                                                         |
| Basis of Allotment/ allocation if respective category is oversubscribed*    | Proportionate as follows (excluding the Anchor Investor Portion):<br>(a) 187,632 Equity Shares were available for allocation on a proportionate basis to Mutual Funds only; and<br>(b) 3,564,993 Equity Shares shall be Allotted on a proportionate basis                                                                                                                                                                                                 | Proportionate                       | Proportionate, subject to the minimum Bid Lot. The allotment to each Retail Individual Investor shall not be less than the minimum Bid Lot, subject to availability of Equity Shares in the Retail Portion and the remaining available Equity Shares if any, shall be allotted on a proportionate basis. For details, see "Offer Procedure" on page 355. | Proportionate; unless the Employee Reservation Portion is undersubscribed, the value of allocation to an Eligible Employee shall not exceed ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion may be allocated, on a proportionate basis, to Eligible Employees for a value exceeding |

| Particulars                  | QIBs <sup>(1)</sup>                                                                                                                                                                                                                                                                                                                                                                                                                                                                              | Non-Institutional Investors                                                                                                                                                                                                                                                               | Retail Individual Investors                                                                                   | Eligible Employees                                                                                                                                                                                  |
|------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                              | to all QIBs, including Mutual Funds receiving allocation as per (a) above<br><br>Our Company in consultation with the BRLMs, may allocate up to 60% of the QIB Portion to Anchor Investors at the Anchor Investor Allocation Price on a discretionary basis, out of which at least one-third will be available for allocation to Mutual Funds only subject to valid Bid received from Mutual Funds.                                                                                              |                                                                                                                                                                                                                                                                                           |                                                                                                               | ₹200,000 up to ₹500,000 each                                                                                                                                                                        |
| Minimum Bid                  | Such number of Equity Shares in multiples of 15 Equity Shares, that the Bid Amount exceeds ₹200,000                                                                                                                                                                                                                                                                                                                                                                                              | Such number of Equity Shares that the Bid Amount exceeds ₹200,000 and in multiples of 15 Equity Shares thereafter                                                                                                                                                                         | 15 Equity Shares                                                                                              | 15 Equity Shares                                                                                                                                                                                    |
| Maximum Bid                  | Such number of Equity Shares in multiples of 15 Equity Shares not exceeding the size of the Net Offer, subject to applicable limits                                                                                                                                                                                                                                                                                                                                                              | Such number of Equity Shares in multiples of 15 Equity Shares not exceeding the size of the Net Offer (excluding the QIB Portion), subject to limits prescribed under applicable law                                                                                                      | Such number of Equity Shares in multiples of 15 Equity Shares so that the Bid Amount does not exceed ₹200,000 | Such number of Equity Shares and in multiples of 15 Equity Shares so that the maximum Bid Amount by each Eligible Employee in this portion does not exceed ₹500,000, less Employee Discount, if any |
| Bid Lot                      | 15 Equity Shares and in multiples of 15 Equity Shares thereafter                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                           |                                                                                                               |                                                                                                                                                                                                     |
| Mode of allotment            | Compulsorily in dematerialised form                                                                                                                                                                                                                                                                                                                                                                                                                                                              |                                                                                                                                                                                                                                                                                           |                                                                                                               |                                                                                                                                                                                                     |
| Allotment Lot                | 15 Equity Shares and in multiples of one Equity Share thereafter                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                           |                                                                                                               |                                                                                                                                                                                                     |
| Trading Lot                  | One Equity Share                                                                                                                                                                                                                                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                           |                                                                                                               |                                                                                                                                                                                                     |
| Who can apply <sup>(3)</sup> | Public financial institutions (as specified in Section 2(72) of the Companies Act), scheduled commercial banks, Mutual Funds, Eligible FPIs, VCFs, AIFs, FVCIs registered with SEBI, multilateral and bilateral development financial institutions, state industrial development corporation, insurance companies registered with IRDAI, provident funds (subject to applicable law) with minimum corpus of ₹250 million, pension funds with minimum corpus of ₹250 million, National Investment | Resident Indian individuals, Eligible NRIs, HUFs (in the name of the karta), companies, corporate bodies, scientific institutions societies and trusts and any individuals, corporate bodies and family offices including FPIs which are individuals, corporate bodies and family offices | Resident Indian individuals, Eligible NRIs and HUFs (in the name of the karta)                                | Eligible Employees such that the Bid Amount does not exceed ₹500,000                                                                                                                                |

| Particulars      | QIBs <sup>(1)</sup>                                                                                                                                                                                                                                                                                                                                                                                                                             | Non-Institutional Investors    | Retail Individual Investors   | Eligible Employees            |
|------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------|-------------------------------|-------------------------------|
|                  | Fund set up by the Government of India, the insurance funds set up and managed by army, navy or air force of the Union of India, insurance funds set up and managed by the Department of Posts, India and Systemically Important Non-Banking Financial Companies.                                                                                                                                                                               |                                |                               |                               |
| Terms of Payment | <b>In case of Anchor Investors:</b> Full Bid Amount shall be payable by the Anchor Investors at the time of submission of their Bids <sup>(4)</sup><br><b>In case of all other Bidders:</b> Full Bid Amount shall be blocked by the SCSBs in the bank account of the ASBA Bidder (other than Anchor Investors) or by the Sponsor Bank through the UPI Mechanism, that is specified in the ASBA Form at the time of submission of the ASBA Form. |                                |                               |                               |
| Mode of Bidding  | Only through the ASBA process (except for Anchor Investors).                                                                                                                                                                                                                                                                                                                                                                                    | Only through the ASBA process. | Only through the ASBA process | Only through the ASBA process |

\* subject to finalisation of the Basis of Allotment

<sup>(1)</sup> Our Company and the Selling Shareholders may, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on a discretionary basis in accordance with the SEBI ICDR Regulations. One-third of the Anchor Investor Portion was reserved for domestic Mutual Funds, subject to valid Bids being received from domestic Mutual Funds at or above the Anchor Investor Allocation Price. In the event of under-subscription or non-Allotment in the Anchor Investor Portion, the balance Equity Shares in the Anchor Investor Portion shall be added to the Net QIB Portion. For further details, see "Offer Procedure" on page 355.

<sup>(2)</sup> Subject to valid Bids being received at or above the Offer Price. The Offer was made in terms of Rule 19(2)(b) of the SCRR read with Regulation 45 of the SEBI ICDR Regulations. The Offer was made through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer was available for allocation on a proportionate basis to QIBs. Such number of Equity Shares representing 5% of the Net QIB Portion was available for allocation on a proportionate basis to Mutual Funds only. The remainder of the Net QIB Portion was available for allocation on a proportionate basis to QIBs (other than Anchor Investors), including Mutual Funds. Further, not more than 15% of the Net Offer was available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer was available for allocation to RIBs in accordance with the SEBI ICDR Regulations.

Subject to valid Bids being received at or above the Offer Price, under-subscription, if any, in the Non-Institutional Portion or the Retail Portion would be allowed to be met with spill-over from other categories or a combination of categories at the discretion of our Company and the Selling Shareholders, in consultation with the BRLMs and the Designated Stock Exchange, on a proportionate basis. However, under-subscription, if any, in the QIB Portion will not be allowed to be met with spill-over from other categories or a combination of categories. Eligible Employees Bidding in the Employee Reservation portion can Bid up to a Bid Amount of ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid Amount of up to ₹200,000. In the event of undersubscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees who have Bid in excess of ₹200,000, subject to the maximum value of Allotment made to such Eligible Employee not exceeding ₹500,000. Further, an Eligible Employee Bidding in the Employee Reservation Portion can also Bid in the Net Offer and such Bids will not be treated as multiple Bids subject to applicable limits. The unsubscribed portion if any, in the Employee Reservation Portion shall be added back to the Net Offer. In case of under-subscription in the Net Offer, spill-over to the extent of such under-subscription shall be permitted from the Employee Reservation Portion. For further details, please see "Terms of the Offer" on page 346.

<sup>(3)</sup> In the event that a Bid is submitted in joint names, the relevant Bidders should ensure that the depository account is also held in the same joint names and the names are in the same sequence in which they appear in the Bid cum Application Form. The Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names. The signature of only such First Bidder would be required in the Bid cum Application Form and such First Bidder would be deemed to have signed on behalf of the joint holders. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.

<sup>(4)</sup> Anchor Investors shall pay the entire Bid Amount at the time of submission of the Anchor Investor Bid, provided that any positive difference between the Anchor Investor Allocation Price and the Offer Price, shall be payable by the Anchor Investor Pay-in Date as mentioned in the CAN.

## Bid/Offer Programme

|                              |                                  |
|------------------------------|----------------------------------|
| <b>BID/ OFFER OPENED ON*</b> | <b>WEDNESDAY, AUGUST 4, 2021</b> |
| <b>BID/ OFFER CLOSED ON*</b> | <b>FRIDAY, AUGUST 6, 2021</b>    |

\*Our Company and the Selling Shareholders, in consultation with the BRLMs, allocated 60% of the QIB Portion to Anchor Investors on the Anchor Investor Bidding Date, on a discretionary basis, in accordance with the SEBI ICDR Regulations.

An indicative timetable in respect of the Offer is set out below:

| Event                                                                                         | Indicative Date                         |
|-----------------------------------------------------------------------------------------------|-----------------------------------------|
| Finalisation of Basis of Allotment with the Designated Stock Exchange                         | On or about Wednesday, August, 11, 2021 |
| Initiation of refunds (if any, for Anchor Investors) / unblocking of funds from ASBA Account* | On or about Thursday, August, 12, 2021  |
| Credit of the Equity Shares to depository accounts of Allottees                               | On or about Friday, August, 13, 2021    |
| Commencement of trading of the Equity Shares on the Stock Exchanges                           | On or about Tuesday, August, 17, 2021   |

**\*In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/Offer Closing Date, the Bidder shall be compensated at a uniform rate of ₹100 per day for the entire duration of delay exceeding four Working Days from the Bid/Offer Closing Date by the intermediary responsible for causing such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. The BRLMs shall, in their sole discretion, identify and fix the liability on such intermediary or entity responsible for such delay in unblocking. For the avoidance of doubt, the provisions of the March 2021 Circular, as amended pursuant to June 2021 Circular shall be deemed to be incorporated in the agreements to be entered into by and between the Company and the relevant intermediaries, to the extent applicable.**

The above timetable is indicative and does not constitute any obligation on our Company, the Selling Shareholders or the BRLMs. While our Company shall ensure that all steps for the completion of the necessary formalities for the listing and the commencement of trading of the Equity Shares on the Stock Exchanges are taken within six Working Days of the Bid/Offer Closing Date or such period as may be prescribed, the timetable may change due to various factors, including any delays in receiving the final listing and trading approval from the Stock Exchanges. The commencement of trading of the Equity Shares will be entirely at the discretion of the Stock Exchanges and in accordance with the applicable laws. The Selling Shareholders confirm that they shall extend complete co-operation required by our Company and the BRLMs for the completion of the necessary formalities for listing and commencement of trading of the Equity Shares at the Stock Exchanges within six Working Days from the Bid/Offer Closing Date, or within such other period as may be prescribed.

In terms of the UPI Circulars, in relation to the Offer, the BRLMs will be required to submit reports of compliance with timelines and activities prescribed by SEBI in connection with the allotment and listing procedure within six Working Days from the Bid/Offer Closing Date, identifying nonadherence to timelines and processes and an analysis of entities responsible for the delay and the reasons associated with it.

Except in relation to the Bids received from the Anchor Investors, Bids and any revision in Bids shall be accepted **only between 10.00 a.m. and 5.00 p.m.** (Indian Standard Time (“IST”)) during the Bid/Offer Period (except on the Bid/Offer Closing Date) at the Bidding Centres as mentioned on the Bid cum Application Form **except that:**

- (i) on the QIB Bid/Offer Closing Date, in case of Bids by QIBs under the Net QIB Portion, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (Indian Standard Time) and uploaded until 4.00 p.m. (IST).
- (ii) on the Bid/Offer Closing Date\*:
  - (a) in case of Bids by Non-Institutional Investors, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 4.00 p.m. (IST); and
  - (b) in case of Bids by Retail Individual Investors, the Bids and the revisions in Bids shall be accepted only between 10.00 a.m. and 3.00 p.m. (IST) and uploaded until 5.00 p.m. (IST), which may be extended up to such time as deemed fit by the Stock Exchanges after taking into account the total number of applications received up to the closure of timings and reported by the BRLMs to the Stock Exchanges.

*\*UPI mandate end time and date shall be at 12.00 pm on August 9, 2021.*

For the avoidance of doubt, it is clarified that Bids not uploaded on the electronic bidding system or in respect of which full Bid Amount is not blocked by SCSBs or not blocked under the UPI Mechanism in the relevant ASBA Account, as the case may be, will be rejected.

The Registrar to the Offer shall submit the details of cancelled/withdrawn/deleted applications to the SCSB's on daily basis from the Bid/ Offer Opening Date till the Bid/Offer Closing Date by obtaining the same from the Stock Exchanges. The SCSB's shall unblock such applications by the closing hours of the Working Day.

Investors may please note that as per letter no. List/smd/sm/2006 dated July 3, 2006 and letter no. NSE/IPO/25101- 6 dated July 6, 2006 issued by BSE and NSE respectively, Bids and any revision in Bids shall not be accepted on Saturdays and public holidays as declared by the Stock Exchanges. Bids by ASBA Bidders shall be uploaded by the relevant Designated Intermediary in the electronic system to be provided by the Stock Exchanges.

### **Employee Discount**

Employee Discount was offered to Eligible Employees bidding in the Employee Reservation Portion, and, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at a price within the Price Band made payments based on Bid Amount net of Employee Discount, at the time of making a Bid. Eligible Employees bidding in the Employee Reservation Portion at the Cut-Off Price had to ensure payment at the Cap Price, less Employee Discount, at the time of making a Bid.

In case of discrepancy in the data entered in the electronic book *vis-à-vis* the data contained in the physical Bid cum Application Form for a particular Bidder, the details as per the Bid file received from the Stock Exchanges will be taken as the final data for the purpose of Allotment.



## OFFER PROCEDURE

*All Bidders should read the General Information Document for Investing in Public Offers prepared and issued in accordance with the circular no. SEBI/HO/CFD/DIL1/CIR/P/2020/37 dated March 17, 2020 and the UPI Circulars (the “General Information Document”) which highlights the key rules, processes and procedures applicable to public issues in general in accordance with the provisions of the Companies Act, the SCRA, the SCRR and the SEBI ICDR Regulations. The General Information Document is available on the websites of the Stock Exchanges and the BRLMs. Please refer to the relevant provisions of the General Information Document which are applicable to the Offer.*

*Bidders may refer to the General Information Document for information in relation to (i) category of investors eligible to participate in the Offer; (ii) maximum and minimum Bid size; (iii) price discovery and allocation; (iv) payment instructions for ASBA Bidders; (v) issuance of Confirmation of Allocation Note (“CAN”) and Allotment in the Offer; (vi) general instructions (limited to instructions for completing the Bid cum Application Form); (vii) designated date; (viii) disposal of applications; (ix) submission of Bid cum Application Form; (x) other instructions (limited to joint bids in cases of individual, multiple bids and instances when an application would be rejected on technical grounds); (xi) applicable provisions of Companies Act relating to punishment for fictitious applications; (xii) mode of making refunds; and (xiii) interest in case of delay in Allotment or refund.*

*SEBI through the UPI Circulars has proposed to introduce an alternate payment mechanism using Unified Payments Interface (“UPI”) and consequent reduction in timelines for listing in a phased manner. UPI has been introduced in a phased manner as a payment mechanism in addition to ASBA for applications by Retail Individual Investors through intermediaries from January 1, 2019. The UPI Mechanism for Retail Individual Investors applying through Designated Intermediaries, in phase I, was effective along with the prior process and existing timeline of T+6 days (“UPI Phase I”), until June 30, 2019. Subsequently, for applications by Retail Individual Investors through Designated Intermediaries, the process of physical movement of forms from Designated Intermediaries to SCSBs for blocking of funds has been discontinued and RIIs submitting their ASBA Forms through Designated Intermediaries (other than SCSBs) can only use UPI Mechanism with existing timeline of T+6 days until further notice pursuant to SEBI circular (SEBI/HO/CFD/DIL2/CIR/P/2020/50) dated March 30, 2020 (“UPI Phase II”). The final reduced timeline will be made effective using the UPI Mechanism for applications by Retail Individual Investors (“UPI Phase III”), as may be prescribed by SEBI. The Offer will be made under UPI Phase II of the UPI Circular, subject to any circulars, clarification or notification issued by the SEBI from time to time. Further, the March 2021 Circular has introduced certain additional measures for streamlining the process of initial public offers and redressing investor grievances. This circular shall come into force for initial public offers opening on or after May 1, 2021 and the provisions of this circular are deemed to form part of this Prospectus. Subsequently, the June 2021 Circular modified the process timelines and extended the implementation timelines for certain measures introduced by the March 2021 Circular.*

*Further, our Company, the Selling Shareholders and the Syndicate do not accept any responsibility for the completeness and accuracy of the information stated in this section and are not liable for any amendment, modification or change in the applicable law which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations and ensure that their Bids are submitted in accordance with applicable laws and do not exceed the investment limits or maximum number of Equity Shares that can be held by them under applicable law or as specified in the Red Herring Prospectus and this Prospectus.*

### Book Building Procedure

The Offer was made in terms of Rule 19(2)(b) of the SCRR through the Book Building Process in accordance with Regulation 6(2) of the SEBI ICDR Regulations, wherein not less than 75% of the Net Offer was Allotted to QIBs on a proportionate basis, and wherein our Company, in consultation with the BRLMs allocated 60% of the QIB Category to Anchor Investors, on a discretionary basis in accordance with the SEBI ICDR Regulations, of which one-third was reserved for domestic Mutual Funds. 5% of the Net QIB Category was available for allocation on a proportionate basis to Mutual Funds only, and the remainder of the Net QIB Category was available for allocation on a proportionate basis to all QIBs (other than Anchor Investors), including Mutual Funds. If at least 75% of the Net Offer cannot be Allotted to QIBs, the Bid Amounts received by our Company shall be refunded. Further, not more than 15% of the Net Offer was available for allocation on a proportionate basis to Non-Institutional Bidders and not more than 10% of the Net Offer was available for allocation to Retail Individual Bidders in accordance with the SEBI ICDR Regulations. Furthermore, 232,288\* Equity Shares, aggregating to ₹200.00 million shall be made available for allocation on a proportionate basis only to Eligible Employees Bidding

in the Employee Reservation Portion, subject to valid Bids being received at or above the Offer Price, net of Employee Discount.

*\*subject to finalisation of the Basis of Allotment*

The Equity Shares, on Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

**Bidders should note that the Equity Shares will be Allotted to all successful Bidders only in dematerialized form. The Bid cum Application Forms which do not have the details of the Bidders' depository account, including the DP ID and the Client ID and the PAN and UPI ID (for Retail Individual Investors Bidding through the UPI Mechanism), shall be treated as incomplete and will be rejected. Bidders will not have the option of being Allotted Equity Shares in physical form.**

#### **Phased implementation of UPI for Bids by RIBs as per the UPI Circulars**

SEBI has issued UPI Circulars in relation to streamlining the process of public issue of equity shares and convertibles by introducing an alternate payment mechanism using UPI. Pursuant to the UPI Circulars, UPI has been introduced in a phased manner as a payment mechanism (in addition to mechanism of blocking funds in the account maintained with SCSBs under the ASBA) for applications by RIBs through intermediaries with the objective to reduce the time duration from public issue closure to listing from six Working Days to up to three Working Days. Considering the time required for making necessary changes to the systems and to ensure complete and smooth transition to the UPI payment mechanism, the UPI Circulars have introduced and implemented the UPI payment mechanism in three phases in the following manner:

- a) **Phase I:** This phase was applicable from January 1, 2019 until March 31, 2019 or floating of five main board public issues, whichever was later. Subsequently, the timeline for implementation of Phase I was extended until June 30, 2019. Under this phase, an RII also had the option to submit the ASBA Form with any of the intermediary and use his / her UPI ID for the purpose of blocking of funds. The time duration from public issue closure to listing would continue to be six Working Days.
- b) **Phase II:** This phase has become applicable from July 1, 2019 and was to initially continue for a period of three months or floating of five main board public issues, whichever is later. SEBI vide its circular no. SEBI/HO/CFD/DCR2/CIR/P/2019/133 dated November 8, 2019 has decided to extend the timeline for implementation of UPI Phase II until March 31, 2020. Under this phase, submission of the physical ASBA Form by an RII through Designated Intermediaries (other than SCSBs) to SCSBs for blocking of funds has been discontinued and is replaced by the UPI payment mechanism. However, the time duration from public issue closure to listing continues to be six Working Days during this phase. Subsequently, SEBI vide its circular no. SEBI/HO/CFD/DIL2/CIR/P/2020/50 dated March 30, 2020 extended the timeline for implementation of UPI Phase II till further notice.
- c) **Phase III:** The commencement period of Phase III is yet to be notified. In this phase, the time duration from public issue closure to listing would be reduced to be three Working Days. Accordingly, upon commencement of Phase III, the reduced time duration shall be applicable for the Offer.

#### **Bid cum Application Form**

Copies of the Bid cum Application Form (other than for Anchor Investors) and the abridged prospectus will be available with the Designated Intermediaries at relevant Bidding Centres and at our Registered and Corporate Office. An electronic copy of the ASBA Form will also be available for download on the websites of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)) at least one day prior to the Bid/Offer Opening Date.

For Anchor Investors, the Bid cum Application Forms will be available at the offices of the BRLMs.

All Bidders (other than Anchor Investors) must compulsorily use the ASBA process to participate in the Offer. Anchor Investors are not permitted to participate in this Offer through the ASBA process.

Bidders (other than Anchor Investors and Retail Individual Investors Bidding using the UPI Mechanism) must provide bank account details and authorisation by the ASBA account holder to block funds in their respective ASBA Accounts in the relevant space provided in the Bid cum Application Form and the Bid cum Application Form that does not contain such details are liable to be rejected.

Retail Individual Investors submitting their Bid cum Application Form to any Designated Intermediary (other than SCSBs) shall be required to Bid using the UPI Mechanism and must provide the UPI ID in the relevant space provided in the Bid cum Application Form. Bids submitted by Retail Individual Investors with any Designated Intermediary (other than SCSBs) without mentioning the UPI ID are liable to be rejected. Retail Individual Investors Bidding using the UPI Mechanism may also apply through the SCSBs and mobile applications using the UPI handles as provided on the website of SEBI.

Further, ASBA Bidders shall ensure that the Bids are submitted at the Bidding Centres only on ASBA Forms bearing the stamp of a Designated Intermediary (except in case of electronic ASBA Forms) and ASBA Forms not bearing such specified stamp maybe liable for rejection. Retail Individual Bidders using UPI Mechanism, may submit their ASBA Forms, including details of their UPI IDs, with the Syndicate, sub-Syndicate members, Registered Brokers, RTAs or CDPs. RIBs authorising an SCSB to block the Bid Amount in the ASBA Account may submit their ASBA Forms with the SCSBs. Bidders, using the ASBA process to participate in the Offer, must ensure that the ASBA Account has sufficient credit balance such that an amount equivalent to the full Bid Amount can be blocked by the SCSB or Sponsor Bank, as applicable at the time of submitting the Bid.

The prescribed colour of the Bid cum Application Forms for various categories is as follows:

| <b>Category</b>                                                                                                                                           | <b>Colour of Bid cum Application Form*</b> |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------|
| Resident Indians including resident QIBs, Non-Institutional Investors, Retail Individual Investors and Eligible NRIs applying on a non-repatriation basis | White                                      |
| Non-Residents including FPIs, Eligible NRIs applying on a repatriation basis, FVCIs and registered bilateral and multilateral institutions                | Blue                                       |
| Anchor Investors                                                                                                                                          | White                                      |
| Eligible Employees Bidding in the Employee Reservation Portion                                                                                            | Pink                                       |

\* Excluding electronic Bid cum Application Forms

Notes:

(1) Electronic Bid cum Application forms will also be available for download on the website of NSE ([www.nseindia.com](http://www.nseindia.com)) and BSE ([www.bseindia.com](http://www.bseindia.com)).

(2) Bid cum Application Forms for Anchor Investors will be made available at the offices of the BRLMs.

(3) Bid cum Application Forms for Eligible Employees shall be available at the Registered and Corporate Office of the Company.

In case of ASBA Forms, the relevant Designated Intermediaries shall upload the relevant Bid details in the electronic bidding system of the Stock Exchanges. Designated Intermediaries (other than SCSBs) shall submit/deliver the ASBA Forms (except Bid cum Application Forms submitted by Retail Individual Investors Bidding using the UPI Mechanism) to the respective SCSB, where the Bidder has a bank account and shall not submit it to any non-SCSB bank or any Escrow Collection Bank(s). For Retail Individual Investors using the UPI Mechanism, the Stock Exchanges shall share the Bid details (including UPI ID) with the Sponsor Bank on a continuous basis to enable the Sponsor Bank to initiate a UPI Mandate Request to such Retail Individual Investors for blocking of funds. The Sponsor Bank shall initiate request for blocking of funds through NPCI to RIIs, who shall accept the UPI Mandate Request for blocking of funds on their respective mobile applications associated with UPI ID linked bank account. The NPCI shall maintain an audit trail for every Bid entered in the Stock Exchanges bidding platform, and the liability to compensate RIIs (Bidding through UPI Mechanism) in case of failed transactions shall be with the concerned entity (i.e., the Sponsor Bank, NPCI or the issuer bank) at whose end the lifecycle of the transaction has come to a halt. The NPCI shall share the audit trail of all disputed transactions/ investor complaints to the Sponsor Bank and the issuer bank. The Sponsor Bank and the Bankers to the Offer shall provide the audit trail to the BRLMs for analysing the same and fixing liability. For ensuring timely information to investors, SCSBs shall send SMS alerts as specified in March 2021 Circular as amended pursuant to SEBI circular no. SEBI/HO/CFD/DIL2/P/CIR/2021/570 dated June 2, 2021.

The Sponsor Bank will undertake a reconciliation of Bid responses received from Stock Exchanges and sent to NPCI and will also ensure that all the responses received from NPCI are sent to the Stock Exchanges platform with detailed error code and description, if any. Further, the Sponsor Bank will undertake reconciliation of all Bid requests and responses throughout their lifecycle on daily basis and share reports with the BRLMs in the format and within the timelines as specified under the UPI Circulars. Sponsor Bank and issuer banks shall download UPI settlement files and raw data files from the NPCI portal after every settlement cycle and do a three way reconciliation with Banks UPI switch data, CBS data and UPI raw data. NPCI is to coordinate with issuer banks and Sponsor Banks on a continuous basis.

**Participation by the Promoter, Promoter Group, the BRLMs, associates and affiliates of the BRLMs and the Syndicate Members and the persons related to Promoter, Promoter Group, BRLMs and the Syndicate**

## Members

The BRLMs and the Syndicate Members shall not be allowed to purchase the Equity Shares in any manner, except towards fulfilling their underwriting obligations. However, the respective associates and affiliates of the BRLMs and the Syndicate Members may purchase Equity Shares in the Offer, either in the QIB Portion or in the Non-Institutional Category as may be applicable to such Bidders, where the allocation is on a proportionate basis and such subscription may be on their own account or on behalf of their clients. All categories of investors, including respective associates or affiliates of the BRLMs and Syndicate Members, shall be treated equally for the purpose of allocation to be made on a proportionate basis.

Except for Mutual Funds, AIFs or FPIs other than individuals, corporate bodies and family offices sponsored by entities which are associates of the BRLMs or insurance companies promoted by entities which are associates of the BRLMs, no BRLMs or its respective associates can apply in the Offer under the Anchor Investor Portion.

Further, an Anchor Investor shall be deemed to be an “associate of the Lead Manager” if: (i) either of them controls, directly or indirectly through its subsidiary or holding company, not less than 15% of the voting rights in the other; or (ii) either of them, directly or indirectly, by itself or in combination with other persons, exercises control over the other; or (iii) there is a common director, excluding nominee director, amongst the Anchor Investors and the BRLMs.

Further, the Promoter and members of the Promoter Group shall not participate by applying for Equity Shares in the Offer, except in accordance with the applicable law. Furthermore, persons related to the Promoter and the Promoter Group shall not apply in the Offer under the Anchor Investor Portion. It is clarified that a qualified institutional buyer who has rights under a shareholders’ agreement or voting agreement entered into with any of the Promoter or members of the Promoter Group of our Company, veto rights or a right to appoint any nominee director on our Board, shall be deemed to be a person related to the Promoter or Promoter Group of our Company.

## Bids by Mutual Funds

With respect to Bids by Mutual Funds, a certified copy of their SEBI registration certificate must be lodged with the Bid cum Application Form. Failing this, the Company and the Selling Shareholders in consultation with BRLMs reserve the right to reject any Bid without assigning any reason thereof. Bids made by asset management companies or custodians of Mutual Funds shall specifically state names of the concerned schemes for which such Bids are made.

In case of a Mutual Fund, a separate Bid may be made in respect of each scheme of a Mutual Fund registered with the SEBI and such Bids in respect of more than one scheme of a Mutual Fund will not be treated as multiple Bids, provided that such Bids clearly indicate the scheme for which the Bid is submitted.

No Mutual Fund scheme shall invest more than 10% of its net asset value in equity shares or equity related instruments of any single company provided that the limit of 10% shall not be applicable for investments in case of index funds or sector or industry specific scheme. No Mutual Fund under all its schemes should own more than 10% of any company’s paid-up share capital carrying voting rights.

## Bids by Eligible NRIs

Eligible NRIs may obtain copies of Bid cum Application Form from the offices of the Designated Intermediaries. Only Bids accompanied by payment in Indian Rupees or freely convertible foreign exchange will be considered for Allotment. Eligible NRIs Bidding on a repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident External Accounts (“**NRE Account**”), or Foreign Currency Non-Resident Accounts (“**FCNR Account**”), and Eligible NRIs bidding on a non-repatriation basis should authorise their SCSBs or confirm or accept the UPI Mandate Request (in case of Retail Individual Investors Bidding through the UPI Mechanism) to block their Non-Resident Ordinary (“**NRO**”) accounts for the full Bid amount, at the time of submission of the Bid cum Application Form. Participation of Eligible NRIs in the Offer shall be subject to the FEMA regulations. NRIs applying in the Offer through the UPI Mechanism are advised to enquire with the relevant bank, whether their account is UPI linked, prior to submitting a Bid cum Application Form.

Eligible NRIs Bidding on a repatriation basis are advised to use the Bid cum Application Form meant for Non-Residents (Blue in colour).

Eligible NRIs Bidding on non-repatriation basis are advised to use the Bid cum Application Form for residents (White in colour). By way of Press Note 1 (2021 Series) dated March 19, 2021, issued by the DPIIT, it has been clarified that an investment made by an Indian entity which is owned and controlled by NRIs on a non-repatriation basis, shall not be considered for calculation of indirect foreign investment.

For details of restrictions on investment by NRIs, see “*Restrictions on Foreign Ownership of Indian Securities*” on page 372.

### **Bids by HUFs**

Bids by Hindu Undivided Families or HUFs should be made in the individual name of the Karta. The Bidder should specify that the Bid was made in the name of the HUF in the Bid cum Application Form/Application Form as follows: “Name of sole or First Bidder: XYZ Hindu Undivided Family applying through XYZ, where XYZ is the name of the Karta”. Bids by HUFs will be considered at par with Bids from individuals.

### **Bids by FPIs**

In terms of applicable FEMA Rules and the SEBI FPI Regulations, investments by FPIs in the Equity Shares is subject to certain limits, *i.e.*, the individual holding of an FPI (including its investor group (which means multiple entities registered as foreign portfolio investors and directly or indirectly, having common ownership of more than 50% or common control)) shall be below 10% of our post-Offer Equity Share capital on a fully diluted basis. In case the total holding of an FPI or investor group increases beyond 10% of the total paid-up Equity Share capital of our Company, on a fully diluted basis, the total investment made by the FPI or investor group will be re-classified as FDI subject to the conditions as specified by SEBI and the RBI in this regard and our Company and the investor will be required to comply with applicable reporting requirements. Further, the total holdings of all FPIs put together, with effect from April 1, 2020, can be up to the sectoral cap applicable to the sector in which our Company operates (*i.e.*, up to 100%). In terms of the FEMA Rules, for calculating the aggregate holding of FPIs in a company, holding of all registered FPIs shall be included.

In case of Bids made by FPIs, a certified copy of the certificate of registration issued under the SEBI FPI Regulations is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason. FPIs who wish to participate in the Offer are advised to use the Bid cum Application Form for Non-Residents (Blue in colour).

To ensure compliance with the above requirement, SEBI, pursuant to its circular dated July 13, 2018, has directed that at the time of finalisation of the Basis of Allotment, the Registrar shall (i) use the PAN issued by the Income Tax Department of India for checking compliance for a single FPI; and (ii) obtain validation from Depositories for the FPIs who have invested in the Offer to ensure there is no breach of the investment limit, within the timelines for issue procedure, as prescribed by SEBI from time to time.

Subject to compliance with all applicable Indian laws, rules, regulations, guidelines and approvals in terms of Regulation 21 of the SEBI FPI Regulations, an FPI is permitted to issue, subscribe to, or otherwise deal in offshore derivative instruments, directly or indirectly, only if it complies with the following conditions:

- (a) such offshore derivative instruments are issued only by persons registered as Category I FPIs;
- (b) such offshore derivative instruments are issued only to persons eligible for registration as Category I FPIs;
- (c) such offshore derivative instruments are issued after compliance with the ‘know your client’ norms as specified by SEBI; and
- (d) such other conditions as may be specified by SEBI from time to time.

An FPI is required to ensure that the transfer of an offshore derivative instruments issued by or on behalf of it, is subject to (a) the transfer being made to persons which fulfil the criteria provided under Regulation 21(1) of the SEBI FPI Regulations (as mentioned above from points (a) to (d)); and (b) prior consent of the FPI is obtained for such transfer, except in cases, where the persons to whom the offshore derivative instruments are to be transferred, are pre-approved by the FPI.

Bids by following FPIs, submitted with the same PAN but with different beneficiary account numbers, Client IDs

and DP IDs shall not be treated as multiple Bids:

- FPIs which utilise the multi investment manager structure;
- Offshore derivative instruments which have obtained separate FPI registration for ODI and proprietary derivative investments;
- Sub funds or separate class of investors with segregated portfolio who obtain separate FPI registration;
- FPI registrations granted at investment strategy level/sub fund level where a collective investment scheme or fund has multiple investment strategies/sub-funds with identifiable differences and managed by a single investment manager.
- Multiple branches in different jurisdictions of foreign bank registered as FPIs;
- Government and Government related investors registered as Category 1 FPIs; and
- Entities registered as collective investment scheme having multiple share classes.

The Bids belonging to any of the above mentioned seven structures and having same PAN may be collated and identified as a single Bid in the Bidding process. The Equity Shares allotted in the Bid may be proportionately distributed to the applicant FPIs (with same PAN).

In order to ensure valid Bids, FPIs making multiple Bids using the same PAN, and with different beneficiary account numbers, Client IDs and DP IDs, are required to provide a confirmation along with each of their Bid cum Application Forms that the relevant FPIs making multiple Bids utilize any of the above-mentioned structures and indicate the name of their respective investment managers in such confirmation. In the absence of such compliance from the relevant FPIs with the operational guidelines for FPIs and designated Depository Participants issued to facilitate implementation of SEBI FPI Regulations, such multiple Bids shall be rejected.

Participation of FPIs in the Offer shall be subject to the FEMA Rules.

#### **Bids by SEBI registered Alternative Investment Funds, Venture Capital Funds and Foreign Venture Capital Investors**

The Securities and Exchange Board of India (Alternative Investment Funds) Regulations, 2012, as amended (the “**SEBI AIF Regulations**”) prescribe, amongst others, the investment restrictions on AIFs. Post the repeal of the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996, venture capital funds which have not re-registered as AIFs under the SEBI AIF Regulations shall continue to be regulated by the Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996 until the existing fund or scheme managed by the fund is wound up and such fund shall not launch any new scheme after the notification of the SEBI AIF Regulations. The SEBI FVCI Regulations prescribe the investment restrictions on FVCIs.

The category I and II AIFs cannot invest more than 25% of their investible funds in one investee company. A category III AIF cannot invest more than 10% of its investible funds in one investee company. A VCF registered as a category I AIF, cannot invest more than one-third of its investible funds, in the aggregate, in certain specified instruments, including by way of subscription to an initial public offering of a venture capital undertaking. An FVCI can invest only up to 33.33% of its investible funds, in the aggregate, in certain specified instruments, which includes subscription to an initial public offering of a venture capital undertaking or an investee company (as defined under the SEBI AIF Regulations) whose shares are proposed to be listed.

Participation of AIFs, VCFs and FVCIs shall be subject to the FEMA Rules.

**All non-resident investors should note that refunds (in case of Anchor Investors), dividends and other distributions, if any, will be payable in Indian Rupees only and net of bank charges and commission.**

Our Company, the Selling Shareholders or the BRLMs will not be responsible for loss, if any, incurred by the Bidder on account of conversion of foreign currency.

#### **Bids by limited liability partnerships**

In case of Bids made by limited liability partnerships registered under the Limited Liability Partnership Act, 2008, a certified copy of certificate of registration issued under the Limited Liability Partnership Act, 2008, must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof.

### **Bids by banking companies**

In case of Bids made by banking companies registered with RBI, certified copies of: (i) the certificate of registration issued by RBI, and (ii) the approval of such banking company's investment committee is required to be attached to the Bid cum Application Form, failing which our Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof, subject to applicable law.

The investment limit for banking companies in non-financial services companies as per the Banking Regulation Act, 1949 (the "**Banking Regulation Act**"), and Master Direction – Reserve Bank of India (Financial Services provided by Banks) Directions, 2016 is 10% of the paid-up share capital of the investee company or 10% of the bank's own paid-up share capital and reserves, as per the last audited balance sheet or a subsequent balance sheet, whichever is less. Further, the aggregate investment in subsidiaries and other entities engaged in financial and non-financial services company cannot exceed 20% of the bank's paid-up share capital and reserves. A banking company would be permitted to invest in excess of 10% but not exceeding 30% of the paid-up share capital of such investee company if: (a) the investee company is engaged in non-financial activities in which banking companies are permitted to engage under the Banking Regulation Act or the additional acquisition is through restructuring of debt/corporate debt restructuring/strategic debt restructuring, or to protect the bank's interest on loans/investments made to a company, provided that the bank is required to submit a time-bound action plan for disposal of such shares (in this sub-clause (b)) within a specified period to the RBI. A banking company would require a prior approval of the RBI to make investment in excess of 30% of the paid-up share capital of the investee company, investment in a subsidiary and a financial services company that is not a subsidiary (with certain exceptions prescribed), and investment in a non-financial services company in excess of 10% of such investee company's paid-up share capital as stated in the Reserve Bank of India (Financial Services provided by Banks) Directions, 2016, as amended.

### **Bids by SCSBs**

SCSBs participating in the Offer are required to comply with the terms of the circulars dated September 13, 2012 and January 2, 2013 issued by SEBI. Such SCSBs are required to ensure that for making applications on their own account using ASBA, they should have a separate account in their own name with any other SEBI registered SCSBs. Further, such account shall be used solely for the purpose of making application in public issues and clear demarcated funds should be available in such account for such Bids.

### **Bids by insurance companies**

In case of Bids made by insurance companies registered with the IRDAI, a certified copy of certificate of registration issued by IRDAI must be attached to the Bid cum Application Form. Failing this, the Company and the Selling Shareholders in consultation with BRLMs, reserve the right to reject any Bid without assigning any reason thereof. The exposure norms for insurers are prescribed under Regulation 9 of the Insurance Regulatory and Development Authority of India (Investment) Regulations, 2016 ("**IRDA Investment Regulations**"), and are based on investments in the equity shares of a company, the entire group of the investee company and the industry sector in which the investee company operates. Bidders are advised to refer to the IRDA Investment Regulations for specific investment limits applicable to them and shall comply with all applicable regulations, guidelines and circulars issued by IRDAI from time to time.

### **Bids by Systemically Important Non-Banking Financial Companies**

In case of Bids made by NBFC-SI, a certified copy of the certificate of registration issued by the RBI, a certified copy of its last audited financial statements on a standalone basis and a net worth certificate from its statutory auditor(s), must be attached to the Bid-cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with BRLMs, reserve the right to reject any Bid, without assigning any reason thereof. NBFC-SI participating in the Offer shall comply with all applicable regulations, guidelines and circulars issued by RBI from time to time.

The investment limit for Systemically Important NBFCs shall be as prescribed by RBI from time to time.

### **Bids under Power of Attorney**

In case of Bids made pursuant to a power of attorney by limited companies, corporate bodies, registered societies, eligible FPIs, AIFs, Mutual Funds, insurance companies, NBFC-SI, insurance funds set up by the army, navy or air force of the India, insurance funds set up by the Department of Posts, India or the National Investment Fund and provident funds with a minimum corpus of ₹250 million (subject to applicable laws) and pension funds with a minimum corpus of ₹250 million, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be lodged along with the Bid cum Application Form. Failing this, our Company and the Selling Shareholders reserve the right to accept or reject any Bid in whole or in part, in either case, without assigning any reason thereof.

Our Company and Selling Shareholders in consultation with the BRLMs, in their absolute discretion, reserve the right to relax the above condition of simultaneous lodging of the power of attorney along with the Bid cum Application Form, subject to such terms and conditions that our Company and Selling Shareholders in consultation with the BRLMs, may deem fit.

### **Bids by provident funds/pension funds**

In case of Bids made by provident funds/pension funds, subject to applicable laws, with minimum corpus of ₹250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must be attached to the Bid cum Application Form. Failing this, our Company and the Selling Shareholders, in consultation with BRLMs reserve the right to reject any Bid, without assigning any reason therefor.

### **Bids by Eligible Employees**

Bids under Employee Reservation Portion by Eligible Employees shall be:

- (a) Made only in the prescribed Bid cum Application Form or Revision Form (*i.e.* Pink colour form).
- (b) The Bid must be for a minimum of 15 Equity Shares and in multiples of 15 Equity Shares thereafter so as to ensure that the Bid Amount payable by the Eligible Employee does not exceed ₹500,000. However, a Bid by an Eligible Employee in the Employee Reservation Portion will be considered for allocation, in the first instance, for a Bid amounting up to ₹200,000 (which will be less Employee Discount). In the event of any under-subscription in the Employee Reservation Portion, the unsubscribed portion will be available for allocation and Allotment, proportionately to all Eligible Employees, who have bid in excess of ₹200,000, provided however that the maximum Bid in this category by an Eligible Employee cannot exceed ₹500,000 (which will be less Employee Discount).
- (c) Eligible Employees should mention their employee number at the relevant place in the Bid cum Application Form.
- (d) Only Eligible Employees (as defined in the Red Herring Prospectus) were eligible to apply in this Offer under the Employee Reservation Portion and the Bidder.
- (e) Bids by Eligible Employees in the Employee Reservation Portion and in the Net Offer portion shall not be treated as multiple Bids. Our Company reserves the right to reject, in its absolute discretion, all or any multiple Bids in any or all categories.
- (f) Only those Bids, which are received at or above the Offer Price net of Employee Discount, if any, would be considered for Allotment under this category.
- (g) Eligible Employees can apply at Cut-off Price.
- (h) In case of joint bids, the First Bidder shall be an Eligible Employee.



- (i) If the aggregate demand in this category is less than or equal to 232,288 Equity Shares at or above the Offer Price, full allocation shall be made to the Eligible Employees to the extent of their demand.
- (j) Eligible Employees bidding in the Employee Reservation Portion shall not Bid through the UPI mechanism.

In case of under-subscription in the Net Offer, spill over to the extent of under-subscription shall be permitted from the Employee Reservation Portion subject to the Net Offer constituting 10% of the post-Offer share capital of our Company. If the aggregate demand in this category is greater than 232,288 Equity Shares at or above the Offer Price, the allocation shall be made on a proportionate basis.

**The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the Book Running Lead Managers are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus, when filed. Bidders are advised to make their independent investigations and ensure that any single Bid from them does not exceed the applicable investment limits or maximum number of the Equity Shares that can be held by them under applicable laws or regulation and as specified in this Prospectus, when filed.**

**In accordance with RBI regulations, OCBs cannot participate in the Offer.**

#### **Information for Bidders**

The relevant Designated Intermediary will enter a maximum of three Bids at different price levels opted in the Bid cum Application Form and such options are not considered as multiple Bids. It is the Bidder's responsibility to obtain the acknowledgment slip from the relevant Designated Intermediary. The registration of the Bid by the Designated Intermediary does not guarantee that the Equity Shares shall be allocated/Allotted. Such Acknowledgement Slip will be non-negotiable and by itself will not create any obligation of any kind. When a Bidder revises his or her Bid, he /she shall surrender the earlier Acknowledgement Slip and may request for a revised acknowledgment slip from the relevant Designated Intermediary as proof of his or her having revised the previous Bid.

In relation to electronic registration of Bids, the permission given by the Stock Exchanges to use their network and software of the electronic bidding system should not in any way be deemed or construed to mean that the compliance with various statutory and other requirements by our Company and/or the BRLMs are cleared or approved by the Stock Exchanges; nor does it in any manner warrant, certify or endorse the correctness or completeness of compliance with the statutory and other requirements, nor does it take any responsibility for the financial or other soundness of our Company, the management or any scheme or project of our Company; nor does it in any manner warrant, certify or endorse the correctness or completeness of any of the contents of this Prospectus; nor does it warrant that the Equity Shares will be listed or will continue to be listed on the Stock Exchanges.

#### **Pre-Offer Advertisement**

Subject to Section 30 of the Companies Act, our Company, after filing the Red Herring Prospectus with the RoC, published a pre-Offer advertisement, in the form prescribed by the SEBI ICDR Regulations, in all editions of The Financial Express, an English national daily newspaper, all editions of Jansatta, a Hindi national daily newspaper, and Pune editions of Loksatta, a Marathi daily newspaper (Marathi being the regional language of Maharashtra, where our Registered is located). Our Company, in the pre-Offer advertisement stated the Bid/Offer Opening Date, the Bid/Offer Closing Date and the QIB Bid/Offer Closing Date. This advertisement, subject to the provisions of Section 30 of the Companies Act, was in the format prescribed in Part A of Schedule X of the SEBI ICDR Regulations.

#### **Signing of Underwriting Agreement and filing of Prospectus with the RoC**

Our Company and the Selling Shareholders intend to have entered into an Underwriting Agreement with the Underwriters on or after the determination of the Offer Price. After signing the Underwriting Agreement, the Company will file this Prospectus with the RoC. This Prospectus contains details of the Offer Price, Anchor Investor Offer Price, Offer Size and underwriting arrangements and complete in all material respects.

#### **General Instructions**

Please note that QIBs and Non-Institutional Investors are not permitted to withdraw their Bid(s) or lower the size of their Bid(s) (in terms of quantity of Equity Shares or the Bid Amount) at any stage. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bid(s) until the Bid/ Offer Closing Date. Anchor Investors are not allowed to withdraw or lower the size of their Bids after the Anchor Investor Bidding Date.

**Do's:**

1. Check if you are eligible to apply as per the terms of the Red Herring Prospectus and under applicable law, rules, regulations, guidelines and approvals;
2. Ensure that you have Bid within the Price Band;
3. Ensure that you have mentioned the correct ASBA Account number (for all Bidders other than Retail Individual Investors Bidding using the UPI Mechanism) in the Bid cum Application Form and such ASBA account belongs to you and no one else. Retail Individual Investors using the UPI Mechanism must mention their correct UPI ID and shall use only his/her own bank account which is linked to such UPI ID;
4. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that the bank, with which they have their bank account, where the funds equivalent to the application amount are available for blocking is UPI 2.0 certified by NPCI before submitting the ASBA Form to any of the Designated Intermediaries;
5. Retail Individual Investors Bidding using the UPI Mechanism shall make Bids only through the SCSBs, mobile applications and UPI handles whose name appears in the list of SCSBs which are live on UPI, as displayed on the SEBI website. An application made using incorrect UPI handle or using a bank account of an SCSB or bank which is not mentioned on the SEBI website is liable to be rejected;
6. Read all the instructions carefully and complete the Bid cum Application Form in the prescribed form;
7. Ensure that the details about the PAN, DP ID, Client ID and UPI ID (where applicable) are correct and the Bidders depository account is active, as Allotment of the Equity Shares will be in dematerialized form only;
8. Ensure that your Bid cum Application Form bearing the stamp of a Designated Intermediary is submitted to the Designated Intermediary at the Bidding Centre within the prescribed time. RIIs using UPI Mechanism, may submit their ASBA Forms with Syndicate, sub-Syndicate Members, Registered Brokers, RTA or CDP;
9. In case of joint Bids, ensure that First Bidder is the ASBA Account holder (or the UPI-linked bank account holder, as the case may be) and the signature of the First Bidder is included in the Bid cum Application Form;
10. All Bidders (other than Anchor Investors) should submit their Bids through the ASBA process only;
11. Ensure that the name(s) given in the Bid cum Application Form is/are exactly the same as the name(s) in which the beneficiary account is held with the Depository Participant. In case of joint Bids, the Bid cum Application Form should contain only the name of the First Bidder whose name should also appear as the first holder of the beneficiary account held in joint names;
12. Bidders should ensure that they receive the Acknowledgment slip or the acknowledgement number duly signed and stamped by a Designated Intermediary, as applicable, for submission of the Bid cum Application Form;
13. Ensure that you have funds equal to the Bid Amount in the ASBA Account maintained with the SCSB before submitting the Bid cum Application Form under the ASBA process to any of the Designated Intermediaries;
14. Ensure that you submit revised Bids to the same Designated Intermediary, through whom the original Bid was placed and obtain a revised acknowledgment;

15. Except for Bids (i) on behalf of the Central or State Governments and the officials appointed by the courts, who, in terms of a SEBI circular dated June 30, 2008, may be exempt from specifying their PAN for transacting in the securities market, (ii) Bids by persons resident in the state of Sikkim, who, in terms of a SEBI circular dated July 20, 2006, may be exempted from specifying their PAN for transacting in the securities market, and (iii) any other category of Bidders, including without limitation, multilateral/ bilateral institutions, which may be exempted from specifying their PAN for transacting in the securities market, all Bidders should mention their PAN allotted under the IT Act. The exemption for the Central or the State Government and officials appointed by the courts and for investors residing in the State of Sikkim is subject to (a) the Demographic Details received from the respective depositories confirming the exemption granted to the beneficiary owner by a suitable description in the PAN field and the beneficiary account remaining in “active status”; and (b) in the case of residents of Sikkim, the address as per the Demographic Details evidencing the same. All other applications in which PAN is not mentioned will be rejected;
16. Ensure that the Demographic Details are updated, true and correct in all respects;
17. Ensure that thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal;
18. Ensure that the category and the investor status is indicated in the Bid cum Application Form to ensure proper upload of your Bid in the electronic Bidding system of the Stock Exchanges;
19. Ensure that in case of Bids under power of attorney or by limited companies, corporates, trust etc., relevant documents are submitted;
20. Ensure that Bids submitted by any person outside India should be in compliance with applicable foreign and Indian laws;
21. Retail Individual Investors Bidding using the UPI Mechanism, should ensure that they approve the UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to application amount and subsequent debit of funds in case of Allotment, in a timely manner;
22. Note that in case the DP ID, UPI ID (where applicable), Client ID and the PAN mentioned in their Bid cum Application Form and entered into the online IPO system of the Stock Exchanges by the relevant Designated Intermediary, as the case may be, do not match with the DP ID, UPI ID (where applicable), Client ID and PAN available in the Depository database, then such Bids are liable to be rejected;
23. However, Bids received from FPIs bearing the same PAN shall not be treated as multiple Bids in the event such FPIs utilise the MIM Structure and such Bids have been made with different beneficiary account numbers, Client IDs and DP IDs.
24. FPIs making MIM Bids using the same PAN, and different beneficiary account numbers, Client IDs and DP IDs, are required to submit a confirmation that their Bids are under the MIM structure and indicate the name of their investment managers in such confirmation which shall be submitted along with each of their Bid cum Application Forms. The bids may be collated and identified as a single bid in the bidding process. In the absence of such confirmation from the relevant FPIs, such MIM Bids shall be rejected;
25. In case of QIBs and NIIs, ensure that while Bidding through a Designated Intermediary, the ASBA Form is submitted to a Designated Intermediary in a Bidding Centre and that the SCSB where the ASBA Account, as specified in the ASBA Form, is maintained has named at least one branch at that location for the Designated Intermediary to deposit ASBA Forms (a list of such branches is available on the website of SEBI at <http://www.sebi.gov.in>);
26. Ensure that you have correctly signed the authorization /undertaking box in the Bid cum Application Form, or have otherwise provided an authorization to the SCSB or the Sponsor Bank, as applicable via the electronic mode, for blocking funds in the ASBA Account equivalent to the Bid Amount mentioned in the Bid cum Application Form at the time of submission of the Bid;

27. Retail Individual Investors Bidding using the UPI Mechanism shall ensure that details of the Bid are reviewed and verified by opening the attachment in the UPI Mandate Request and then proceed to authorise the UPI Mandate Request using his/her UPI PIN. Upon the authorization of the mandate using his/her UPI PIN, the Retail Individual Investor shall be deemed to have verified the attachment containing the application details of the Retail Individual Investor Bidding using the UPI Mechanism in the UPI Mandate Request and have agreed to block the entire Bid Amount and authorized the Sponsor Bank to issue a request to block the Bid Amount mentioned in the Bid Cum Application Form in his/her ASBA Account;
28. Retail Individual Investors Bidding using the UPI Mechanism should mention valid UPI ID of only the Bidder (in case of single account) and of the First Bidder (in case of joint account) in the Bid cum Application Form;
29. Retail Individual Investors Bidding using the UPI Mechanism, who have revised their Bids subsequent to making the initial Bid, should also approve the revised UPI Mandate Request generated by the Sponsor Bank to authorise blocking of funds equivalent to the revised Bid Amount in his/her account and subsequent debit of funds in case of allotment in a timely manner;
30. Bids by Eligible NRIs, HUFs and any individuals, corporate bodies and family offices, which are re-categorised as category II FPI and registered with SEBI, for a Bid Amount of less than ₹200,000 would be considered under the Retail Portion for the purposes of allocation and Bids for a Bid Amount exceeding ₹200,000 would be considered under the Non-Institutional Category for allocation in the Offer; and
31. Ensure that Anchor Investors submit their Bid cum Application Forms only to the BRLMs.
32. Ensure that you have accepted the UPI Mandate Request received from the Sponsor Bank prior to 12:00 p.m. of the Working Day immediately after the Bid/ Offer Closing Date.

The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with. Application made using incorrect UPI handle or using a bank account of an SCSB or SCSBs which is not mentioned in the Annexure 'A' to the SEBI circular no. SEBI/HO/CFD/DIL2/CIR/P/2019/85 dated July 26, 2019 is liable to be rejected.

**Don'ts:**

1. Do not Bid for lower than the minimum Bid size;
2. Do not Bid/revise Bid Amount to less than the Floor Price or higher than the Cap Price;
3. Do not Bid on another Bid cum Application Form after you have submitted a Bid to a Designated Intermediary;
4. Do not pay the Bid Amount in cash, by money order, cheques or demand drafts or by postal order or by stock invest;
5. Do not send Bid cum Application Forms by post, instead submit the same to the Designated Intermediary only;
6. Anchor Investors should not Bid through the ASBA process;
7. Do not submit the ASBA Forms to any non-SCSB bank or to our Company or at a location other than the Bidding Centres;
8. Do not submit the ASBA Forms to any Designated Intermediary that is not authorised to collect the relevant ASBA Forms or to our Company;
9. Do not Bid on a physical Bid cum Application Form that does not have the stamp of the relevant Designated Intermediary;

10. Do not Bid at Cut-off Price (for Bids by QIBs and Non-Institutional Investors);
11. Do not fill up the Bid cum Application Form such that the Equity Shares Bid for exceeds the Offer/ Offer size and/ or investment limit or maximum number of the Equity Shares that can be held under the applicable laws or regulations or maximum amount permissible under the applicable regulations or under the terms of the Red Herring Prospectus;
12. Do not submit your Bid after 3.00 pm on the Bid/ Offer Closing Date;
13. If you are a QIB, do not submit your Bid after 3.00 p.m. on the QIB Bid/ Offer Closing Date;
14. Do not instruct your respective banks to release the funds blocked in the ASBA Account under the ASBA process;
15. If you are a RII and are using UPI mechanism, do not submit more than one Bid cum Application Form for each UPI ID
16. Do not Bid for a Bid Amount exceeding ₹200,000 (for Bids by Retail Individual Investors) and ₹500,000 for Bids by Eligible Employees Bidding in the Employee Reservation Portion;
17. Do not submit the General Index Register (GIR) number instead of the PAN;
18. Do not submit incorrect details of the DP ID, Client ID, PAN and UPI ID (where applicable) or provide details for a beneficiary account which is suspended or for which details cannot be verified by the Registrar to the Offer;
19. Do not submit the Bid without ensuring that funds equivalent to the entire Bid Amount are available for blocking in the relevant ASBA Account or in the case of Retail Individual Investors Bidding using the UPI Mechanism, in the UPI-linked bank account where funds for making the Bid are available;
20. Do not withdraw your Bid or lower the size of your Bid (in terms of quantity of the Equity Shares or the Bid Amount) at any stage, if you are a QIB or a Non-Institutional Investor. Retail Individual Investors and Eligible Employees Bidding in the Employee Reservation Portion can revise or withdraw their Bids until the Bid/ Offer Closing Date;
21. Do not submit Bids on plain paper or on incomplete or illegible Bid cum Application Forms or on Bid cum Application Forms in a colour prescribed for another category of Bidder;
22. Do not link the UPI ID with a bank account maintained with a bank that is not UPI 2.0 certified by the NPCI in case of Bids submitted by Retail Individual Investors using the UPI Mechanism;
23. Do not submit a Bid in case you are not eligible to acquire Equity Shares under applicable law or your relevant constitutional documents or otherwise;
24. Do not Bid if you are not competent to contract under the Indian Contract Act, 1872 (other than minors having valid depository accounts as per Demographic Details provided by the depository);
25. Do not submit more than one Bid cum Application Form per ASBA Account. If you are a Retail Individual Investor Bidding using the UPI Mechanism, do not submit Bids through an SCSB and/ or mobile application and/ or UPI handle that is not listed on the website of SEBI;
26. Do not submit a Bid using UPI ID, if you are not a Retail Individual Investor;
27. Do not Bid for Equity Shares more than specified by respective Stock Exchanges for each category;
28. Anchor Investors shall not bid through the ASBA Process;
29. Do not submit the Bid cum Application Form to any non-SCSB Bank or our Company;
30. Do not submit a Bid cum Application Form with third party UPI ID or using a third party bank account

(in case of Bids submitted by Retail Individual Investors using the UPI Mechanism); and

31. Do not Bid if you are an OCB.

For helpline details of the Book Running Lead Managers, the Registrar to the Offer and the Sponsor Bank as required by SEBI, see “*General Information*” on pages 70.

**The Bid cum Application Form is liable to be rejected if the above instructions, as applicable, are not complied with.**

In case of any pre-Offer or post Offer related issues regarding demat credit/refund orders/unblocking etc., investors shall reach out to the Company Secretary and Compliance Officer, and the Registrar. For details of the Company Secretary and Compliance Officer and the Registrar, see “*General Information*” on page 70.

### **Grounds for Technical Rejection**

In addition to the grounds for rejection of Bids on technical grounds as provided in the GID, Bidders are requested to note that Bids maybe rejected on the following additional technical grounds:

1. Bids submitted without instruction to the SCSBs to block the entire Bid Amount;
2. Bids which do not contain details of the Bid Amount and the bank account details in the ASBA Form;
3. Bids submitted on a plain paper;
4. Bids submitted by RIBs and Eligible Employees using the UPI Mechanism through an SCSBs and/or using a mobile application or UPI handle, not listed on the website of SEBI;
5. Bids under the UPI Mechanism submitted by RIBs and Eligible Employees using third party bank accounts or using a third party linked bank account UPI ID (subject to availability of information regarding third party account from Sponsor Bank);
6. ASBA Form by the RIBs and Eligible Employees using third party bank accounts or using third party linked bank account UPI IDs;
7. ASBA Form submitted to a Designated Intermediary does not bear the stamp of the Designated Intermediary;
8. Bids submitted without the signature of the First Bidder or sole Bidder;
9. The ASBA Form not being signed by the account holders, if the account holder is different from the Bidder;
10. Bids by persons for whom PAN details have not been verified and whose beneficiary accounts are “suspended for credit” in terms of SEBI circular CIR/MRD/DP/ 22 /2010 dated July 29, 2010;
11. GIR number furnished instead of PAN;
12. Bids by RIBs or Eligible Employees with Bid Amount of a value of more than ₹200,000;
13. Bids by persons who are not eligible to acquire Equity Shares in terms of all applicable laws, rules, regulations, guidelines and approvals;
14. Bids accompanied by stock invest, money order, postal order or cash; and
15. Bids uploaded by QIBs after 4.00 pm on the QIB Bid/ Offer Closing Date and by Non-Institutional Bidders uploaded after 4.00 p.m. on the Bid/ Offer Closing Date, and Bids by RIBs uploaded after 5.00 p.m. on the Bid/ Offer Closing Date, unless extended by the Stock Exchanges.

Further, in case of any pre-issue or post issue related issues regarding share certificates/demat credit/refund orders/unblocking etc., investors shall reach out the Company Secretary and Compliance Officer. For details of the Company Secretary and Compliance Officer, see “*General Information*” beginning on page 70.

In case of any delay in unblocking of amounts in the ASBA Accounts (including amounts blocked through the UPI Mechanism) exceeding four Working Days from the Bid/ Offer Closing Date, the Bidder shall be compensated in accordance with applicable law. Further, Investors shall be entitled to compensation in the manner specified in the March 2021 Circular in case of delays in resolving investor grievances in relation to blocking/unblocking of funds.

### **Names of entities responsible for finalising the basis of allotment in a fair and proper manner**

The authorised employees of the Designated Stock Exchange, along with the BRLMs and the Registrar, shall ensure that the basis of allotment is finalised in a fair and proper manner in accordance with the procedure specified in SEBI ICDR Regulations.

### **Method of allotment as may be prescribed by SEBI from time to time**

Our Company will not make any Allotment in excess of the Equity Shares offered through the Offer through the offer document except in case of oversubscription for the purpose of rounding off to make Allotment, in consultation with the Designated Stock Exchange. Further, upon oversubscription, an Allotment of not more than 1% of the net offer to public may be made for the purpose of making Allotment in minimum lots.

The allotment of Equity Shares to Bidders other than to the Retail Individual Investors and Anchor Investors shall be on a proportionate basis within the respective investor categories and the number of securities allotted shall be rounded off to the nearest integer, subject to minimum allotment being equal to the minimum application size as determined and disclosed.

The allotment of Equity Shares to each Retail Individual Investor shall not be less than the minimum bid lot, subject to the availability of shares in Retail Individual Investor category, and the remaining available shares, if any, shall be allotted on a proportionate basis.

#### **Payment into Escrow Account(s) for Anchor Investors**

Our Company and the Selling Shareholders, in consultation with the BRLMs, in their absolute discretion, will decide the list of Anchor Investors to whom the CAN will be sent, pursuant to which the details of the Equity Shares allocated to them in their respective names will be notified to such Anchor Investors. Anchor Investors are not permitted to Bid in the Offer through the ASBA process. Instead, Anchor Investors should transfer the Bid Amount (through direct credit, RTGS, NACH or NEFT) to the Escrow Accounts. The payment instruments for payment into the Escrow Accounts should be drawn in favour of:

- (i) In case of resident Anchor Investors: **“Krsnaa Diagnostics Limited Anchor Resident Account”**
- (ii) In case of non-resident Anchor Investors: **“Krsnaa Diagnostics Limited Anchor Non-resident Account”**

Anchor Investors should note that the escrow mechanism is not prescribed by SEBI and has been established as an arrangement between our Company, the Selling Shareholders, the Syndicate, the Bankers to the Offer and the Registrar to the Offer to facilitate collections from Anchor Investors.

#### **Depository Arrangements**

The Allotment of the Equity Shares in the Offer shall be only in a dematerialised form, (*i.e.*, not in the form of physical certificates but be fungible and be represented by the statement issued through the electronic mode). In this context, tripartite agreements had been signed among our Company, the respective Depositories and the Registrar to the Offer:

- Tripartite Agreement dated April 29, 2021 among NSDL, our Company and the Registrar to the Offer.
- Tripartite Agreement dated April 27, 2021 among CDSL, our Company and Registrar to the Offer.

#### **Undertakings by our Company**

Our Company undertakes the following:

- (i) that the complaints received in respect of the Offer shall be attended to by our Company expeditiously and satisfactorily;
- (ii) that if the Allotment is not made within the prescribed time period under applicable law, the entire subscription amount received will be refunded/unblocked within the time prescribed under applicable law, failing which interest will be due to be paid to the Bidders at the rate prescribed under applicable law for the delayed period;
- (iii) that all steps will be taken for completion of the necessary formalities for listing and commencement of trading at all the Stock Exchanges where the Equity Shares are proposed to be listed within six Working Days of the Bid/Offer Closing Date or such other time as may be prescribed;
- (iv) that funds required for making refunds to unsuccessful applicants as per the mode(s) disclosed shall be made available to the Registrar to the Offer by our Company;

- (v) where refunds (to the extent applicable) are made through electronic transfer of funds, a suitable communication shall be sent to the applicant within the time prescribed under applicable law, giving details of the bank where refunds shall be credited along with amount and expected date of electronic credit of refund;
- (vi) that if our Company does not proceed with the Offer after the Bid/Offer Closing Date but prior to Allotment, the reason thereof shall be given as a public notice within two days of the Bid/Offer Closing Date. The public notice shall be issued in the same newspapers where the pre-Offer advertisements were published. The Stock Exchanges on which the Equity Shares are proposed to be listed shall also be informed promptly;
- (vii) that if our Company and the Selling Shareholders, in consultation with the BRLMs, withdraw the Offer after the Bid/Offer Closing Date, our Company shall be required to file a fresh draft offer document with SEBI, in the event our Company and/or any of the Selling Shareholders subsequently decides to proceed with the Offer thereafter;
- (viii) that adequate arrangements shall be made to collect all Bid cum Application Forms submitted by Bidders and Anchor Investor Application Form from Anchor Investors; and
- (ix) that, except for any allotment of Equity Shares to employees of our Company pursuant to exercise of stock options granted under the ESOP Scheme, no further issue of Equity Shares shall be made until the Equity Shares issued or offered through the Red Herring Prospectus are listed or until the Bid monies are refunded/unblocked in the ASBA Accounts on account of non-listing, under-subscription etc.

#### **Undertakings by the Selling Shareholders**

Each Selling Shareholder undertakes the following in respect of itself and its respective portion of the Offered Shares:

- (i) that its portion of the Offered Shares are eligible for being offered in the Offer for Sale in terms of Regulation 8 of the SEBI ICDR Regulations and are in dematerialised form;
- (ii) that it is the legal and beneficial owner of (except for Lotus Management Solutions, where the legal owner is Mayur Sirdesai and the beneficial owners are the partners of Lotus Management Solutions), and has clear and marketable title to, its portion of the Offered Shares;
- (iii) that it shall provide all reasonable co-operation as requested by our Company in relation to the completion of Allotment and dispatch of the Allotment Advice and CAN, if required, and refund orders to the extent of its portion of the Offered Shares;
- (iv) that it shall not have recourse to the proceeds of the Offer for Sale of its portion of the Offered Shares which shall be held in escrow in its favour, until final listing and trading approvals have been received from the Stock Exchanges; and
- (v) that it will provide such reasonable support and extend such reasonable cooperation as may be required by our Company and the BRLMs in redressal of such investor grievances that pertain to its portion of the Offered Shares.

#### **Utilisation of Offer Proceeds**

Our Board certifies that:

- all monies received out of the Fresh Issue component of the Offer shall be credited/transferred to a separate bank account other than the bank account referred to in sub-section (3) of Section 40 of the Companies Act;
- details of all monies utilized out of the Fresh Issue shall be disclosed, and continue to be disclosed till the time any part of the Offer proceeds remains unutilized, under an appropriate head in the balance sheet of our Company indicating the purpose for which such monies have been utilized; and



- details of all unutilized monies out of the Fresh Issue, if any shall be disclosed under an appropriate separate head in the balance sheet indicating the form in which such unutilized monies have been invested.

### **Impersonation**

Attention of the Bidders is specifically drawn to the provisions of sub-section (1) of Section 38 of the Companies Act, 2013 which is reproduced below:

*“Any person who –*

*(a) makes or abets making of an application in a fictitious name to a company for acquiring, or subscribing for, its securities; or*

*(b) makes or abets making of multiple applications to a company in different names or in different combinations of his name or surname for acquiring or subscribing for its securities; or*

*(c) otherwise induces directly or indirectly a company to allot, or register any transfer of, securities to him, or to any other person in a fictitious name, shall be liable for action under Section 447.”*

The liability prescribed under Section 447 of the Companies Act, 2013 for fraud involving an amount of at least ₹1 million or 1% of the turnover of the company, whichever is lower, includes imprisonment for a term which shall not be less than six months extending up to 10 years and fine of an amount not less than the amount involved in the fraud, extending up to three times such amount (provided that where the fraud involves public interest, such term shall not be less than three years.) Further, where the fraud involves an amount less than ₹1.00 million or one per cent of the turnover of the company, whichever is lower, and does not involve public interest, any person guilty of such fraud shall be punishable with imprisonment for a term which may extend to five years or with fine which may extend to ₹5.00 million or with both.

## RESTRICTIONS ON FOREIGN OWNERSHIP OF INDIAN SECURITIES

Foreign investment in Indian securities is regulated through the Industrial Policy, 1991 of the Government of India and FEMA. While the Industrial Policy, 1991 prescribes the limits and the conditions subject to which foreign investment can be made in different sectors of the Indian economy, FEMA regulates the precise manner in which such investment may be made. Under the Industrial Policy, unless specifically restricted, foreign investment is freely permitted in all sectors of the Indian economy up to any extent and without any prior approvals, but the foreign investor is required to follow certain prescribed procedures for making such investment. The RBI and the concerned ministries/departments are responsible for granting approval for foreign investment. The Government has from time to time made policy pronouncements on foreign direct investment (“**FDI**”) through press notes and press releases. The DPIIT, issued the Consolidated FDI Policy Circular of 2020 (“**FDI Policy**”), which, with effect from October 15, 2020, subsumes and supersedes all press notes, press releases, clarifications, circulars issued by the DPIIT, which were in force as on October 15, 2020. The FDI Policy will be valid until the DPIIT issues an updated circular.

The transfer of shares between an Indian resident and a non-resident does not require the prior approval of the RBI, provided that: (i) the activities of the investee company are under the automatic route under the foreign direct investment policy and transfer does not attract the provisions of the SEBI Takeover Regulations; (ii) the non-resident shareholding is within the sectoral limits under the FDI policy; and (iii) the pricing is in accordance with the guidelines prescribed by the SEBI/RBI.

On October 17, 2019, Ministry of Finance, Department of Economic Affairs, had notified the FEMA Rules, which had replaced the Foreign Exchange Management (Transfer and Issue of Security by a Person Resident Outside India) Regulations 2017. Foreign investment in this Offer shall be on the basis of the FEMA Rules. Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020 issued by the DPIIT and the Foreign Exchange Management (Non-debt Instruments) Amendment Rules, 2020 which came into effect from April 22, 2020, any investment, subscription, purchase or sale of equity instruments by entities of a country which shares land border with India or where the beneficial owner of an investment into India is situated in or is a citizen of any such country, will require prior approval of the Government, as prescribed in the Consolidated FDI Policy and the FEMA Rules. Further, in the event of transfer of ownership of any existing or future foreign direct investment in an entity in India, directly or indirectly, resulting in the beneficial ownership falling within the aforesaid restriction/ purview, such subsequent change in the beneficial ownership will also require approval of the Government. Pursuant to the Foreign Exchange Management (Non-debt Instruments) (Fourth Amendment) Rules, 2020 issued on December 8, 2020, a multilateral bank or fund, of which India is a member, shall not be treated as an entity of a particular country nor shall any country be treated as the beneficial owner of the investments of such bank or fund in India.

As per the existing policy of the Government, OCBs cannot participate in this Offer.

As per the FDI policy, up to 100% FDI in the paid-up share capital of our Company is permitted under the automatic route.

As per the existing policy of the Government of India, OCBs cannot participate in this Offer.

**The Equity Shares offered in the Offer have not been and will not be registered under the U.S. Securities Act or any other applicable law of the United States and, unless so registered, may not be offered or sold within the United States, except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the U.S. Securities Act and applicable state securities laws. Accordingly, the Equity Shares are only being offered and sold (i) within the United States only to persons reasonably believed to be “qualified institutional buyers” (as defined in Rule 144A under the U.S. Securities Act and referred to in this Prospectus as “U.S. QIBs”) in transactions exempt from, or not subject to, the registration requirements of the U.S. Securities Act, and (ii) outside the United States in offshore transactions in compliance with Regulation S under the U.S. Securities Act and the applicable laws of the jurisdiction where those offers and sales occur. For the avoidance of doubt, the term “U.S. QIBs” does not refer to a category of institutional investors defined under applicable Indian regulations and referred to in this Prospectus as “QIBs”**

**The Equity Shares have not been and will not be registered, listed or otherwise qualified in any other jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.**

The above information is given for the benefit of the Bidders. Our Company, the Selling Shareholders and the BRLMs are not liable for any amendments or modification or changes in applicable laws or regulations, which may occur after the date of this Prospectus. Bidders are advised to make their independent investigations, seek independent legal advice about its ability to participate in the Offer and ensure that the number of Equity Shares Bid for do not exceed the applicable limits under laws or regulations.

## SECTION X - MAIN PROVISIONS OF THE ARTICLES OF ASSOCIATION

The regulations contained in Table “F” in Schedule I to the Companies Act, 2013 shall apply to Krsnaa Diagnostics Limited (the “**Company**”) only to the extent that the same are not specifically provided for in these Articles of Association and are not inconsistent with these Articles. In case on any inconsistency of provisions contained in Table “F” in Schedule I to the Companies Act, 2013 and these Articles, the provisions of these Articles will prevail subject to provisions of the Companies Act, 2013.

These Articles of Association of comprise two parts, Part A and Part B. Notwithstanding anything contained in these Articles of Association or elsewhere, in case of inconsistency or conflict or overlap between such Part A and Part B, the provisions of Part B, subject to applicable Law, shall prevail; however, Part B shall stand deleted, not have any force under law and be deemed to be removed from these Articles of Association upon the commencement of listing and trading of the equity shares of the Company on any recognised stock exchange in India, pursuant to an initial public offering of such equity shares of the Company and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action by the Company or its shareholders.

### PART A OF THE ARTICLES OF ASSOCIATION

#### I. DEFINITIONS AND INTERPRETATION

1. In these Articles:

- (i) Unless the context otherwise requires, words or expressions contained in these Articles shall bear the same meaning as in the Act or any statutory modifications thereof in force at the date on which the Articles become binding on the Company. In these Articles:

“**Act**” means Companies Act, 2013 of India and all rules, notifications, circulars and clarifications issued thereunder, along with any amendments, re-enactments or other statutory modifications thereof for the time being in force.

“**Annual General Meeting**” means the annual General Meeting held in accordance with Section 96 of the Act.

“**Articles**” means the articles of association of the Company as amended from time to time in accordance with the Act.

“**Auditors**” shall mean and include those persons appointed as such for the time being by the Company.

“**Beneficial Owner**” means the beneficial owner as defined in clause (a) of sub-section (1) of Section 2 of the Depositories Act, 1996, as amended.

“**Board**” or “**Board of Directors**” means the board of Directors of the Company as constituted from time to time in accordance with Law and the terms of these Articles.

“**Board Meeting**” means a meeting of the Directors duly called, constituted and held or as the case may be, the Directors assembled at a Board, or the requisite number of Directors entitled to pass a circular resolution in accordance with these Articles and the Act.

“**Chairman**” or “**Chairperson**” means the chairperson of the Board of Directors for the time being of the Company or the person elected or appointed to preside over the Board or/and General meetings of the Company.

“**Debenture**” includes debenture stock, bonds or any other instrument evidencing a debt, whether constituting a charge on the assets of the Company, or not.

“**Depositories Act**” means the Depositories Act, 1996, as amended or any statutory modification or re-enactment thereof for the time being in force.

**“Depository”** means a Depository as defined under clause (e) of sub-Section (1) of Section 2 of the Depositories Act and includes a company registered under the Act, which has been granted a Certificate of Registration under sub section 1(A) of section 12 of the Securities and Exchange Board of India Act, 1992, as amended.

**“Director”** means a director of the Board appointed from time to time in accordance with the terms of these Articles and the provisions of the Act.

**“Dividend”** means the dividend including the interim dividend, as defined under the Act.

**“Equity Share Capital”** means in relation to the Company, its equity Share capital within the meaning of Section 43 of the Act, as amended from time to time.

**“Encumbrance”** means any encumbrance, including, without limitation, charge, claim, community property interest, pledge, hypothecation, condition, equitable interest, lien (statutory or other), deposit by way of security, bill of sale, option or right of pre-emption, beneficial ownership (including usufruct and similar entitlements), option, security interest, mortgage, easement, encroachment, public / common right, right of way, right of first refusal, or restriction of any kind, including any restriction on use, voting, transfer, receipt of income or exercise of any other attribute of ownership, any provisional, conditional or executorial attachment and any other interest held by a third party.

**“Fully Diluted Basis”** means the total classes of Shares outstanding on a particular date, combined with all outstanding options, warrants, convertible securities of all kinds, any other arrangements relating to the Company’s equity or any other instrument, all on an **“as if converted”** basis. For the purposes of this definition, **“as if converted”** basis shall mean as if such instrument, option or security had been converted into equity Shares of the Company in accordance with the terms of its issuance.

**“General Meeting”** means any duly convened meeting of the Shareholders of the Company and includes an extra-ordinary General Meeting.

**“Independent Director”** shall have the meaning assigned to the said term under the Act and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended.

**“INR” or “Rs.”** means the Indian Rupee, the currency and legal tender of the Republic of India.

**“Law”** includes all Indian statutes, enactments, acts of legislature or parliament, laws, ordinances, rules, bye-laws, regulations, circulars, notifications, guidelines, policies, directions, determinations, directives, writs, decrees, injunctions, judgments, rulings, awards, clarifications and other delegated legislations and orders of any governmental authority (including but not limited to the Reserve Bank of India Act, 1934, as amended and any applicable rules, regulations and directives of the Reserve Bank of India), statutory authority, tribunal, board, court, stock exchange or other judicial or quasi-judicial adjudicating authority and, if applicable, foreign law, international treaties, protocols and regulations.

**“Managing Director”** means a director who, by virtue of these Articles or an agreement with the Company or a resolution passed in the General Meeting, or by the Board of Directors, is entrusted with substantial powers of management of the affairs of the company and includes a director occupying the position of managing director, by whatever name called.

**“Member”** means a member of the Company within the meaning of sub-Section 55 of Section 2 of the Act, as amended from time to time.

**“Memorandum”** means the memorandum of association of the Company, as amended from time to time.

**“Ordinary Resolution”** shall have the meaning assigned to it in Section 114 of the Act.

**“Paid up Capital”** means such aggregate amount of money credited as paid-up as is equivalent to the amount received as paid up in respect of Shares issued by the Company and also includes any amount credited as paid-up in respect of Shares of the Company, but does not include any other amount received in respect of such Shares, by whatever name called.

**“Person”** means any individual, sole proprietorship, unincorporated association, unincorporated organization, body corporate, corporation, partnership, unlimited or limited liability company, joint venture, governmental authority, Hindu undivided family, trust, union, organization or any other entity that may be treated as a person under applicable Law.

**“Preference Share Capital”** means in relation to the Company, its preference Share capital within the meaning of Section 43 of the Act, as amended from time to time.

**“Proxy”** means an instrument whereby any person is authorized to vote for a member at a General Meeting on a poll and shall include an attorney duly constituted under a power-of-attorney.

**“Registrar”** or **“RoC”** or **“Registrar of Companies”** means Registrar of Companies, Pune.

**“RBI”** means the Reserve Bank of India.

**“Seal”** means the common seal of the Company.

**“SEBI”** means Securities and Exchange Board of India.

**“Secretary”** or **“Company Secretary”** means company secretary as defined in clause (c) of sub-section (1) of section 2 of the Company Secretaries Act, 1980, as amended, who is appointed by the Company to perform the functions of a company secretary under the Act.

**“Securities”** have the meaning assigned to the term in clause (h) of section 2 of the Securities Contract (Regulation) Act, 1956, as may be amended from time to time.

**“Shares”** means a share in the Share Capital of the Company and includes stock.

**“Share Capital”** means the Equity Share Capital and Preference Share Capital of any face value together with all rights, differential rights, obligations, title, interest and claim in such Shares and includes all subsequent issue of such Shares of whatever face value or description, bonus Shares, conversion Shares and Shares issued pursuant to a stock split or the exercise of any warrant, option or other convertible security of the Company.

**“Shareholder”** shall mean a Member of the Company.

**“Special Resolution”** shall have the meaning assigned to it in Section 114 of the Act.

- (ii) The terms *“writing”* or *“written”* include printing, typewriting, lithography, photography and any other mode or modes (including electronic mode) of representing or reproducing words in a legible and non-transitory form.
- (iii) The headings hereto shall not affect the construction hereof.
- (iv) Any reference to a particular statute or provisions of the statute shall be construed to include reference to any rules, regulations or other subordinate legislation made under the statute and shall, unless the context otherwise requires, include any statutory amendment, modification or re-enactment thereof.
- (v) Any reference to an agreement or other document shall be construed to mean a reference to the agreement or other document, as amended or novated from time to time.
- (vi) In these Articles, words that are gender neutral or gender specific include each gender, as the context may require.

## **II. PUBLIC COMPANY**

2. The Company is a public company within the meaning of the Act.

## **III. SHARE CAPITAL AND VARIATION OF RIGHTS**

3. The authorized Share Capital of the Company shall be as set out in Clause V of the Memorandum of Association with the power to increase or reduce or re-classify such capital from time to time in accordance with the Articles and the legislative provisions for the time being in force in this regard and with the power also to divide the Shares in the Share Capital for the time being into Equity Share Capital and Preference Share Capital, and to attach thereto respectively any preferential, qualified or special rights, privileges or conditions, in accordance with the provisions of the Act and these Articles.
4. Subject to the provisions of the Act, these Articles and other applicable Law, the Shares for the time being shall be under the control of the Board, which may issue, allot or otherwise dispose of the Shares or any of them to such persons, in such proportion, on such terms and conditions, either at a premium or at par or at a discount (subject to compliance with Section 52 and 53 and other provisions of the Act), at such time as it may from time to time deem fit, and with the sanction of the Company in a General Meeting, to give to any person or persons the option or right to call for any Shares, either at par or premium during such time and for such consideration as the Board deems fit, and may issue and allot Shares on payment in full or part of any property sold and transferred or for any services rendered to the Company in the conduct of its business. Any Shares so allotted may be issued as fully paid-up Shares and if so issued, shall be deemed to be fully paid-up Shares. Provided that, the option or right to call for Shares shall not be given to any person or persons without the sanction of the Company in a General Meeting. As regards all allotments, from time to time made, the Board shall duly comply with Sections 23 and 39 of the Act, as the case may be.
5. Subject to these Articles and the provisions of the Act, the Company may, from time to time, by Ordinary Resolution, increase the Share Capital by such sum, to be divided into Shares of such amount, as may be specified in the resolution.
6. Subject to the provisions of the Act, the Company may from time to time by Ordinary Resolution, undertake any of the following:
  - (i) consolidate and divide all or any of its Share Capital into Shares of larger amount than its existing Shares;
  - (ii) convert all or any of its fully paid-up Shares into stock, and reconvert that stock into fully paid-up Shares of any denomination;
  - (iii) sub-divide its Shares, or any of them, into Shares of smaller amount, such that the proportion between the amount paid and the amount, if any, unpaid on each reduced Share shall be the same as it was in case of the Share from which the reduced Share is derived; or
  - (iv) cancel any Shares which, at the date of the passing of the resolution in that behalf, have not been taken or agreed to be taken by any Person, and diminish the amount of its Share Capital by the amount of Shares so cancelled. A cancellation of Shares pursuant to this Article shall not be deemed to be a reduction of the Share Capital within the meaning of the Act.
7. Subject to the provisions of these Articles, the Act, other applicable Law and subject to such other approvals, permissions or sanctions as may be necessary, the Company may issue any Shares with or without differential rights upon such terms and conditions and with such rights and privileges (including with regard to voting rights and dividend) as may be permitted by the Act or the applicable Law or guidelines issued by the statutory authorities and/or listing requirements and that the provisions of these Articles
8. Subject to the provisions of the Act, any preference Shares may be issued on the terms that they are, or at the option of the Company are, liable to be redeemed on such terms and in such manner as the Company before the issue of the Shares may, by Special Resolution determine.

9. The period of redemption of such preference Shares shall not exceed the maximum period for redemption provided under the Act.
10. Where at any time, it is proposed to increase its subscribed Share Capital by the issuance/allotment of further Shares either out of the unissued Share Capital or increased Share Capital:
  - (a) Such further Shares shall be offered to the persons who, at the date of the offer, are holders of the Shares of the Company, in proportion, as nearly as circumstances admit, to the capital paid-up on those Shares at that date;
  - (b) The offer aforesaid shall be made by a notice specifying the number of Shares offered and limiting a time not being less than thirty days from the date of the offer within which the offer, if not accepted, will be deemed to have been declined;
  - (c) The offer aforesaid shall be deemed to include a right exercisable by the person concerned to renounce the Shares offered to him or any of them in favour of any other person and the notice referred to in sub-clause (b) shall contain a statement of this right;
  - (d) After the expiry of the time specified in the notice aforesaid, or on receipt of earlier intimation from the person to whom such notice is given that he declines to accept the Shares offered, the Board of Directors may dispose of them in such manner as they think most beneficial to the Company.
  - (e) Notwithstanding anything contained in Clause 10 (a) to (d), such further Shares may be offered to any persons (whether or not those persons include the persons referred to in clause (a) of sub-clause (10) hereof) in any manner whatsoever.
    - (i) If a special resolution to that effect is passed by the company in general meeting, or
    - (ii) Where no such resolution is passed, if the votes cast (whether on a show of hands or on a poll as the case may be) in favour of the proposal contained in the resolution moved in that general meeting (including the casting vote, if any, of the Chairman) by members who, being entitled so to do, vote in person, or where proxies are allowed, by proxy, exceed the votes, if any, cast against the proposal by members, so entitled and voting and the Central Government is satisfied, on an application made by the Board of Directors in this behalf, that the proposal is most beneficial to the Company.
2. Nothing in sub-clause (c) of (10) hereof shall be deemed:
  - (a) To extend the time within which the offer should be accepted; or
  - (b) To authorize any person to exercise the right of renunciation for a second time, on the ground that the person in whose favour the renunciation was first made has declined to take the shares comprised in the renunciation.

Such further Shares, as referred to in Article 10, may be offered to the persons who are:

  - (i) employees under a scheme of employees' stock option, subject to Special Resolution passed by the Company and subject to such conditions as may be prescribed under the Act and other applicable Laws; or
  - (ii) any Persons, whether or not those Persons include the Persons referred to in (i) or (ii) above, either for cash or for a consideration other than cash, if the price of such Shares is determined by the valuation report of a registered valuer, subject to compliance with the applicable provisions of Chapter III of the Act and any other conditions as may be prescribed, if a Special Resolution to this effect is passed by the Company in a General Meeting.
  - (iii) The notice referred to in Article 10(i)(a) above shall be dispatched through registered post or speed post or through electronic mode or courier or any other mode having proof of delivery to



all the existing shareholders at least three days before the opening of the issue.

11. Nothing in Article 10 above shall apply to the increase of the subscribed capital of the Company caused by the exercise of an option as a term attached to the Debentures issued or loan raised by the Company to convert such Debentures or loans into Shares in the Company or to subscribe for Shares in the Company; *provided that* the terms of issue of such Debentures or loan containing such an option have been approved before the issue of such Debentures or the raising of loan by a Special Resolution adopted by the Company in a General Meeting.
12. Save as otherwise provided in the Articles, the Company shall be entitled to treat the registered holder of the Shares in records of the depository as the absolute owner thereof as regards receipt of dividend or bonus or service of notices and all or any other matters connected with the Company, and accordingly, the Company shall not, except as ordered by a Court of competent jurisdiction, or as by Law required, be bound to recognize any equitable or other claim to or interest in such Shares on the part of any other Person.
13. Any Debentures, debenture-stock or other Securities may be issued at a discount, premium or otherwise, if permissible under the Act, and may be issued on the condition that they shall be convertible into Shares of any denomination and with any privileges and conditions as to redemption, surrender, drawings, allotment of Shares, attending (but not voting) at General Meetings, appointment of Directors and otherwise. Debentures with the rights to conversion into or allotment of Shares shall not be issued except with the sanction of the Company in General Meeting by a Special Resolution and subject to the provisions of the Act.
14. The Company shall, subject to the applicable provisions of the Act, compliance with all the Laws, consent of the Board, and consent of its Shareholders' by way of Special Resolution, have the power to issue American Depositary Receipts or Global Depositary Receipts on such terms and in such manner as the Board deems fit including their conversion and repayment. Such terms may include at the discretion of the Board, limitations on voting by holders of American Depositary Receipts or Global Depositary Receipts, including without limitation, exercise of voting rights in accordance with the directions of the Board.
15. If at any time the Share Capital is divided into different classes of Shares, the rights attached to any class (unless otherwise provided by the terms of issue of the Shares of that class) may, subject to the provisions of the Act, and whether or not the Company is being wound up, be varied with the consent in writing of the holders of three-fourths of the issued Shares of that class, or with the sanction of a Special Resolution passed at a separate meeting of the holders of the Shares of that class. To every such separate General Meeting of the holders of the Shares of that class, the provisions of these Articles relating to General Meetings shall *mutatis mutandis* apply.
16. The rights conferred upon the holders of the Shares of any class issued with preferred or other rights shall not, unless otherwise expressly provided by the terms of issue of the Shares of that class, be deemed to be varied by the creation or issue of further Shares ranking *pari passu* therewith.
17. Subject to the provisions of the Act, the Company may issue bonus Shares to its Members out of (i) its free reserves; (ii) the securities premium account; or (iii) the capital redemption reserve account, in any manner as the Board may deem fit.
18. Subject to the provisions of Sections 68 to 70 and other applicable provisions of the Act or any other Law for the time being in force, the Company shall have the power to buy-back its own Shares or other Securities, as it may consider necessary.
19. The Board of the Company may recommend an employee shares or security option scheme or plan from time to time.
20. Subject to the provisions of the Act, the Company shall have the power to make compromise or make arrangements with creditors and Members, consolidate, demerge, amalgamate or merge with other company or companies in accordance with the provisions of the Act and any other applicable Laws.

21. Subject to the provisions of the Act, the Company may, from time to time, by Special Resolution reduce in any manner and with, and subject to, any incident authorised and consent required under applicable Law:
- (i) the Share Capital;
  - (ii) any capital redemption reserve account; or
  - (iii) any securities premium account.

#### **IV. CAPITALISATION OF PROFITS**

22. The Company in General Meeting may, upon the recommendation of the Board, resolve –
- (i) that it is desirable to capitalise any part of the amount for the time being standing to the credit of any of the Company's reserve accounts, or to the credit of the profit and loss account or otherwise available for distribution; and
  - (ii) that such sum be accordingly set free for distribution in the manner specified in Article 23 below amongst the members who would have been entitled thereto, if distributed by way of dividend and in the same proportions.
23. The sum aforesaid shall not be paid in cash, but shall be applied, subject to the provision contained in Article 24 below, either in or towards:
- (i) paying of any amounts for the time being unpaid on any Shares held by such Members respectively; or
  - (ii) paying up in full, un-issued Shares of the company to be allotted and distributed, credited as fully paid, to and amongst such Members in the proportions aforesaid; or
  - (iii) partly in the way specified in Article 23(i) and partly in that specified in Article 23(ii);
  - (iv) A securities premium account and a capital redemption reserve account may, for the purposes of this Article, only be applied in the paying up of un-issued Shares to be issued to Members of the Company as fully paid bonus Shares.
  - (v) The Board shall give effect to the resolution passed by the Company in pursuance of this Article.
24. Whenever such a resolution as aforesaid shall have been passed, the Board shall:
- (i) make all appropriations and applications of the undivided profits resolved to be capitalised thereby, and all allotments and issues of fully paid Shares, if any; and
  - (ii) generally, do all acts and things required to give effect thereto.
25. The Board shall have power to:
- (i) make such provision, by the issue of fractional certificates or by payment in cash or otherwise as it thinks fit, for the case of Shares or Debentures becoming distributable in fractions; and
  - (ii) authorise any Person to enter, on behalf of all the Members entitled thereto, into an agreement with the Company providing for the allotment to them respectively, credited as fully paid up, of any further Shares to which they may be entitled upon such capitalisation, or (as the case may require) for the payment by the Company on their behalf, by the application thereto of their respective proportions of profits resolved to be capitalised, of the amount or any part of the amounts remaining unpaid on their existing Shares.
26. Any agreement made under such authority shall be effective and binding on such Members.

## **V. COMMISSION AND BROKERAGE**

27. The Company may exercise the powers of paying commissions conferred by sub-section (6) of Section 40 of the Act read with the Companies (Prospectus and Allotment of Securities) Rules, 2014 or any other provision of the Act or other applicable Law, provided that the rate per cent or amount of the commission paid or agreed to be paid shall be disclosed in the manner required by that section and rules made thereunder.
28. The rate or amount of the commission shall not exceed the rate or amount prescribed under the applicable rules.
29. The commission may be satisfied by the payment of cash or the allotment of fully or partly paid Shares or partly in the one way and partly in the other.
30. The Company may also, on any issue of Shares or Debentures, pay such brokerage as may be lawful.

## **VI. LIEN**

31. The Company shall have a first and paramount lien upon all the Shares/ Debentures (other than fully paid up Shares/ Debentures) registered in the name of each Member (whether solely or jointly with others) to the extent of monies called or payable in respect thereof, and upon the proceeds of sale thereof for all moneys (whether presently payable or not) called or payable at a fixed time in respect of such Shares/ Debentures and no equitable interest in any Share shall be created except upon the footing and condition that this Article will have full effect. Such lien shall extend to all dividends and bonuses from time to time declared in respect of such Shares/ Debentures. Fully paid up Shares shall be free from all liens. Unless otherwise agreed, the registration of a transfer of Shares/ Debentures shall operate as a waiver of the Company's lien if any, on such Shares/ Debentures. In case of partly-paid Shares, Company's lien shall be restricted to the monies called or payable at a fixed time in respect of such Shares. Provided that the Board may at any time declare any Shares/ Debentures wholly or in part to be exempt from the provisions of this Article.
32. Subject to the provisions of the Act, the Company may sell, in such manner as the Board thinks fit, any Shares on which the Company has a lien. *Provided that* no sale shall be made -
  - (i) unless a sum in respect of which the lien exists is presently payable; or
  - (ii) until the expiration of 14 (fourteen) days after a notice in writing stating and demanding payment of such part of the amount in respect of which the lien exists as is presently payable, has been given to the registered holder for the time being of the Share or the person entitled thereto by reason of his death or insolvency.
33. A Member shall not exercise any voting rights in respect of the Shares in regard to which the Company has exercised the right of lien.
34.
  - (i) To give effect to any such sale, the Board may authorise some Person to transfer the Shares sold to the purchaser thereof.
  - (ii) The purchaser shall be registered as the holder of the Shares comprised in any such transfer.
  - (iii) The purchaser shall not be bound to see to the application of the purchase money, nor shall his title to the Shares be affected by any irregularity or invalidity in the proceedings in reference to the sale.
35.
  - (i) The proceeds of the sale shall be received by the Company and applied in payment of such part of the amount in respect of which the lien exists as is presently payable.
  - (ii) The residue, if any, shall, subject to a like lien for sums not presently payable as existed upon the Shares before the sale, be paid to the Person entitled to the Shares at the date of the sale.

## **VII. CALLS ON SHARES**

36. Subject to the provisions of the Act, the Board may, from time to time, make calls upon the Members in respect of any money unpaid on their Shares (whether on account of the nominal value of the Shares or by way of premium) and not by the conditions of allotment thereof made payable at fixed times.

Provided that no call shall exceed one-fourth of the nominal value of the Share or be payable at less than one month from the date fixed for the payment of the last preceding call.

37. Each Member shall, subject to receiving at least 14 (fourteen) days' notice specifying the time or times and place of payment, pay to the Company, at the time or times and place so specified, the amount called on his Shares.
38. A call may be revoked or postponed at the discretion of the Board.
39. A call shall be deemed to have been made at the time when the resolution of the Board authorising the call was passed and may be required to be paid by instalments.
40. The joint-holders of a Share shall be jointly and severally liable to pay all calls in respect thereof.
41. If a sum called in respect of a Share is not paid before or on the day appointed for payment thereof, the Person from whom the sum is due shall pay interest thereof from the day appointed for payment thereof to the time of actual payment at 10% (ten per cent) per annum or at such lower rate, if any, as the Board may determine. The Board shall be at liberty to waive payment of any such interest wholly or in part.
42. Any sum which by the terms of the issue of a Share becomes payable on allotment or at any fixed date, whether on account of the nominal value of the Share or by way of premium, shall, for the purposes of these Articles, be deemed to be a call duly made and payable on the date on which by the terms of issue, such sum becomes payable. In case of non-payment of such sum, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
43. The Board may, if it thinks fit, subject to the provisions of the Section 50 of the Act, agree to and receive from any Member willing to advance the same, whole or any part of the moneys due upon the Shares held by him beyond the sums actually called for and upon the amount so paid or satisfied in advance, or so much thereof as from time to time exceeds the amount of the calls then made upon the Shares in respect of which such advance has been made, the Company may pay interest at twelve per cent per annum. *Provided that* money paid in advance of calls shall not confer a right to participate in profits or dividend. The Board may at any time repay the amount so advanced.

The Member shall not be entitled to any voting rights in respect of the moneys so paid by him until the same would, but for such payment, become presently payable.

The provisions of these Articles shall *mutatis mutandis* apply to any calls on Debentures of the Company.

## **VIII. DEMATERIALIZATION OF SECURITIES**

44. The Company shall be entitled to treat the Person whose name appears on the register of Members as the holder of any Share or whose name appears as the beneficial owner of Shares in the records of the Depository, as the absolute owner thereof.

Provided however that provisions of the Act or these Articles relating to distinctive numbering shall not apply to the Shares of the Company, which have been dematerialized.

45. Notwithstanding anything contained herein but subject to the provisions of Law, the Company shall be entitled to dematerialize its Shares, Debentures and other Securities pursuant to the Depositories Act and offer its Shares, Debentures and other Securities for subscription in a dematerialized form. Both the Company or the investor may exercise an option to issue, deal in, hold the securities (including Shares) with a Depository in electronic form and the certificates in respect thereof shall be dematerialized, in

which event, the rights and obligations of the parties concerned and matters connected therewith or incidental thereof shall be governed by the provisions of the Depositories Act, as amended from time to time or any statutory modification(s) thereto or re-enactment thereof, the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and other applicable Law.

46. The Company shall be further entitled to maintain a register and index of Members with the details of securities held in material and dematerialized form in any medium as permitted by Law including any form of electronic medium. The Company shall have the power to keep in any state or country outside India, a register of Members, resident in that state or country.
47. Every Person subscribing to the Shares offered by the Company shall receive such Shares in dematerialized form. Such a Person who is the beneficial owner of the Shares can at any time opt-out of a Depository, if permitted by the Law, in respect of any Shares in the manner provided by the Depositories Act and the regulations made thereunder and the Company shall in the manner and within the time prescribed, issue to the beneficial owner the required certificate of Shares.
48. If a Person opts to hold his Securities in dematerialised form through a Depository, then notwithstanding anything to the contrary contained in these Articles the Company shall intimate such Depository the details of allotment of the Securities, and on receipt of the information, the Depository shall enter in its record the name of the allottee as the beneficial owner of the Securities.
49. All Securities held by a Depository shall be dematerialized and shall be in a fungible form.
  - (i) Notwithstanding anything to the contrary contained in the Act or the Articles, a depository shall be deemed to be the registered owner for the purposes of effecting any transfer of ownership of Securities on behalf of the beneficial owner.
  - (ii) Save as otherwise provided in (i) above, the Securities as the registered owner of the Securities shall not have any voting rights or any other rights in respect of Securities held by it.
50. Every Person holding Shares of the Company and whose name is entered as the beneficial owner in the records of the Depository shall be deemed to be the owner of such Shares and shall also be deemed to be a Shareholder of the Company. The beneficial owner of the Shares shall, in accordance with the provisions of these Articles and the Act, be entitled to all the liabilities in respect of his Shares which are held by a Depository.
51. Notwithstanding anything in the Act or the Articles to the contrary, where Shares are held in a Depository, the records of the beneficial ownership may be served by such Depository on the Company by means of electronic mode or by delivery of disks, drives or any other mode as prescribed by Law from time to time.
52. In the case of transfer of Shares or other marketable Securities where the Company has not issued any certificates and where such Shares or Securities are being held in an electronic and fungible form, the provisions of the Depositories Act shall apply.

#### **IX. TRANSFER OF SECURITIES**

53. The Securities or other interest of any Member shall be freely transferable, *provided that* any contract or arrangement between 2 (two) or more Persons in respect of transfer of Securities shall be enforceable as a contract. The instrument of transfer of any Share in the Company shall be duly executed by or on behalf of both the transferor and transferee. The transferor shall be deemed to remain a holder of the Share until the name of the transferee is entered in the register of Members in respect thereof. A common form of transfer shall be used in case of transfer of Shares. The instrument of transfer shall be in writing and shall be executed by or on behalf of both the transferor and transferee and shall be in conformity with all the provisions of Section 56 of the Act and of any statutory modification thereof for the time being shall be duly complied with in respect of all transfers of Shares and the registration thereof.
54. Where Shares are converted into stock:

- (i) the holders of stock may transfer the same or any part thereof in the same manner as, and subject to the same regulations under which, the Shares from which the stock arose might before the conversion have been transferred, or as near thereto as circumstances admit; *Provided that* the Board may, from time to time, fix the minimum amount of stock transferable, so, however, that such minimum shall not exceed the nominal amount of the Shares from which the stock arose.
  - (ii) the holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards dividends, voting at meetings of the Company, and other matters, as if they held the Shares from which the stock arose; but no such privilege or advantage (except participation in the dividends and profits of the company and in the assets on winding up) shall be conferred by an amount of stock which would not, if existing in Shares, have conferred that privilege or advantage.
- 55. Save as otherwise provided in the Act or any applicable Law, no transfer of a Share shall be registered unless a proper instrument of transfer duly stamped and executed by or on behalf of the transferor and by or on behalf of the transferee has been delivered to the Company together with the certificate or certificates of Shares, and is no such certificate is in existence, then the letter of allotment of the Shares. Application for the registration of the transfer of a Share may be made either by the transferor or by the transferee *provided that* where such application is made by the transferor, no registration shall, in the case of a partly paid Share be affected unless the Company gives notice of the application to the transferee in the manner prescribed under the Act, and subject to the provisions of these Articles, the Company shall, unless objection is made by the transferee, within 2 (two) weeks from the date of receipt of the notice, enter in the register the name of the transferee in the same manner and subject to the same conditions as if the application for registration of the transfer was made by the transferee. On giving not less than 7 (seven) days previous notice in accordance with the Act or any other time period as may be specified by Law, the registration of transfers may be suspended at such times and for such periods as the Board may from time to time determine, *provided that* such registration shall not be suspended for more than 30 (thirty) days at any one time or for more than 45 (forty five) days in the aggregate in any year.
- 56. Subject to the provisions of the Act, these Articles, the Securities Contracts (Regulation) Act, 1956, as amended, any listing agreement entered into with any recognized stock exchange and other applicable provisions of the Act or any other law for the time being in force, the Board may refuse whether in pursuance of any power of the Company under these Articles or otherwise to register the transfer of, or the transmission by operation of law of the right to, any Shares or interest of a Member in or Debentures of the Company. The Company shall within one month from the date on which the instrument of transfer, or the intimation of such transmission, as the case may be, was delivered to Company, send notice of the refusal to the transferee and the transferor or to the person giving intimation of such transmission, as the case may be, giving reasons for such refusal. *Provided that* the registration of a transfer shall not be refused on the ground of the transferor being either alone or jointly with any other person or persons indebted to the Company on any account whatsoever except where the Company has a lien on Shares or other securities.
- 57. Only fully paid Shares or Debentures shall be transferred to a minor acting through his/her legal or natural guardian. Under no circumstances, Shares or Debentures be transferred to any insolvent or a person of unsound mind.
- 58. The instrument of transfer shall after registration be retained by the Company and shall remain in their custody. All instruments of transfer which the Directors may decline to register, shall on demand be returned to the persons depositing the same. The Directors may cause to be destroyed all transfer deeds lying with the Company after such period as they may determine.
- 59. The Board may, subject to the right of appeal conferred by Section 58 of the Act decline to register -
  - (i) the transfer of a Share, not being a fully paid Share, to a person of whom they do not approve; or
  - (ii) any transfer of Shares on which the company has a lien.
- 60. The Board may decline to recognize any instrument of transfer unless –

- (i) the instrument of transfer is in the form as prescribed in rules made under sub-section (1) of section 56 of the Act;
  - (ii) the instrument of transfer is accompanied by the certificate of the Shares to which it relates, and such other evidence as the Board may reasonably require to show the right of the transferor to make the transfer; and
  - (iii) the instrument of transfer is in respect of only one class of Shares
61. No fee shall be charged for registration of transfer, transmission, probate, succession certificate and letters of administration, certificate of death or marriage, power of attorney or similar other documents.
62. The Company may close the register of Members or the register of debenture-holders or the register of other security holders for any period or periods not exceeding in the aggregate forty-five days in each year, but not exceeding thirty days at any one time, subject to giving of previous notice of at least 7 (seven days) or such lesser period as may be specified by SEBI.

## **X. TRANSMISSION OF SHARES**

63. On the death of a Member, the survivor or survivors where the Member was a joint holder of the Shares, and his nominee or nominees or legal representatives where he was a sole holder, shall be the only Person(s) recognised by the Company as having any title to his interest in the Shares. Nothing in this Article shall release the estate of the deceased joint holder from any liability in respect of any Share which had been jointly held by him with other Persons.
64. Any Person becoming entitled to a Share in consequence of the death or insolvency of a Member may, upon such evidence being produced as the Board may from time to time require, and subject as hereinafter provided, elect, either:

- (i) to be registered as holder of the Share; or
- (ii) to make such transfer of the Share as the deceased or insolvent Member could have made.

All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.

65. The Board shall, in either case, have the same right to decline or suspend registration as it would have had, if the deceased or insolvent Member had transferred the Share before his death or insolvency.
66. If the Person so becoming entitled shall elect to be registered as holder of the Shares, such person shall deliver or send to the Company a notice in writing signed by him stating that he so elects.
67. If the Person aforesaid shall elect to transfer the Share, he shall testify his election by executing an instrument of transfer in accordance with the provisions of these Articles relating to transfer of Shares.
68. All the limitations, restrictions and provisions contained in these Articles relating to the right to transfer and the registration of transfers of Shares shall be applicable to any such notice or transfer as aforesaid as if the death or insolvency of the Member had not occurred and the notice or transfer were a transfer signed by that Member.
69. A Person becoming entitled to a Share by reason of the death or insolvency of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the Share, except that he shall not, before being registered as a Member in respect of the Share, be entitled in respect of it to exercise any right conferred by membership in relation to the General Meetings of the Company, provided that the Board may, at any time, give notice requiring any such Person to elect either to be registered himself or to transfer the Share, and if the notice is not complied with within 90 (ninety) days, the Board may thereafter withhold payment of all dividends, bonuses or other moneys payable in respect of the Share, until the requirements of the notice have been complied with.

## **XI. FORFEITURE OF SHARES**

70. If a Member fails to pay any call, or instalment of a call or any part thereof, on the day appointed for payment thereof, the Board may, at any time thereafter during such time as any part of the call or instalment remains unpaid, serve a notice on him requiring payment of so much of the call or instalment as is unpaid, together with any interest which may have accrued.
71. The notice issued under Article 70 shall:
- (i) name a further day (not being earlier than the expiry of 14 (fourteen) days from the date of service of the notice) on or before which the payment required by the notice is to be made; and
  - (ii) state that, in the event of non-payment on or before the day so named, the Shares in respect of which the call was made will be liable to be forfeited.
72. If the requirements of any such notice as aforesaid is not complied with, any Share in respect of which the notice has been given may, at any time thereafter, before the payment required by the notice has been made, be forfeited by a resolution of the Board to that effect.
73. A forfeited Share may be sold or otherwise disposed of on such terms and in such manner as the Board thinks fit.
74. At any time before a sale or disposal as aforesaid, the Board may cancel the forfeiture on such terms as it thinks fit.
75. A Person whose Shares have been forfeited shall cease to be a Member in respect of the forfeited Shares, but shall, notwithstanding the forfeiture, remain liable to pay to the Company all monies which, at the date of forfeiture, were presently payable by the Person to the Company in respect of the Shares.
76. The liability of such Person shall cease if and when the Company shall have received payment in full of all such monies in respect of the Shares.
77. A duly verified declaration in writing that the declarant is a Director, the manager or the Secretary of the Company, and that a Share in the Company has been duly forfeited on a date stated in the declaration, shall be conclusive evidence of the facts therein stated as against all Person claiming to be entitled to the Share.
78. The Company may receive the consideration, if any, given for the Share on any sale or disposal thereof and may execute a transfer of the Share in favour of the Person to whom the Share is sold or otherwise disposed of.
79. The transferee shall there upon be registered as the holder of the Share.
80. The transferee shall not be bound to ascertain or confirm the application of the purchase money, if any, nor shall his title to the Share be affected by any irregularity to invalidity in the proceedings in reference to the forfeiture, sale or disposal of the Share.
81. The provision of these Articles as to forfeiture shall apply in the case of non-payment of any sum which, by the terms of issue of a Share, become payable at a fixed time, whether on account of the nominal value of the Share or by way of premium, as the same had been payable by virtue of a call duly made and notified.

## **XII. SHARES AND SHARE CERTIFICATES**

82. The Company shall cause to be kept a register of Members in accordance with Section 88 of the Act. The Company shall be entitled to maintain in any country outside India a “foreign register” of Members or Debenture holders resident in that country.
83. A Person subscribing to Shares of the Company shall have the option either to receive certificates for



such Shares or hold the Shares with a Depository in electronic form. Where Person opts to hold any Share with the Depository, the Company shall intimate such Depository of details of allotment of the Shares to enable the Depository to enter in its records the name of such Person as the beneficial owner of such Shares.

84. Unless the Shares have been issued in dematerialized form, every person whose name is entered as a member in the register of members shall be entitled to receive within two months after incorporation, in case of subscribers to the memorandum or after allotment or within one month after the application for the registration of transfer or transmission or sub-division or consolidation or renewal of any of its Shares as the case may be or within a period of six months from the date of allotment in the case of any allotment of Debenture or within such other period as the conditions of issue shall be provided –

- (i) one certificate for all his Shares without payment of any charges; or
- (ii) several certificates, each for one or more of his Shares, upon payment of twenty rupees for each certificate after the first.

85. Every certificate of Shares shall be under the seal of the Company, if any, and shall specify the number and distinctive numbers of Shares to which it relates and amount paid-up thereon and shall be signed by two Directors or by a Director and the Company Secretary. The common seal shall be affixed in the presence of the persons required to sign the certificate. Further, out of the two Directors there shall be at least one director other than managing or whole-time director, where the composition of the Board so permits. *Provided that* in respect of a Share or Shares held jointly by several Persons, the Company shall not be bound to issue more than one certificate and delivery of a certificate for a Share to one of several joint-holders shall be sufficient delivery to all such holders.

86. If any Share stands in the names of 2 (two) or more Persons, the Person first named in the Register of Members of the Company shall as regards voting at General Meetings, service of notice and all or any matters connected with the Company, except the transfer of Shares and any other matters herein otherwise provided, be deemed to be sole holder thereof but joint holders of the Shares shall be severally as well as jointly liable for the payment of all deposits, instalments and calls due in respect of such Shares and for all incidents thereof according to these Articles.

87. The Board may subject to the provisions of the Act, accept from any member on such terms and conditions as they think fit, a surrender of his Shares or stock or any part thereof.

88. If any certificate be worn out, defaced, mutilated or torn or if there be no further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares, then upon production and surrender thereof to the Company, a new certificate may be issued in lieu thereof, and if any certificate is lost or destroyed then upon proof thereof to the satisfaction of the Company and on execution of such indemnity as the Company deems adequate, being given, a new certificate in lieu thereof shall be given to the party entitled to such lost or destroyed certificate. Every certificate under this Article shall be issued without payment of fee if the Board so decides, or on payment of such fee (not exceeding Rs.20 for each certificate) as the Directors shall prescribe. *Provided that* no fee shall be charged for issue of new certificates in replacement of those which are old, defaced or worn out or where there is not further space on the back thereof for endorsement of transfer or in case of sub-division or consolidation of Shares.

*Provided that* notwithstanding what is stated above, the Directors shall comply with such rules or regulations and requirements of any stock exchange or the rules made under the Act or the rules made under Securities Contracts (Regulation) Act, 1956, as amended or any other act or rules applicable in this behalf.

The provisions of this Article shall *mutatis mutandis* apply to issue of certificates for any other Securities, including Debentures, of the Company.

89. Subject to the provisions of Section 89 of the Act, a Person whose name is entered in the register of Members of the Company as the holder of the Shares but who does not hold the beneficial interest in such Shares shall file with the Company, a declaration to that effect in the form prescribed under the Act and the Company shall make necessary filings with the Registrar as may be required, within a prescribed period as set out in the Act and the rules framed there under.

90. Subject to provisions of Section 90 of the Act, every individual, who acting alone or together, or through one or more persons or trust, including a trust and Persons resident outside India, holds beneficial interests, of not less than twenty-five per cent. or such other percentage as may be prescribed under the Act, in Shares of the Company or the right to exercise, or the actual exercising of significant influence or control as defined in clause (27) of Section 2 of the Act, over the Company shall make a declaration to the Company, specifying the nature of his interest and other particulars, in such manner and within such period of acquisition of the beneficial interest or rights and any change thereof. The Company shall maintain a register of the interest declared by such individuals and changes therein which shall include the name of individual, his date of birth, address, details of ownership in the company and such other details as may be prescribed under the Act.

### **XIII. SHAREHOLDERS' MEETINGS**

91. An Annual General Meeting shall be held each year within the period specified by the Law. Not more than 15 (fifteen) months shall elapse between the date of one Annual General Meeting of the Company and that of the next. Nothing contained in the foregoing provisions shall be taken as affecting the right conferred upon the Registrar under the provisions of Section 96 of the Act to extend the time within which any Annual General Meeting may be held. Every Annual General Meeting shall be called during business hours on a day that is not a national holiday (declared as such by the Central Government), and shall be held either at the registered office or at some other place within the city in which the registered office of the Company is situate, as the Board may determine. Every Member of the Company shall be entitled to attend every General Meeting either in person or by proxy.
92. All notices of, and other communications relating to, any General Meeting shall be forwarded to the auditor of the Company, and the auditor shall, unless otherwise exempted by the Company, attend either by himself or through his authorised representative, who shall also be qualified to be an auditor, any General meeting and shall have right to be heard at such meeting on any part of the business which concerns him as the auditor.
93. All General Meetings other than the Annual General Meeting shall be called extraordinary General Meetings.
94. Subject to the provisions of the Act, the business of an Annual General Meeting shall be the consideration of financial statements and the reports of the Board of Directors and auditors; the declaration of any dividend; the appointment of Directors in place of those retiring; the appointment of, and the fixing of the remuneration of, the auditors; in the case of any other meeting, all business shall be deemed to be special.
95. No business shall be discussed at any General Meeting except election of a Chairperson while the chair is vacant.
96. (i) The Board may, whenever it thinks fit, call an extraordinary General Meeting.
- (ii) The Board shall on the requisition of such number of Member or Members of the Company as is specified in Section 100 of the Act, forthwith proceed to call an extra-ordinary General Meeting of the Company and in respect of any such requisition and of any meeting to be called pursuant thereto, all other provisions of Section 100 of the Act shall for the time being apply.
- (iii) A General Meeting of the Company may be convened by giving not less than clear 21 (twenty-one) days' notice either in writing or through electronic mode in such manner as prescribed under the Act, *provided that* a General Meeting may be called after giving a shorter notice if consent is given in writing or by electronic mode by majority in number of members entitled to vote and who represent not less than 95% (ninety-five percent) of such part of the paid-up Share Capital of the Company as gives a right to vote at such General Meeting.
- (iv) Notice of every General Meeting shall be given to the Members and to such other Person or Persons as required by and in accordance with Section 101 and 102 of the Act and it shall be served in the manner authorized by Section 20 of the Act.

- (v) A General Meeting may be called after giving shorter notice if consent, in writing or by electronic mode, is accorded thereto in accordance with the provisions of Section 101 of the Act. Provided that where any Member of the Company is entitled to vote only on some resolution or resolutions to be moved at a meeting and not on the others, those Members shall be taken into account for the purposes of this Article in respect of the former resolution or resolutions and not in respect of the latter.
- (vi) Any accidental omission to give notice to, or the non-receipt of such notice by, any Member or other Person who is entitled to such notice for any meeting shall not invalidate the proceedings of the meeting.
- (vii) Subject to the provisions contained under Section 115 of the Act, where, by any provision contained in the Act or in these Articles, special notice is required of any resolution, notice of the intention to move such resolution shall be given to the Company by such number of Members holding not less than one per cent of total voting power or holding Shares on which such aggregate sum not exceeding five lakh rupees, has been paid-up and the Company shall immediately after receipt of the notice, give its members notice of the resolution at least 7 (seven) days before the meeting, exclusive of the day of dispatch of notice and day of the meeting, in the same manner as it gives notice of any General Meetings.

#### **XIV. PROCEEDINGS AT SHAREHOLDERS' MEETINGS**

- 97. No business shall be transacted at any General Meeting, unless a quorum of Members is present at the time when the meeting proceeds to transact business.
- 98. Save as otherwise provided herein, the quorum for the General Meetings shall be as provided in Section 103 of the Act.
- 99. In the event a quorum as required herein is not present within 30 (thirty) minutes of the appointed time, then subject to the provisions of Section 103 of the Act, the General Meeting shall stand adjourned to the same place and time 7 (seven) days later or to such other date and such other time and place as the Board may determine, *provided that* the agenda for such adjourned General Meeting shall remain the same. The said General Meeting if called by requisitionists under Section 100 of the Act shall stand cancelled.
- 100. In case of an adjourned meeting or of a change of day, time or place of meeting, the Company shall give not less than 3 (three) days' notice to the Members either individually or by publishing an advertisement in the newspapers (one in English and one in vernacular language) which is in circulation at the place where the registered office of the Company is situated.
- 101. The required quorum at any adjourned General Meeting shall be the same as that required at the original General Meeting.
- 102. If at the adjourned meeting also a quorum is not present within 30 (thirty) minutes from the time appointed for holding such meeting, the Members present shall be the quorum and may transact the business for which the meeting was called.
- 103. The Chairperson may, with the consent of Members at any meeting at which a quorum is present, and shall, if so directed at the meeting, adjourn the meeting, from time to time and from place to place.
- 104. No business shall be transacted at any adjourned General Meeting other than the business left unfinished at the meeting from which the adjournment took place.
- 105. When a meeting is adjourned for 30 (thirty) days or more, notice of the adjourned meeting shall be given as in the case of an original meeting.
- 106. Save as aforesaid, and as provided in Section 103 of the Act, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned meeting.
- 107. Before or on the declaration of the results of the voting on any resolution on a show of hands, a poll may

be ordered to be taken by the Chairperson of the meeting on his/her own motion and shall be ordered to be taken by him/her on a demand made in accordance with Section 109 of the Act.

108. The demand for a poll may be withdrawn at any time by the person or persons who made the demand.

109. Notwithstanding anything contained elsewhere in these Articles, the Company:

- (i) shall, in respect of such items of business as the Central Government may, by notification, declare or which are under any other applicable Law required to be transacted only by means of postal ballot; and
- (ii) may, in respect of any item of business, other than ordinary business and any business in respect of which Directors or auditors have a right to be heard at any meeting, transact by means of postal ballot,

in such manner as may be prescribed, instead of transacting such business at a General Meeting and any resolution approved by the requisite majority of the Members by means of such postal ballot, shall be deemed to have been duly passed at a General Meeting convened in that behalf and shall have effect accordingly.

110. Directors may attend and speak at General Meetings, whether or not they are Shareholders.

111. A body corporate being a Member shall be deemed to be personally present if it is represented in accordance with Section 113 of the Act and the Articles.

112. The Chairperson of the Board of Directors or in his absence the vice-Chairperson of the Board shall, preside as chairperson at every General Meeting, annual or extraordinary.

113. If there is no such Chairperson or if he is not present within 15 (fifteen minutes) after the time appointed for holding the General Meeting or is unwilling to act as the Chairperson of the General Meeting, the Directors present shall elect one of their members to be the Chairperson of the General Meeting.

114. If at any General Meeting no Director is willing to act as the Chairperson or if no Director is present within 15 (fifteen) minutes after the time appointed for holding the General Meeting, the Members present shall choose one of their Members to be the Chairperson of the General Meeting. If a poll is demanded on the election of the Chairperson, it shall be taken forthwith in accordance with the provisions of the Act and the Chairperson elected on show of hands, shall exercise all the powers of the Chairperson under the said provisions. If some other person is elected Chairperson as a result of the poll, he shall be the Chairperson for the rest of the meeting.

## **XV. VOTES OF MEMBERS**

115. Subject to any rights or restrictions for the time being attached to any class or classes of Shares:

- (i) on a show of hands, every Member present in Person shall have 1 (one) vote; and
- (ii) on a poll, the voting rights of Members shall be in proportion to their Share in the paid-up Share Capital.

116. The Chairperson shall not have a second or casting vote in the event of an equality of votes at General Meetings of the Company.

117. At any General Meeting, a resolution put to vote of the meeting shall be decided on a show of hands, unless a poll is (before or on the declaration of the result of the voting on any resolution on show of hands) demanded by any Member or Members present in Person or by proxy, and having not less than one-tenth of the total voting power or holding Shares on which an aggregate sum of not less than Rs. 5,00,000 (Rupees five lakh) or such higher amount as may be prescribed has been paid up.

118. Any business other than that upon which a poll has been demanded may be proceeded with, pending the

taking of the poll.

119. A Member may exercise his vote at a meeting by electronic means in accordance with Section 108 of the Act and shall vote only once.
120. In case of joint holders, the vote of the senior who tenders a vote, whether in Person or proxy, shall be accepted to the exclusion of the votes of the other joint holders. For this purpose, seniority shall be determined by the order in which the names are stated in the register of Members of the Company.
121. A Member of unsound mind, or in respect of whom an order has been made by any court having jurisdiction, may vote, whether on a show of hands or on a poll, by his committee or other legal guardian, and any such committee or guardian may, on a poll, vote by proxy.
122. No Member shall be entitled to exercise any voting rights either personally or by proxy at any General Meeting or meeting of a class of Shareholders either upon a show of hands or upon a poll in respect of any Shares registered in his/her name on which any calls or other sums presently payable by him in respect of Shares in the Company have not been paid.
123. No objection shall be raised to the qualification of any voter except at the General Meeting or adjourned General Meetings at which the vote objected to is given or tendered, and every vote not disallowed at such General Meeting and whether given personally or by proxy or otherwise shall be deemed valid for all purpose. Any such objection made in due time shall be referred to the Chairperson of the General Meeting whose decision shall be final and conclusive.
124. A declaration by the Chairperson of the meeting of the passing of a resolution or otherwise by show of hands and an entry to that effect in the books containing the minutes of the meeting of the Company shall be conclusive evidence of the fact of passing of such resolution or otherwise.
125. Any poll duly demanded on the question of adjournment shall be taken forthwith. A poll demanded on any other question (not being a question relating to the election of a Chairperson or adjournment of the meeting) shall be taken at such time not exceeding 48 hours from the time when the demand was made, as the Chairperson may direct.
126. The Chairperson of a General Meeting, may with the consent of the meeting, adjourn the same from time to time and from place to place, but no business shall be transacted at any adjourned meeting other than the business left unfinished at the meeting from which the adjournment took place.
127. The demand of a poll shall not prevent the continuance of a meeting for the transaction of any business other than the question of which a poll has been demanded.
128. Where a poll is to be taken, the Chairperson of the meeting shall appoint two scrutinisers to scrutinise the votes given on the poll and to report thereon to him/her in accordance with Section 109 of the Act.
129. The Chairperson shall have power, at any time before the result of the poll is declared to remove a scrutinisher from office and to fill vacancies in the office of scrutinisher arising from such removal or from any other cause.
130. Of the two scrutinisers, one shall always be a Member (not being an officer or employee of the Company) present at the meeting, provided such a Member is available and willing to be appointed.
131. The Chairperson of the meeting shall have power to regulate the manner in which a poll shall be taken.
132. The result of the poll shall be deemed to be decision of the meeting on the resolution on which the poll was taken.
133. The Chairperson of any meeting shall be the sole judge of the validity of every vote tendered at such meeting.
134. On a poll taken at meeting of the Company, a member entitled to more than one vote, or his proxy or

other person entitled to vote for him, as the case may be, need not, if he votes, use all his votes or cast in the same way all the votes he uses.

135. Where a resolution is passed at an adjourned meeting of the Company, the resolution shall, for all purposes, be treated as having been passed on the date on which it was in fact passed and shall not be deemed to have been passed on any earlier date.
136. At every Annual General Meeting of the Company, there shall be laid on the table the Directors' report, audited statements of accounts, auditor's report (if not already, incorporated in the audited statements of accounts), the proxy register with proxies and the register of Directors' holdings.

#### **XVI. PROXY**

137. Subject to the provisions of the Act and these Articles, any Member of the Company entitled to attend and vote at a General Meeting of the Company shall be entitled to appoint a proxy to attend and vote instead of himself and the proxy so appointed shall have no right to speak at the meeting.
138. The proxy shall not be entitled to vote except on a poll.
139. The instrument appointing a proxy and the power of attorney or other authority, if any, under which it is signed or a notarised copy of that power or authority, shall be deposited at the registered office not less than 48 (forty eight) hours before the time for holding the meeting or adjourned meeting at which the Person named in the instrument proposes to vote; or in the case of a poll, not less than 24 (twenty four) hours before the time appointed for the taking of the poll; and in default the instrument of proxy shall not be treated as valid.
140. An instrument appointing a proxy shall be in the form as prescribed under the Act and the rules framed thereunder.
141. A vote given in accordance with the terms of an instrument of proxy shall be valid, notwithstanding the previous death or insanity of the principal or the revocation of the proxy or of the authority under which the proxy was executed, or the transfer of the Shares in respect of which the proxy is given; *provided that* no intimation in writing of such death, insanity, revocation or transfer shall have been received by the Company at its office before the commencement of the meeting or the adjourned meeting at which the proxy is used.

#### **XVII. DIRECTORS**

142. The business of the Company shall be managed by the Directors who may exercise all such powers of the Company as are not restricted by the Act or by these Articles.
143. Subject to the provisions of the Act, the number of Directors shall not be less than 3 (three) and more than 15 (fifteen), *provided that* the Company may appoint more than 15 (fifteen) directors after passing a Special Resolution. At least one Director shall reside in India for a total period of not less than 182 (one hundred and eighty-two) days in each financial year.
144. The Directors need not hold any qualification Shares in the Company.
145. Subject to the provisions of the Act, each Director shall be paid sitting fees for each meeting of the Board or a Committee thereof attended by him, subject to the ceiling prescribed under the Act and other applicable Law.
146. The Directors shall also be paid travelling and other expenses for attending and returning from meeting of the Board of Directors (including hotel expenses) and any other expenses properly incurred by them in connection with the business of the Company, in accordance with the provisions of the Act.
147. Subject to the applicable provisions of the Act and Law, if any Director, being willing shall be called upon to perform extra services for the purposes of the Company, the Company shall remunerate such Director by such fixed sum or percentage of profits or otherwise as may be determined by the Directors

and such remuneration may be either in addition to or in substitution for his remuneration provided above.

148. Subject to the provisions of Section 197 and the other applicable provisions of the Act, the remuneration of Directors may be fixed at a particular sum or a percentage of the net profits or partly by one way and partly by the other.
149. In the event that a Director is absent for a continuous period of not less than 3 (three) months from India (an “**Original Director**”), subject to these Articles, the Board may appoint another Director (an “**Alternate Director**”), not being a person holding any alternate directorship for any other Director or holding directorship in the Company, for and in place of the Original Director. The Alternate Director shall be entitled to receive notice of all meetings and to attend and vote at such meetings in place of the Original Director and generally to perform all functions of the Original Director in the Original Director’s absence. No Person shall be appointed as an Alternate Director to an Independent Director unless such Person is qualified to be appointed as an Independent Director of the Company. Any Person so appointed as Alternate Director shall not hold office for a period longer than that permissible to the Original Director and shall vacate the office if and when the Original Director returns to India. If the term of the office of the Original Director is determined before he so returns to India, any provisions in the Act or in these Articles for automatic re-appointment shall apply to the Original Director and not to the Alternate Director.
150. The office of a Director shall automatically become vacant, if he is disqualified under any of the provisions of the Act. Further, subject to the provisions of the Act, a Director may resign from his office at any time by giving a notice in writing to the Company and the Board shall on receipt of such notice take note of the same and the Company shall intimate the Registrar and also place the fact of such resignation in the report of Directors laid in the immediately following General Meeting. Such Director may also forward a copy of his resignation along with detailed reasons for the resignation to the Registrar within 30 (thirty) days of resignation. The resignation of a Director shall take effect from the date on which the notice is received by the Company or the date, if any, specified by the Director in the notice, whichever is later.
151. At any Annual General Meeting at which a Director retires, the Company may fill up the vacancy by appointing the retiring Director who is eligible for re-election or some other Person if a notice for the said purpose has been left at the office of the Company in accordance with the provisions of the Act.
152. No Person shall be appointed as a Director unless he furnishes to the Company his Director Identification Number under Section 154 of the Act or any other number as may be prescribed under Section 153 of the Act and a declaration that he is not disqualified to become a Director under the Act.
153. No Person appointed as a Director shall act as a Director unless he gives his consent to hold the office as a Director and such consent has been filed with the Registrar within 30 (thirty) days of his appointment in the manner prescribed in the Act.
154. Subject to the provisions of the Act, the Directors shall have the power, at any time and from time to time to appoint any Persons as Additional Director in addition to the existing Directors so that the total number of Directors shall not at any time exceed the number fixed for Directors in these Articles. Any Director so appointed shall hold office only until the next following Annual General Meeting or the last date on which the Annual General Meeting should have been held, whichever is earlier, but shall be eligible for re-appointment as Director.
155. The Company, may by Ordinary Resolution, of which special notice has been given in accordance with the Section 169 of the Act, remove any Director including the managing director, if any, before the expiration of the period of his office. Notwithstanding anything contained in these Articles or in any agreement between the Company and such Director, such removal shall be without prejudice to any contract of service between him and the Company.
156. If the office of any Director appointed by the Company in General Meeting, is vacated before his term of office expires in the normal course, the resulting casual vacancy may be filled up by the Board at a meeting of the Board but any Person so appointed shall retain his office so long only as the vacating Director would have retained the same if such vacancy had not occurred.

157. In the event of the Company borrowing any money from any financial corporation or institution or government or any government body or a collaborator, bank, Person or Persons or from any other source, while any money remains due to them or any of them the lender concerned may have and may exercise the right and power to appoint, from time to time, any Person or Persons to be a Director or Directors of the Company and the Directors so appointed, shall not be liable to retire by rotation, subject however, to the limits prescribed by the Act and as permitted under applicable Law. Any Person so appointed may at any time be removed from the office by the appointing authority who may from the time of such removal or in case of death or resignation of Person, appoint any other or others in his place. Any such appointment or removal shall be in writing, signed by the appointee and served on the Company. Such Director need not hold any qualification Shares.
158. The Company may, subject to the provisions of the Act and Law, take and maintain any insurance as the Board may think fit on behalf of its present and/or former Directors and key managerial personnel for indemnifying all or any of them against any liability for any acts in relation to the Company for which they may be liable but have acted honestly or reasonably.

#### **XVIII. MANAGING DIRECTOR OR WHOLE TIME DIRECTOR**

159. The Board may, from time to time, subject to Section 196 and other applicable provisions of the Act, appoint one or more of their body to the office of the managing director or whole time Director for such period and on such remuneration and other terms, as they think fit and subject to the terms of any agreement entered into in any particular case, may revoke such appointment.
160. Subject to the provisions of any contract between him and the Company, the managing director/ whole-time director, shall be subject to the same provisions as to resignation and removal as the other Directors and his appointment shall automatically terminate if he ceases to be a Director.
161. Subject to the provisions of the Act, a managing director or whole time director may be paid such remuneration (whether by way of salary, commission or participation in profits or partly in one way and partly in other) as the Board may determine subject to the approval of the Shareholders at the next General Meeting.
162. The Board, subject to Section 179 and any other applicable provisions of the Act, may entrust to and confer upon a managing director or whole time director any of the powers exercisable by them upon such terms and conditions and with such transfers, as they may think fit and either collaterally with or to the exclusion of their own powers and may, from time to time, revoke, withdraw or alter or vary all or any of such powers.

#### **XIX. MEETINGS OF THE BOARD**

163. The Board may meet for the conduct of business, adjourn and otherwise regulate its meetings, as it thinks fit, subject to the provisions of the Act.
164. A Director may, and the manager or the Secretary of the Company upon the requisition of a Director shall, at any time convene a meeting of the Board, subject to the provisions of the Act.
165. Subject to the provisions the Act, the Board shall meet at least 4 (four) times in a year in such a manner that not more than 120 (one hundred and twenty) days shall intervene between 2 (two) consecutive meetings of the Board.
166. The quorum for the meeting of the Board shall be one third of its total strength or 2 (two) Directors, whichever is higher, and the participation of the Directors by video conferencing or by other audio visual means shall also be counted for the purpose of quorum. *Provided that* where at any time the number of interested Directors is equal to or exceeds two-thirds of the total strength of the Board, the number of remaining Directors, that is to say the number of Directors who are not interested and present at the meeting being not less than 2 (two), shall be the quorum during such time.



167. The continuing Directors may act notwithstanding any vacancy in the Board; but if and so long as their number is reduced below the quorum fixed by the Act for a meeting of the Board, the continuing Directors or Director may act for the purpose of increasing the number of Directors to that fixed for the quorum, or of summoning a General Meeting of the Company, but for no other purpose.
168. If quorum is found to be not present within 30 (thirty) minutes from the time when the meeting should have begun or if during the meeting, valid quorum no longer exists, the meeting shall be reconvened at the same time and at the same place 7 (seven) days later. At the reconvened meeting, the Directors present and not being less than 2 (two) Persons shall constitute the quorum and may transact the business for which the meeting was called and any resolution duly passed at such meeting shall be valid and binding on the Company.
169. Subject to the provisions of the Act allowing for shorter notice periods, a meeting of the Board shall be convened by giving not less than 7 (seven) days' notice in writing to every Director at his address registered with the Company and such notice shall be sent by hand delivery or by post or by electronic means.
170. Save as otherwise expressly provided in the Act, questions arising at any meeting of the Board shall be decided by a majority of votes.
171. The Board may elect a Chairperson for its meetings and determine the period for which he is to hold office. The Board may likewise appoint a vice-chairman of the Board of Directors to preside over the meeting at which the chairman shall not be present. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Directors present may choose one of their member to be Chairperson of the meeting.
172. In case of equality of votes, the Chairperson and the vice-Chairperson of the Board shall decide unanimously at Board meetings of the Company.
173. The Board may, subject to the provisions of the Act, delegate any of its powers to committees consisting of such Member or Members of its body as it thinks fit.
174. Any committee so formed shall, in the exercise of the powers so delegated, conform to any regulations that may be imposed on it by the Board and applicable under Law.
175. A committee may elect a Chairperson of its meetings and may also determine the period for which he is to hold office. If no such Chairperson is elected, or if at any meeting the Chairperson is not present within 5 (five) minutes after the time appointed for holding the meeting, the Members present may choose one of their Members to be Chairperson of the meeting.
176. A committee may meet and adjourn as it thinks fit.
177. Questions arising at any meeting of a committee shall be determined by a majority of votes of the Directors present. The chairperson of the committee, if any, shall not have any second or casting vote.
178. Subject to these Articles and Sections 175, 179 and other applicable provisions of the Act, a circular resolution in writing, executed by or on behalf of a majority of the Directors or members of the Committee, shall constitute a valid decision of the Board or committee thereof, as the case may be, *provided that* a draft of such resolution together with the information required to make a fully-informed good faith decision with respect to such resolution and appropriate documents required to evidence passage of such resolution, if any, was sent to all of the Directors or members of the committee (as the case may be) at their addresses registered with the Company in India by hand delivery or by post or by courier, or through such electronic means as may be prescribed under the Act, and has been approved by a majority of the Directors or members who are entitled to vote on the resolution.
179. All acts done in any meeting of the Board or of a committee thereof or by any Person acting as a Director shall, notwithstanding that it may be afterwards discovered that his appointment was invalid by reason of any defect for disqualification or had terminated by virtue of any provisions contained in the Act, or in these Articles, be as valid as if every such Director or such Person had been duly appointed and was

qualified to be a Director.

180. Subject to the provisions of the Act, no Director shall be disqualified by his office from contracting with the Company, nor shall any such contract entered into by or on behalf of the Company in which any Director shall be in any way interested be avoided, nor shall any Director contracting or being so interested be liable to account to the Company for any profit realized by any such contract by reason only of such Director holding that office or of the fiduciary relations thereby established; *provided that* every Director who is in any way whether directly or indirectly concerned or interested in a contract or arrangement, entered into or to be entered into by or on behalf of the Company, shall disclose the nature of his concern or interest at a meeting of the Board and shall not participate in such meeting as required under Section 184 and other applicable provisions of the Act, and his presence shall not count for the purposes of forming a quorum at the time of such discussion or vote.

## **XX. POWERS OF THE DIRECTORS**

181. The Directors shall have powers for the engagement and dismissal of managers, engineers, clerks and assistants and shall have power of general directions, management and superintendence of the business of the Company with full power or do all such acts, matters and things deemed necessary, proper or expedient for carrying on the business of the Company and to make and sign all such contracts, and other government papers and instruments that shall be necessary, proper or expedient, for the authority and direction of the Company except only such of them as by the Act or by these Articles are expressly directed to be exercised by the Members in the General Meeting.
182. Subject to Section 179 of the Act, the Directors shall have the right to delegate any of their powers covered under Section 179(3)(d) to Section 179(3)(f) to any committee of the Board, managers, or any other principal officer of the Company as they may deem fit and may at their own discretion revoke such powers.
183. The Board of Directors shall, or shall authorize Persons in their behalf, to make necessary filings with governmental authorities in accordance with the Act and other applicable Law, as may be required from time to time.
184. Subject to the provisions of the Act, these Articles and other applicable provisions of Law, the Board shall be entitled to exercise all such powers, and to do all such acts and things as the Company is authorized to exercise and do; *provided that* the Board shall not exercise any power or do any act or thing which is directed or required, whether by the Act, or any other statute or by the Memorandum of Association or by these Articles or otherwise, to be exercised or done by the Company in a General Meeting; *provided further* that in exercising any such power or doing any such act or thing, the Board shall be subject to the provisions in that behalf contained in the Act or any other statute or in the Memorandum of Association of the Company or in these Articles, or in any regulations not inconsistent therewith and duly made thereunder, including regulations made by the Company in General Meeting, but no regulation made by the Company in General meeting shall invalidate any prior act of the Board which would have been valid if that regulation had not been made.
185. Subject to the provisions of the Act and any other applicable Law for the time being in force, the Directors shall have the power, from time to time and at their discretion, to borrow, raise or secure the payment of any sum of money for and on behalf of the Company in such manner and upon such terms and conditions in all respects as they think fit and through the issue of Debentures or bonds of the Company or by mortgage or charge upon all or any of the properties of the Company both present and future including its uncalled capital then available.
186. The Directors shall have the power to open bank accounts, to sign cheques on behalf of the Company and to operate all banking accounts of the Company and to receive payments, make endorsements, draw and accept negotiable instruments, *hundies* and bills or may authorise any other Person or Persons to exercise such powers.

## **XXI. BORROWING POWERS**

187. Subject to the provisions of the Act and these Articles the Board may from time to time, at their discretion raise or borrow or secure the payment of any sum or sums of money for and on behalf of the Company.

Any such money may be raised or the payment or repayment thereof may be secured in such manner and upon such terms and conditions in all respect as the Board may think fit by promissory notes or by opening loan or current accounts or by receiving deposits and advances at interest with or without security or otherwise and in particular by the issue of bonds, perpetual or redeemable Debentures of the Company charged upon all or any part of the property of the Company (both present and future) including its uncalled capital for the time being or by mortgaging or charging or pledging any lands, buildings, machinery, plant, goods or other property and Securities of the Company or by other means as the Board deems expedient.

188. The Board of Directors shall not except with the consent of the Company by way of a Special Resolution, borrow moneys where the moneys to be borrowed together with the moneys already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) exceeds the aggregate of paid-up Share Capital, free reserves and securities premium of the Company.

## **XXII. DIVIDEND AND RESERVES**

189. The Company in a General Meeting may declare dividends, but no dividend shall exceed the amount recommended by the Board.
190. Subject to the provisions of the Act, the Board may from time to time pay to the Members such interim dividends as appear to it to be justified by the profits of the Company.
191. The Board may, before recommending any dividend, set aside out of the profits of the Company such sums as it thinks fit as a reserve or reserves which shall, at the discretion of the Board, be applicable for any purpose to which the profits of the Company may be properly applied, including provision for meeting contingencies or for equalising dividends; and pending such application, may, at the like discretion, either be employed in the business of the Company or be invested in such investments (other than Shares of the Company) as the Board may, from time to time, think fit. The Board may also carry forward any profits which it may consider necessary not to divide, without setting them aside as a reserve.
192. Subject to the rights of Persons, if any, entitled to Shares with special rights as to dividends, all dividends shall be declared and paid according to the amounts paid or credited as paid on the Shares in respect whereof the dividend is paid, but if and so long as nothing is paid upon any of the Shares in the Company, dividends may be declared and paid according to the amounts of the Shares.
193. No amount paid or credited as paid on a Share in advance of calls shall be treated for the purpose of these Articles as paid on the Share.
194. All dividends shall be apportioned and paid proportionately to the amounts, paid or credited as paid on the Shares during any portion or portions of the period in respect of which the dividend is paid, but if any Share is issued on terms providing that it shall rank for dividend as from a particular date such Share shall rank for dividend accordingly.
195. The Board may deduct from any dividend payable to any Member all sums of money, if any, presently payable by him to the Company on account of calls or otherwise in relation to the Shares.
196. Any dividend, interest or other monies payable in cash in respect of Shares may be paid by electronic mode or by cheque, demand draft or warrant sent through the post directed to the registered address of the holder or, in the case of joint holders, to the registered address of that one of the joint holders who is first named on the register of Members of the Company, or to such Person and to such address as the holder or joint holders may in writing direct.
197. Every such cheque or warrant shall be made payable to the order of the Person to whom it is sent.
198. Any one of two or more joint holders of a Share may give effectual receipts for any dividends, bonuses or other payments in respect of such Share.

199. Notice of any dividend, whether interim or otherwise, that may have been declared shall be given to the Persons entitled to Share therein in the manner mentioned in the Act.
200. No dividend shall bear interest against the Company.
201. A Shareholder can waive/forgo the right to receive the dividend (either final and/or interim) to which he is entitled, on some or all the equity Shares held by him in the Company. However, the Shareholder cannot waive/forgo the right to receive the dividend (either final and/or interim) for a part of percentage of dividend on Share(s).
202. Where a dividend has been declared by the Company but has not been paid or claimed within thirty days from the date of the declaration to any Shareholder entitled to the payment of the dividend, the Company shall, within seven days from the date of expiry of the said period of thirty days, transfer the total amount of dividend which remains unpaid or unclaimed to a special account to be opened by the Company in that behalf in any scheduled bank to be called the 'Unpaid Dividend Account'.
203. Any money transferred to the 'Unpaid Dividend Account' of a company which remains unpaid or unclaimed for a period of 7 (seven) years from the date of such transfer, shall be transferred by the Company to the fund known as Investor Education and Protection Fund established under section 125 of the Act. There shall be no forfeiture of unclaimed dividends before the claim becomes barred by law.
204. All Shares in respect of which the Dividend has not been paid or claimed for 7 (seven) consecutive years or more shall be transferred by the Company in the name of Investor Education and Protection Fund along with a statement containing such details as may be prescribed. Provided that any claimant of Shares so transferred shall be entitled to claim the transfer of Shares from Investor Education and Protection Fund in accordance with such procedure and on submission of such documents as may be prescribed.
205. The Company shall comply with the provisions of the Act in respect of any dividend remaining unpaid or unclaimed with the Company.

### **XXIII. INSPECTION OF ACCOUNTS**

206.
  - (i) The Board shall cause proper books of account to be maintained under Section 128 and other applicable provisions of the Act.
  - (ii) The Board shall, from time to time, in accordance with the Act, determine whether and to what extent and at what times and places and under what conditions or regulations all books of the Company or any of them, shall be open to the inspection of Members not being Directors.
  - (iii) No Member (not being a Director) or other Person shall have any right of inspecting any account book or document of the Company except as conferred by Law or authorised by the Board or by the Company in General Meetings.
  - (iv) Each Director shall be entitled to examine the books, accounts and records of the Company, and shall have free access, at all reasonable times and with prior written notice, to any and all properties and facilities of the Company.

### **XXIV. SECRECY**

207. Every manager, auditor, trustee, member of a Committee, officer, servant, agent, accountant or other Persons employed in the business of the Company shall, if so required by the Board, before entering upon the duties, sign a declaration pledging himself to observe strict secrecy respecting all *bona fide* transactions of the Company with its customers and the state of accounts with individuals and in matters relating thereto and shall by such declaration pledge himself not to reveal any of the matters which may come to his knowledge in the discharge of his duties except when required to do so by the Directors or by any General Meeting or by the Law of the country and except so far as may be necessary in order to comply with any of the provisions in these Articles, the provisions of the Act and the Law.

## **XXV. WINDING UP**

208. The Company may be wound up in accordance with the Act and the Insolvency and Bankruptcy Code, 2016, as amended. (to the extent applicable).

## **XXVI. THE SEAL**

209. (i) The Board shall provide for the safe custody of the seal of the Company.
- (ii) The seal shall not be affixed to any instrument except by the authority of resolution of the Board or a committee of the Board authorised by it in that behalf, and except in the presence of at least 1 (one) Director or Company Secretary or any other official of the Company as the Board may decide and that 1 (one) Director or Company Secretary or such official shall sign every instrument to which the Seal of the Company is so affixed in their presence. The Share certificates will, however, be signed and sealed in accordance with Rule 5 of the Companies (Share Capital and Debentures) Rules, 2014, as amended.

## **XXVII. AUDIT**

210. Subject to the provisions of the Act, the Company shall appoint an auditor at an Annual General Meeting to hold office from the conclusion of that Annual General Meeting until a continuous period of five years or such time as permitted under the Act and Law, and every auditor so appointed shall be informed of his appointment.
211. The Directors may fill up any casual vacancy in the office of the auditors within 30 (thirty) days subject to the provisions of Section 139 and 140 of the Act and the rules framed thereunder.
212. The remuneration of the auditors shall be fixed by the Company in the Annual General Meeting or in such manner as the Company may in the General Meeting determine.

## **XXVIII. GENERAL AUTHORITY**

213. Wherever in the Act, it has been provided that the Company shall have any right, privilege or authority or that the Company cannot carry out any transaction unless the Company is so authorized by its Articles then in that case, these Articles hereby authorize and empower the Company to have such rights, privilege or authority and to carry out such transaction as have been permitted by the Act, without there being any specific Article in that behalf herein provided.

## **XXIX. INDEMNITY**

214. Every officer of the Company shall be indemnified out of the assets of the Company against any liability incurred by him in defending any proceedings, whether civil or criminal, in which judgment is given in his favour or in which he is acquitted or in which relief is granted to him by the court or the National Company Law Tribunal.

## **PART B**

Part B of the Articles of Association of the Company provides for the rights and obligations of the parties to the Existing Investors SHA (as amended) and the Existing Investors WCA.

In case of inconsistency or contradiction, conflict or overlap between Part A and Part B, the provisions of Part B shall, subject to applicable law, prevail and be applicable. However, Part B shall automatically terminate and cease to have any force and effect from the date of listing of Equity Shares of the Company on a recognized stock exchange in India pursuant to the Offer and the provisions of Part A shall continue to be in effect and be in force, without any further corporate or other action, by the Company or by its shareholders.

## **SECTION XI - OTHER INFORMATION**

### **MATERIAL CONTRACTS AND DOCUMENTS FOR INSPECTION**

The copies of the following documents and contracts which have been entered by our Company (not being contracts entered into in the ordinary course of business carried on by our Company), which were deemed material were attached to the copy of the Red Herring Prospectus which were delivered to the RoC for filing. Copies of the abovementioned contracts and also the documents for inspection referred to hereunder, could be inspected at the Registered and Corporate Office between 10 a.m. and 5 p.m. on all Working Days from the date of the Red Herring Prospectus until the Bid/Offer Closing Date.

Any of the contracts or documents mentioned in this Prospectus may be amended or modified at any time if so required in the interest of our Company or if required by the other parties, without reference to the Shareholders, subject to compliance of the provisions contained in the Companies Act and other applicable law.

#### **A. Material Contracts for the Offer**

1. Offer agreement dated May 15, 2021 as amended pursuant to the amendment to the Offer Agreement dated July 24, 2021, entered into between our Company, the Selling Shareholders and the BRLMs.
2. Registrar agreement dated May 13, 2021 entered into between our Company, the Selling Shareholders and the Registrar to the Offer.
3. Cash escrow and sponsor bank agreement dated July 28, 2021, entered into between our Company, the Selling Shareholders, the Registrar to the Offer, the Syndicate Members, the BRLMs and the Banker(s) to the Offer.
4. Share escrow agreement dated July 28, 2021, entered into between the Selling Shareholders, our Company and the Share Escrow Agent.
5. Syndicate agreement dated July 28, 2021, entered into between our Company, the Selling Shareholders, the BRLMs, the Registrar and the Syndicate Members.
6. Monitoring agency agreement dated July 28, 2021, entered into between our Company and the Monitoring Agency.
7. Underwriting agreement dated August 10, 2021 entered into between our Company, the Selling Shareholders, and the Underwriters.

#### **B. Material Documents**

1. Certified copies of the Memorandum of Association and Articles of Association as amended from time to time.
2. Original certificate of incorporation dated December 22, 2010.
3. Fresh certificate of incorporation consequent upon change of name of our Company, dated January 29, 2015.
4. Fresh certificate of incorporation consequent upon conversion to public limited company dated May 6, 2021.
5. Resolution of the Board of Directors dated May 13, 2021 approving the Offer.
6. Resolution of the Shareholders of our Company dated May 14, 2021 approving the Fresh Issue.
7. Resolution of the Board of Directors of our Company dated May 14, 2021 approving the Draft Red Herring Prospectus.
8. Resolution of the IPO committee of our Company dated May 15, 2021 approving the Draft Red Herring Prospectus.

9. Resolution of the Board of Directors of our Company dated July 28, 2021 approving the Red Herring Prospectus.
10. Resolution of the IPO Committee dated July 29, 2021 approving the Red Herring Prospectus.
11. Resolution of the Board of Directors of our Company dated August 10, 2021 approving this Prospectus.
12. Resolution of the IPO Committee dated August 10, 2021 approving this Prospectus.
13. Consent letters each dated May 14, 2021 from Kitara, Phi Capital and Lotus Management Solutions (acting through Mayur Sirdesai) and consent letter dated July 23, 2021 from Somerset Indus Healthcare Fund 1, in their capacity as Selling Shareholders, in relation to the Offer for Sale.
14. Consent dated July 23, 2021 from CRISIL to rely on and reproduce part or whole of the CRISIL Report and include their name in this Prospectus.
15. Consent dated July 28, 2021, from the Statutory Auditors to include their name as an “expert” as defined under section 2(38) of the Companies Act, 2013 to the extent and in their capacity as the Statutory Auditors and in respect of the: (i) Restated Financial Statements and their examination report dated July 23, 2021 on the Restated Financial Statements; and (ii) the statement of possible special tax benefits dated July 23, 2021, included in this Prospectus.
16. Consent letter dated July 22, 2021 from the independent project consultant, namely, Oriens Advisors LLP, to include their name in this Prospectus as an “expert” as defined under Section 2(38) of the Companies Act, 2013, to the extent and in their capacity as an independent engineering firm and project consultant viz. the Project Reports and certain details included in this Prospectus in relation to the objects of the Offer and such consent has not been withdrawn as on the date of this Prospectus.
17. The examination report dated July 23, 2021 of the Statutory Auditors on our Restated Financial Statements.
18. Amended and Restated Shareholders Agreement dated December 22, 2018, by and amongst our Company, our Promoter, Pallavi Bhatevara, Somerset, Kitara, Phi Capital, Mayur Sirdesai (on behalf of M/s. Lotus Management Solutions), Sanjay Pandhare, Suvidh Banthia, Sachin Dhoka, Anand Chhajed, Manas Dhoka, Rajendra Bhandari, Narayan Chighalikar, Rohit Karpe and Kirankumar Bhise and amendment agreement dated July 1, 2020 by and amongst the parties abovenamed.
19. Share subscription agreement dated December 22, 2018, by and amongst our Company, our Promoter, Pallavi Bhatevara, Phi Capital, Sanjay Pandhare, Suvidh Banthia, Sachin Dhoka, Anand Chhajed, Manas Dhoka, Rajendra Bhandari, Narayan Chighalikar, Rohit Karpe and Kirankumar Bhise.
20. Waiver and Amendment Agreement dated May 14, 2021, to the Amended and Restated Shareholders Agreement dated December 22, 2018, by and amongst our Company, our Promoter, Pallavi Bhatevara, Somerset, Kitara, Phi Capital, Mayur Sirdesai (on behalf of Lotus Management Solutions), Sanjay Pandhare, Suvidh Banthia, Sachin Dhoka, Anand Chhajed, Manas Dhoka, Rajendra Bhandari, Narayan Chighalikar, Rohit Karpe and Kirankumar Bhise.
21. Report titled “*Assessment of the diagnostic industry in India with a special focus on government spending*” dated July 2021 prepared by CRISIL.
22. Copies of annual reports of our Company for the Fiscals 2021, 2020 and 2019.
23. Copy of the ESOP Scheme.
24. Consent of the Directors, BRLMs, Syndicate Members, the legal counsel to our Company as to Indian law, legal counsel to the BRLMs as to Indian Law, International legal counsel to the BRLMs, Registrar to the Offer, Banker(s) to the Offer, Bankers to our Company, Monitoring Agency, Company Secretary and Compliance Officer, as referred to in their specific capacities.
25. Tripartite agreement dated April 29, 2021, among our Company, NSDL and the Registrar to the Offer.
26. Tripartite agreement dated April 27, 2021, among our Company, CDSL and the Registrar to the Offer.

27. Due diligence certificate dated May 15, 2021 addressed to SEBI from the BRLMs.
28. In-principle listing approvals dated June 4, 2021 and June 22, 2021 issued by BSE and NSE, respectively.
29. SEBI's final observation letter (no. SEBI/HO/CFD/DIL2/P/OW/2021/15935/1) dated July 20, 2021
30. SEBI's letter bearing reference (no. CFD/DIL2/P/OW/2021/15933/1) dated July 20, 2021 exempting classification of certain natural persons and entities as members of the Promoter Group.



## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

**Signed by the Director of our Company**

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Rajendra Mutha

*Executive Chairman and Whole-time Director*

**Place:** Pune

**Date:** August 10, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

**Signed by the Director of our Company**

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Pallavi Bhatevara

*Managing Director*

**Place:** Pune

**Date:** August 10, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

**Signed by the Director of our Company**

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Yash Mutha

*Whole-time Director*

**Place:** Pune

**Date:** August 10, 2021

## DECLARATION

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**Signed by the Director of our Company**

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Prem Pradeep

*Non-Executive Nominee Director*

**Place:** Bengaluru, India

**Date:** August 10, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

**Signed by the Director of our Company**

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Chhaya Palrecha

*Non-Executive Independent Director*

**Place:** Pune

**Date:** August 10, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

**Signed by the Director of our Company**

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Chetan Desai

*Non-Executive Independent Director*

**Place:** Mumbai

**Date:** August 10, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

**Signed by the Director of our Company**

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Prakash Iyer

*Non-Executive Independent Director*

**Place:** Pune

**Date:** August 10, 2021

## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

**Signed by the Director of our Company**

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Rajiva Ranjan Verma

*Non-Executive Independent Director*

**Place:** Mumbai

**Date:** August 10, 2021



## DECLARATION

I hereby certify and declare that all relevant provisions of the Companies Act and the rules, guidelines/regulations issued by the Government of India or the guidelines/regulations issued by the SEBI, established under Section 3 of the SEBI Act, as the case may be, have been complied with and no statement made in this Prospectus is contrary to the provisions of the Companies Act 2013, the SCRA, the SCRR, the SEBI Act or rules made or guidelines or regulations issued thereunder, as the case may be. I further certify that all statements made in this Prospectus are true and correct.

**Signed by the Chief Financial Officer of our Company**

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Pawan Daga

*Chief Financial Officer*

**Place:** Pune

**Date:** August 10, 2021

## **DECLARATION**

We, Kitara PIIN 1104, acting as a Selling Shareholder, hereby certify and declare that all statements, disclosures and undertakings made or confirmed by me in this Prospectus in relation to ourselves and the Equity Shares being offered by us in the Offer are true and correct. We assume no responsibility, as a Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

**Signed for and on behalf of Kitara PIIN 1104**

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**Authorised Signatory:** Farhana Alimohamed

**Designation:** Director

**Place:** Ebene, Mauritius

**Date:** August 10, 2021

## DECLARATION

We, Phi Capital Trust-Phi Capital Growth Fund-I, acting as a Selling Shareholder, hereby certify and declare that all statements, disclosures and undertakings made or confirmed by me in this Prospectus in relation to ourselves and the Equity Shares being offered by us in the Offer are true and correct. We assume no responsibility, as a Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

**Signed for and on behalf of Phi Capital Trust-Phi Capital Growth Fund-I**

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**Authorised Signatory:** Mr. Sivaraman Padmanabhan

**Designation:** Authorised Signatory, Designated Partner, Phi Support Services India LLP, Trustee of Phi Capital Trust

**Place:** New Delhi

**Date:** August 10, 2021

## DECLARATION

We, Somerset Indus Healthcare Fund I Limited, acting as a Selling Shareholder, hereby certify and declare that all statements, disclosures and undertakings made or confirmed by me in this Prospectus in relation to ourselves and the Equity Shares being offered by us in the Offer are true and correct. We assume no responsibility, as a Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

**Signed for and on behalf of Somerset Indus Healthcare Fund I Limited**

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**Authorised Signatory:** Avinash A. Kenkare

**Designation:** Director

**Place:** Gwynedd Valley, PA, U.S.A

**Date:** August 10, 2021

## **DECLARATION**

We, Lotus Management Solutions (acting through Mayur Sirdesai), acting as a Selling Shareholder, hereby certify and declare that all statements, disclosures and undertakings made or confirmed by me in this Prospectus in relation to ourselves and the Equity Shares being offered by us in the Offer are true and correct. We assume no responsibility, as a Selling Shareholder, for any other statements, including, any of the statements made or confirmed by or relating to the Company or any other person(s) in this Prospectus.

**Signed by Mayur Sirdesai (on behalf of Lotus Management Solutions)**

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**Mayur Sirdesai**

**Place:** Mumbai

**Date:** August 10, 2021